AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 1998

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

DELAWARE	4899	65-0598206
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

116 HUNTINGTON AVENUE, BOSTON, MASSACHUSETTS 02116, (617) 375-7500
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

STEVEN B. DODGE
AMERICAN TOWER SYSTEMS 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)

COPY TO:
NORMAN A. BIKALES, ESQ.
SULLIVAN & WORCESTER LLP
ONE POST OFFICE SQUARE
BOSTON, MASSACHUSETTS 02109
(617) 338-2800

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

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is a compliance with General Instruction G, check the following box. [_]

If this form is filed to register additional securities for an offering pursuant to Rule 464(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SECURITY	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Class A Common Stock, $.01 par value.....	36,042,476	(1)	(2)	(2)
Class B Common Stock, $.01 par value.....	5,044,434	(1)	(2)	(2)
Class C Common Stock, $.01 par value.....	1,295,518	(1)	(2)	(2)

(1) The Securities registered hereby will be offered pursuant to the Amended and Restated Merger Agreement (the "CBS Merger Agreement") dated December 18, 1997, as amended, by and among CBS Corporation, R Acquisition Corp. and American Radio Systems Corporation ("ARS") to ARS common stockholders by the Registrant on a pro rata basis pursuant to the CBS Merger or the Tower Merger as defined in the CBS Merger Agreement.
(2) In accordance with Rule 457(f)(2), the registration fee for the Securities offered pursuant to the CBS Merger is $44,250 based on the book value of the Securities of the Registrant as of February 2, 1998 ($150,000,000).

Pursuant to Rule 457(b), no registration fee is due with respect to such Securities because American Radio paid a filing fee of $383,713 in connection with the filing of a Preliminary Information Statement on December 19, 1997.

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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AMERICAN RADIO SYSTEMS CORPORATION
116 HUNTINGTON AVENUE
BOSTON, MA 02116

February , 1998

Dear Stockholder:

On behalf of the Board of Directors of American Radio Systems Corporation, I am pleased to inform you that American Radio and CBS Corporation have entered into the Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997 (as amended, the "Merger Agreement"). Pursuant to the Merger Agreement, American Radio will be merged (the "Merger") with, and become, a subsidiary of CBS. Upon consummation of the Merger, unless the Tower Merger (as defined below) has previously been consummated, each outstanding share of American Radio common stock (the "ARS Common Stock") will be converted into (i) $44.00 in cash and (ii) one share of the common stock of American Tower Systems Corporation (the "ATS Common Stock"), currently a majority-owned subsidiary of American Radio ("ATS"), of the same class as the class of ARS Common Stock surrendered.

The Merger Agreement is the culmination of the decision by the Board to dispose of the radio broadcasting business to a third party and to separate the communications sites business into a separate publicly owned corporation for the benefit of the holders of ARS Common Stock. This separation (the "Tower Separation") will be effected pursuant to the consummation of the Merger or, in the event the Merger has not been consummated on or prior to May 31, 1998 (which date could be extended with the consent of CBS and a third party with which ATS has entered into a merger agreement), pursuant to the merger of a newly organized wholly-owned subsidiary into American Radio (the "Tower Merger"). Pursuant to the Tower Merger, holders of ARS Common Stock will receive the same number and class of shares of ATS Common Stock as they would have received had the Merger been consummated at such time, in exchange for a portion of their ARS Common Stock. In such event, the amount of cash to be received per share for ARS Common Stock pursuant to the Merger will be increased in proportion to the reduction in the number of shares of ARS Common Stock outstanding following the Tower Merger so that each ARS common stockholder will receive the same aggregate amount of cash consideration pursuant to the Merger as he or she would have received had the Tower Merger not occurred. In the event the Tower Merger were consummated but the Merger were not, American Radio common stockholders would continue to own their interests in American Radio and such interests, while represented by a reduced number of shares, would represent the same proportionate interests as existed immediately prior to the Tower Merger.

Following consummation of the Merger (or the Tower Merger), ATS will operate as an independent publicly owned corporation. Application will be made to list the Class A Common Stock of ATS (the class that will be distributed to current holders of ARS Class A Common Stock) on the Nasdaq National Market. Subject to the satisfaction of various closing conditions, including approval of the Federal Communications Commission to the transfer of control of American Radio's FCC licenses to CBS and the expiration or earlier termination of the antitrust waiting period, the Merger is expected to be consummated this spring.

In the event the Merger (but not the Tower Merger) is consummated, a holder of ARS Common Stock holding his or her shares as a capital asset will recognize capital gain or loss equal to the difference between the tax basis in the ARS Common Stock surrendered pursuant to the Merger and the sum of (i) the aggregate cash received and (ii) the fair market value of the shares of ATS Common Stock received pursuant to the Merger. In the event both the Tower Merger and the Merger are consummated, as explained more fully in the Information Statement/Prospectus, comparable tax consequences will ensue for the American Radio common stockholders. However, in the event the Tower Merger were consummated and the Merger were not, the redemption of shares of ARS Common Stock pursuant to the Tower Merger would not meet the applicable requirements of the Internal Revenue Code for such redemption to qualify for sale or exchange treatment, and the fair market value of the shares of ATS Common Stock received pursuant to the Tower Merger would be taxable as a dividend. Because of these adverse federal income tax consequences, the Board of Directors has not made a final determination whether to proceed with the Tower Merger. It intends to evaluate all of the facts and circumstances existing at

the time of any such proposed consummation to determine whether it is in the best interests of the American Radio common stockholders, notwithstanding such possible adverse tax consequences. Because the federal income tax consequences of the Merger and the Tower Merger are far more complex than the brief foregoing summary, I urge you to review carefully the detailed material included in the Information Statement/Prospectus, and to confer with your tax advisors.

The Board of Directors has unanimously approved the Merger and determined that its terms are fair to, and in the best interest of, the holders of ARS Common Stock. In reaching its conclusion, the Board gave careful consideration to a number of factors, which are described in the Information Statement/Prospectus. I urge you to read the enclosed material carefully, particularly before determining whether to exercise your appraisal rights. Credit Suisse First Boston was engaged to act as American Radio's financial advisor in connection with the Merger. Credit Suisse First Boston delivered its written opinion dated September 19, 1997 (the date the Merger Agreement was originally entered into by the parties), which, in effect, states that as of such date the $44.00 per share to be received by the holders of ARS Common Stock for their interest in American Radio's radio broadcasting business was fair to such stockholders from a financial point of view. Stockholders should recognize that the opinion of Credit Suisse First Boston addressed only the issue of the fairness of the cash consideration to be received for the radio broadcasting business of ARS and did not address the issue of the fairness of the distribution of ATS Common Stock as part of the Tower Separation. The Board of Directors did not seek the opinion of Credit Suisse First Boston (or any other firm) as to the fairness of the distribution of ATS Common Stock as part of the Tower Separation (whether pursuant to the Merger or the Tower Merger) because such distribution will be made to ARS common stockholders on a pro rata basis and will preserve the relative voting rights of the ARS common stockholders at the time of the Tower Separation. A copy of the opinion of Credit Suisse First Boston is included in its entirety as Appendix III to the Information Statement/Prospectus.

On December 19, 1997, certain stockholders of American Radio, owning of record in excess of 50% of the combined voting power of the ARS Common Stock then outstanding, delivered written consents approving the Merger, the Tower Merger and the Tower Separation. These written consents are sufficient under the Delaware General Corporation Law to approve the Merger Agreement and the Tower merger agreement, and, therefore, no further action by the stockholders of American Radio is necessary to consummate the Merger or the Tower Merger and no such approval will be sought. The stockholders who so consented to the Merger and the Tower Merger consisted principally of members of the Board of Directors (Messrs. Box (and his wife), Kellar, Stoner (and certain members of his family or trusts for their benefit), and myself) and a partner of our legal counsel, Sullivan & Worcester LLP.

On or about the time the Merger (and/or the Tower Merger) is expected to be consummated, a letter of transmittal and instructions for its use will be sent to holders of ARS Common Stock to enable such holders to surrender such stock in exchange for the cash and ATS Common Stock (or ATS Common Stock only, in the case of the Tower Merger) as described above. Accordingly, you are requested not to surrender your certificates for exchange until you receive a letter of transmittal and instructions on how to surrender your shares in connection with consummation of the Merger and/or the Tower Merger.

It has been a pleasure serving as an officer and director and sharing in the rewards as a fellow stockholder in American Radio, and I look forward to continuing those relationships with you in American Tower Systems.

Sincerely,

Steven B. Dodge
Chairman of the Board
and Chief Executive Officer

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THE SECURITIES OF AMERICAN TOWER SYSTEMS +
+CORPORATION 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 DOES 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 THE REGISTRATION OR +
+QUALIFICATION UNDER THE SECURITIES LAWS OF ANY STATE. +
+++

SUBJECT TO COMPLETION, DATED FEBRUARY 10, 1998

INFORMATION STATEMENT/PROSPECTUS

INFORMATION STATEMENT FOR AMERICAN RADIO SYSTEMS CORPORATION
PROSPECTUS FOR AMERICAN TOWER SYSTEMS CORPORATION

This Information Statement/Prospectus is being furnished by American Radio Systems Corporation, a Delaware corporation ("American Radio" or "ARS"), and American Tower Systems Corporation, a Delaware corporation and currently a majority-owned subsidiary of ARS ("American Tower Systems" or "ATS"), in connection with the disposition of ARS' radio broadcasting business and the separation of its communications site business (the "Tower Separation"), pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, among ARS, CBS Corporation, a Pennsylvania corporation ("CBS"), and a wholly-owned subsidiary of CBS (as amended, the "Merger Agreement") providing for the merger (the "Merger") of such subsidiary with and into ARS. Upon consummation of the Merger (unless the Tower Merger has previously been consummated) each holder of record of ARS common stock (the "ARS Common Stock") will receive:

(a) $44.00 per share in cash; and

(b) one share of common stock of American Tower Systems (the "ATS Common Stock") of the same class as the class of ARS Common Stock surrendered.

In the event the Merger is not consummated on or prior to May 31, 1998 (which date could be extended with the consent of CBS and a third party with which ATS has entered into a merger agreement), the Tower Separation may be consummated before the Merger pursuant to a merger (the "Tower Merger") between American Radio and a newly organized wholly-owned subsidiary of American Radio. Pursuant to the Tower Merger, holders of ARS Common Stock will receive the same number and class of shares of ATS Common Stock as they would have received had the Merger been consummated at such time, in exchange for a portion of their ARS Common Stock. In such event, the amount of cash to be received per share of ARS Common Stock pursuant to the Merger will be increased in proportion to the reduction in the number of shares of ARS Common Stock outstanding following the Tower Merger so that each American Radio common stockholder will receive the same aggregate amount of cash consideration he or she would have received had the Tower Merger not occurred. In the event the Tower Merger were consummated but the Merger were not, American Radio common stockholders would continue to own their interests in American Radio and such interests, while represented by a reduced number of shares, would represent the same proportionate interests as existed immediately prior to the Tower Merger. However, because of the adverse federal income tax consequences which would result from consummation of the Tower Merger if the Merger were not thereafter consummated, the Board of Directors of American Radio has not made a final determination whether to proceed with the Tower Merger.

The Merger and the Tower Merger have been approved by the Board of Directors of American Radio and by the holders of shares representing the required majority of the voting power of ARS Common Stock. As a result of the Merger, American Radio will become a subsidiary of CBS. Consummation of the Merger is subject, among other things, to the expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), and the approval by the Federal Communications Commission (the "FCC") of the transfer of control of ARS' FCC licenses with respect to its radio stations to CBS. Subject to the satisfaction of such conditions, the Merger is expected to be consummated in the spring of 1998. Following consummation of the Merger (or the Tower Merger), American Tower Systems will operate as an independent publicly owned corporation. Application will be made to list the ATS Class A Common Stock on the Nasdaq National Market. To date, there has been no trading market for any class of ATS Common Stock.

This Information Statement/Prospectus is also being furnished in connection with the decision by the holders of ARS Common Stock whether to exercise their appraisal rights with respect to the Merger under the Delaware General Corporation Law. See "The Merger and Tower Separation--Appraisal Rights".

IN REVIEWING THIS INFORMATION STATEMENT/PROSPECTUS, STOCKHOLDERS SHOULD CAREFULLY CONSIDER THE MATTERS DESCRIBED UNDER THE SECTION ENTITLED "RISK FACTORS" ON PAGE 18.

THE MERGER AND THE TOWER MERGER HAVE BEEN APPROVED BY HOLDERS OF ARS COMMON STOCK OWNING SUFFICIENT VOTING POWER TO APPROVE SUCH ACTIONS. THIS INFORMATION STATEMENT/PROSPECTUS IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION AND IN CONNECTION WITH THE EXERCISE OF APPRAISAL RIGHTS. ARS IS NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY. DO NOT SEND SHARES OF ARS COMMON STOCK AT THIS TIME.

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.

The date of this Information Statement/Prospectus is February ., 1998 and is being mailed to the ARS common stockholders on or about February ., 1998.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS INFORMATION STATEMENT/PROSPECTUS IN CONNECTION WITH THE MERGER OR THE TOWER SEPARATION, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS INFORMATION STATEMENT/PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, ANY SECURITIES. NEITHER THE DELIVERY OF THIS INFORMATION STATEMENT/PROSPECTUS NOR ANY DELIVERY OF ATS COMMON STOCK, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION CONTAINED HEREIN OR IN THE AFFAIRS OF AMERICAN RADIO OR AMERICAN TOWER SYSTEMS SINCE THE DATE HEREOF.

AVAILABLE INFORMATION

American Radio is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission" or the "SEC"). Such reports, proxy statements, and other information can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and 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. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The Commission maintains a Web site that contains reports, proxy statements and other information regarding American Radio; the address of such site is http://www.sec.gov. In addition, reports, proxy statements and other information concerning American Radio may also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York, 10005.

American Tower Systems has filed with the Commission a Registration Statement on Form S-4 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the ATS Class A Common Stock to be distributed pursuant to the Tower Separation. This Information Statement/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 Information Statement/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. A copy of the Registration Statement may be inspected without charge at the offices of the Commission, and copies of all or any part of the Registration Statement may be obtained from the Public Reference Section of the Commission upon the payment of the fees prescribed by the Commission.

American Tower Systems intends to furnish its stockholders with annual reports containing consolidated financial statements audited by an independent public accounting firm and quarterly reports for the first three quarters of each fiscal year containing interim consolidated financial information.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, which have been filed by American Radio with the Commission (File No. 0-26102), are incorporated herein by reference: (i) Annual Report on Form 10-K for the year ended December 31, 1996 (the "ARS 10-K"); (ii) Quarterly Reports on Form 10-Q for the quarters ended March 31, 1997, June 30, 1997 and September 30, 1997 (the "ARS September 1997 10-Q"); (iii) Current Reports on Form 8-K dated January 3, 1997, January 22, 1997, February 10, 1997, February 18, 1997, March 18, 1997, April 17, 1997, April 18, 1997, May 30, 1997, July 14, 1997, September 26, 1997, October 16, 1997, October 24, 1997, December 23, 1997, January 9, 1998, January 23, 1998 and February 6, 1998; (iv) Schedule 14A dated April 21, 1997; and (v) the description of the ARS Common Stock contained in the Registration Statement on Form 8-A dated May 22,

1995 (the "ARS Form 8-A"). In addition, the Annual Report on Form 10-K for the year ended December 31, 1996 filed by EZ Communications, Inc. (which was merged into ARS in April 1997 (the "EZ Merger")) with the Commission (File No. 0-16265), is incorporated herein by reference. All documents filed by American Radio pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the initial filing of this Information Statement/Prospectus and prior to its effectiveness and subsequent to the date of this Information Statement/Prospectus and prior to the date of the Merger shall be deemed to be incorporated by reference into this Information Statement/Prospectus and to be a part hereof from the date any such document is filed.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Information Statement/Prospectus to the extent that a statement contained herein (or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein) modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Statement/Prospectus.

THIS INFORMATION STATEMENT/PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. AMERICAN RADIO WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM A COPY OF THIS INFORMATION STATEMENT/PROSPECTUS IS DELIVERED, UPON WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS THAT ARE INCORPORATED BY REFERENCE HEREIN, OTHER THAN EXHIBITS TO SUCH DOCUMENTS (UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE INTO SUCH DOCUMENTS). REQUESTS SHOULD BE DIRECTED TO AMERICAN RADIO SYSTEMS CORPORATION, 116 HUNTINGTON AVENUE, BOSTON, MASSACHUSETTS, 02116, ATTENTION: BRUCE G. DANZIGER, DIRECTOR OF INVESTOR RELATIONS. IN ORDER TO ENSURE TIMELY DELIVERY OF THE DOCUMENTS, ANY REQUEST SHOULD BE MADE BY FEBRUARY . , 1998 (WHICH IS THE DATE FIVE BUSINESS DAYS PRIOR TO THE DATE ON WHICH A DECISION WHETHER TO EXERCISE APPRAISAL RIGHTS MUST BE MADE).

ARS' and ATS' principal executive offices are located at 116 Huntington Avenue, Boston, Massachusetts, 02116 and their telephone number is (617) 375-7500.

FORWARD-LOOKING STATEMENTS

This Information Statement/Prospectus sets forth or incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act. Discussions containing such forward-looking statements may be found in the material set forth or referred to under "Summary--American Tower Systems", "Business of American Tower Systems", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems", as well as within the Information Statement/Prospectus generally. In addition, when used in this Information Statement/Prospectus, the words "believes," "anticipates," "expects," and similar expressions are intended to identify forward-looking statements. Such statements are subject to a number of risks and uncertainties. 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 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--Risk Factors Relating to American Tower Systems".

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SUMMARY

All information with respect to American Tower Systems Corporation, a Delaware corporation ("American Tower Systems" or "ATS"), and American Radio Systems Corporation, a Delaware corporation ("American Radio" or "ARS"), except as otherwise noted below, gives effect to the consummation of all acquisitions, dispositions and exchanges of communications sites and related businesses and radio stations which have been consummated since January 1, 1997 or which are subject to a binding agreement (the "Recent Transactions"). See "Business of American Tower Systems--Recent Transactions." The Unaudited Pro Forma Condensed Consolidated Financial Statements of ATS (and certain other pro forma financial information) give effect only to the ATS Pro Forma Transactions, which do not include all of the Recent Transactions but do include consummation of the ATS Stock Purchase Agreement and the transfer of towers from ARS to ATS in connection with the Tower Separation. See the "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems".

The term "Tower Separation" as used in this Information Statement/Prospectus refers to the separation of the communications site business into a separate publicly traded corporation. The Tower Separation will consist of a sale of the radio broadcasting business to CBS and the distribution of the ATS Common Stock to the holders of ARS Common Stock. The Tower Separation will be effected pursuant to the Merger or, under certain circumstances which management does not anticipate occurring, the Tower Merger (which, if consummated, will occur prior to the consummation of the Merger). Whether or not the Tower Merger is consummated, the holders of ARS Common Stock will receive the identical aggregate amount of cash and number of shares of American Tower Systems.

The following is a summary of certain information contained in this Information Statement/Prospectus. This summary is not intended to be complete and is qualified in its entirety by reference to the more detailed information set forth or incorporated by reference in this Information Statement/Prospectus.

AMERICAN TOWER SYSTEMS

General

American Tower Systems is a leading independent owner and operator of wireless communications towers in the U.S. with over 1,580 towers in 39 states and the District of Columbia, including approximately 510 towers managed for third party owners (of which approximately 255 are rooftop towers). Of such 1,580 towers, approximately 810 are presently operated by ATS (approximately 425 of which are owned by it and the balance of which are managed for others), and approximately 775 are presently operated by American Tower Corporation (of which approximately 125 are managed for a third party; ATC is a party to agreements or letters of intent to acquire approximately 125 currently operating towers). In addition to such 1,580 towers, ATS and ATC have more than 90 and 50 towers, respectively, currently under construction. ATS rents tower space and provides related services for a diverse range of wireless communications industries including: personal communications services, cellular, paging, specialized mobile radio, enhanced specialized mobile radio and fixed microwave, as well as radio and television broadcasters. ATS has significant networks of sites throughout the United States with its most significant tower networks in California, Florida and Texas, and owns and operates communications sites or is constructing networks of tower sites in cities such as Albuquerque, Atlanta, Austin, Baltimore, Boston, Dallas, Jacksonville, Kansas City, Los Angeles, Miami-Ft. Lauderdale, Nashville, New York, Philadelphia, Sacramento, San Antonio, San Diego, San Francisco, Tucson, Washington, D.C. and West Palm Beach. On a pro forma basis ATS' customers (which aggregate more than 2,390) include many of the major companies in the wireless communications industries, including: AT&T, Arch, Bell Atlantic Mobile, BellSouth Mobility, GTE Mobilnet, Houston Cellular, Prime Co., Metrocall, Nextel, PageMart, PageNet, Pittencrief Communications, SBC Communications, Southwestern Bell, SNET and Sprint, and in the radio and television broadcasting industry, including: ABC, American Radio, CBS, Chancellor Media, Clear Channel, CNN, Fox, Jacor and NBC. While none of ATS' customers accounted for as much as 10% of its pro forma revenues for the nine months ended September 30, 1997, most of the named customers accounted for more than 1% of such revenues and each is considered by ATS to be an important customer.

ATS' primary business is the leasing of antennae sites on multi-tenant towers and rooftops, primarily for its own towers and, to a lesser extent, for unaffiliated communications site owners. In support of its rental business, ATS also offers its customers network development services, including: site acquisition, zoning, antennae installation, site construction and network design. These services are offered on a time and materials or fixed fee basis or incorporated into build to suit construction contracts. American Tower Systems 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. For the nine months ended September 30, 1997, giving effect to the ATS Pro Forma Transactions, ATS had revenues and EBITDA of $66.0 million and $30.4 million, respectively.

Recent Developments

On December 12, 1997, ATS entered into an Agreement and Plan of Merger (the "ATC Merger Agreement") with American Tower Corporation, an unaffiliated Delaware corporation ("ATC"), pursuant to which, following the Tower Separation, ATC will merge with and into ATS, which will be the surviving corporation (the "ATC Merger"). ATC is a leading independent owner and operator of wireless communications towers with approximately 775 towers in 31 states. Pursuant to the ATC Merger, ATS will issue an aggregate of approximately 31.1 million shares of ATS Class A Common Stock (including shares issuable upon exercise of options). Such number of shares will represent 35% of the number of shares of ATS Common Stock that would be outstanding, assuming consummation of the Merger, the ATC Merger, the exercise of all options to acquire ARS Common Stock, ATC Common Stock and ATS Common Stock proposed to be outstanding, and the conversion of all shares of ARS Convertible Preferred Stock. Consummation of the ATC Merger is conditioned on, among other things, the expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and consummation of the Tower Separation and, accordingly, is not expected to take place until the spring of 1998. On January 28, 1998, the Justice Department issued a formal request for additional information (a "Second Request"). ATS and ATC are in the process of compiling the information requested by the Justice Department and intend to meet with its representatives to address any questions they may have regarding such information. Upon consummation of the ATC Merger, ATS will be renamed American Tower Corporation. A description of the business and management of ATC, as well as certain financial information, is included in Appendix V to, and ATC's consolidated financial statements are included in, this Information Statement/Prospectus. See "Business of American Tower Systems--Recent Transactions--ATC Merger".

On January 22, 1998, ATS consummated an agreement to acquire a company engaged primarily in the site acquisition business for third parties that also owns or has under construction 40 towers (the "Gearon Transaction"). The merger price of approximately $80.0 million was paid by delivery of 5,333,333 shares of ATS Class A Common Stock, and approximately $30.0 million in cash and assumed liabilities. See "Business of American Tower Systems--Recent Transactions".

On January 22, 1998, American Tower Systems consummated a 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. See "The Merger and Tower Separation--ATS Stock Purchase Agreement".

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 ("CTIA") 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 personal communication services ("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 network 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 and 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 enhanced specialized mobile radio ("ESMR")) which have a reduced cell range and thus require a more dense network, or "footprint", of towers. The Personal Communications Industry Association ("PCIA") 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 industry has become more competitive, many carriers are seeking to focus their capital and operational resources primarily on activities that contribute directly to subscriber growth, such as the marketing and distribution of products. Management believes that these carriers, therefore, may seek to preserve capital and to speed access to their markets through the outsourcing of infrastructure requirements such as communications site ownership, construction, operation and maintenance. Also, in order to accelerate network deployment or expansion and to generate efficiencies, ATS has observed in the course of its operations that many 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 trend in local municipalities to slow the proliferation of towers in their communities by requiring that towers accommodate multiple tenants.

ATS believes that 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 had been the historical model, working with a large number of individual tower owners, construction companies and other service providers. There can be no assurance that ATS will be able to secure a substantial portion of such potential business. See "Risk Factors".

While the wireless communications industry is experiencing rapid growth, the television broadcasting industry, pursuant to a mandated construction timetable imposed on television broadcast licensees by the Federal Communications Commission ("FCC"), is actively planning its strategy for the transition from analog to digital technology. The FCC construction timetable, although subject to potential revision by the FCC, 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 even 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.

Management believes that, in addition to the favorable growth and outsourcing trends in the wireless communications and broadcasting industries, the communications site industry benefits from several favorable characteristics including: a diversified customer base, a stable and growing revenue stream based primarily on long-term leases from substantial companies, low tenant "churn" due to the costs and disruption associated with reconfiguring a wireless network or broadcasting location, local government initiatives to reduce the numbers of towers thereby requiring carriers to co-locate towers, and the opportunity to consolidate in what is currently a highly fragmented industry, thereby creating the potential for enhanced levels of customer service and operating efficiency.

Growth Strategy

ATS' objective is to maintain and extend its position as a leading U.S. provider of communications sites and network development services to the wireless communications and broadcasting industries. ATS' growth strategy includes:

Internal Growth through Selling, Service and Capacity Utilization. Management believes that a substantial opportunity for profitable growth exists by maximizing the utilization of existing towers through targeted sales and marketing techniques. 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' 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. ATS focuses on building or acquiring towers engineered to hold as many tenants as possible and acquiring towers with underutilized capacity because the costs of operating a site are largely fixed, and increasing tower utilization results in significantly improved site operating margins. 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.

Growth by Construction (Build to Suit). ATS believes that attractive investment returns can be achieved by constructing new tower networks ("footprints") 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 (in much the same manner as a shopping mall developer), ATS will seek to develop an overall master plan for a particular market by locating new sites in areas identified by its customers as optimal for their network expansion requirements (build to suit). ATS generally secures commitments for leasing prior to commencing construction, thereby minimizing, to some extent, the risks associated with the investment. 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 are also pursued as a means of filling out or, in certain cases, initiating a tower network.

American Tower Systems currently has under construction or plans to construct during 1998 (exclusive of those which ATC is constructing or plans to construct) approximately 300 towers (most of which are on a build to suit basis) at an estimated aggregate cost of approximately $60.0 million. In addition, ATS is actively competing for the opportunity to construct more than 600 towers in 1998 for an estimated cost of approximately $120.0 million, although there can be no assurance as to how many, if any, of such towers ATS will be engaged to construct. ATC has under construction or plans to construct during 1998 approximately 125 towers at an estimated aggregate cost of approximately $28.0 million.

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 substantial majority of these designed to serve the wireless communications industry.

ATS believes that the ability to obtain, and commit to, large new construction (build to suit) projects will require significant financial resources. 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, although there can be no assurance that funds will be available to ATS on such terms. Further, management believes that its cost of capital, relative to the cost of capital of its competitors, will be an important factor in implementing this aspect of its growth strategy.

Growth by Acquisition. ATS intends to continue to target strategic acquisitions in markets or regions where it already owns towers as well as new markets, including possibly non-U.S. markets. ATS has achieved a leading industry position primarily through acquisitions. 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. ATS may also pursue acquisitions related to the communications site industry, including companies engaged in the tower fabrication business.

While to date the majority of ATS' growth has resulted from acquisition activities, once the remaining Recent Transactions are consummated, management expects to shift ATS' emphasis more toward build to suit and new tower construction, where it believes investment returns are more attractive. It will, however, continue to evaluate numerous acquisition prospects, and expects to consummate selected acquisitions when the economics or fit are sufficiently attractive.

Growth through the Negotiation of Lease Escalators. The value of a tower and its growth prospects are affected by the terms of the leases associated with it. Most 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 which is then enhanced by increased tower utilization.

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 American Radio's management, recognized the opportunity in the communications site industry through ARS' ownership and operation of broadcast towers. ATS was formed in July 1995 to capitalize on this opportunity. During 1996, ATS' acquisition program was modest, entailing the acquisition of companies owning an aggregate of ten 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.

Since January 1, 1997, ATS has acquired more than 525 communications sites (including the consummation of acquisition agreements entered into in 1996), for an aggregate purchase price of approximately $290.0 million. All of such transactions, as well as the ATC Merger, are included in the Recent Transactions. As explained elsewhere herein, consummation of the ATC Merger will result in the acquisition of more than 775 towers by ATS. In addition to its acquisition program, ATS (including for this purpose companies it acquired in 1997) will have constructed approximately 120 towers in 1997 at an aggregate cost of approximately $25.7 million, and has plans to construct approximately 300 towers in 1998 (exclusive of ATC's construction plans and exclusive of a bid to construct approximately 600 towers at a cost of approximately $120.0 million) at a total estimated cost of approximately $60.0 million. ATS intends to pursue, on a selective basis, the acquisition of other communications sites and related businesses, although it is not party to any definitive binding agreements with respect to any material transactions, except as described in this Information Statement/Prospectus. Although such acquisition or construction activity will not, except under circumstances in which consummation of the Merger could be delayed materially (i.e., by more than 15 business days), require the consent of CBS under the Merger Agreement, such activity may require certain regulatory approvals.

Management

The senior management of American Tower Systems consists of the following senior executive officers (all of whom, with the exception of Messrs. Eisenstein and Gearon, will continue to hold positions with American Radio until the consummation of the Merger): Steven B. Dodge, Chairman of the Board of Directors, President and Chief Executive Officer; Alan L. Box, Chief Operating Officer and a director; Joseph L. Winn, Treasurer, Chief Financial Officer and a director; James S. Eisenstein, Executive Vice President-Corporate Development; and J. Michael Gearon, Jr., the former principal stockholder and chief executive officer of Gearon & Co., Inc., Executive Vice President of ATS, the chief executive officer of ATS' site acquisition business, and a director. ATS is managed through a central headquarters in Boston, but relies on regional offices for marketing, operations and site management.

ATS is a holding company whose principal asset is all of the issued and outstanding capital stock of American Tower Systems (Delaware), Inc. ("ATSI" or, collectively with ATSLP, the "Tower Operating Subsidiary"). ATSI, which directly or through two limited liability company subsidiaries had previously owned all of the assets and conducted all of the business of ATS and its consolidated subsidiaries, transferred all of its assets and business to American Tower Systems, L.P., a Delaware limited partnership ("ATSLP"), immediately prior to the consummation of the Gearon Transaction pursuant to which Gearon was merged into ATSI. References to ATS include ATS and its consolidated subsidiaries, unless the context otherwise requires.

AMERICAN TOWER CORPORATION

ATC is a leading independent owner and operator of wireless communications towers with more than 775 towers in 31 states, including approximately 125 towers managed for a third party owner. ATC has agreed to acquire an additional 125 towers pursuant to letters of intent which are expected to be consummated, subject to negotiation and execution of definitive agreements and satisfaction of closing conditions, including, in certain cases, expiration or earlier termination of the HSR Act waiting period, in the first half of 1998. During 1997, ATC acquired or agreed to acquire 192 towers and constructed or had, at year end, under construction an aggregate of 64 towers; ATC plans to construct approximately 125 towers in 1998. ATC rents tower space and provides related services to wireless communications service providers, as well as operators of private networks and government agencies, for a diverse range of applications including paging, cellular, PCS, fixed microwave, SMR and ESMR. ATC owns and operates 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's customers (which aggregate more than 865) include Bell South Mobility, CSX Transportation, Inc. ("CSX Transportation"), GTE Mobilnet, Houston Cellular Telephone Company ("Houston Cellular"), Nextel, PageMart, PageNet, Pittencrief Communications, SBC Communications, Shell Offshore, and various federal and local government agencies. While none of ATC's customers accounted for as much as 10% of its pro forma revenues for the nine months ended September 30, 1997, most of the named customers accounted for more than 1% of such revenues and each is considered by ATC to be an important customer.

ATC was organized in October 1994 by an investor group led by Summit Capital Inc. of Houston 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 communications towers. In December 1995, ATC acquired 103 towers from CSX Realty Development Corporation ("CSX"), and in October 1996, ATC acquired 154 towers from Prime Communication Sites Holding, L.L.C. ("Prime").

AMERICAN RADIO

American Radio is a national radio broadcasting company committed to developing and operating groups of complementary radio stations in major and growing advertising markets. American Radio is among the five largest radio groups in the nation, owning and/or programming pursuant to local marketing agreements ("LMAs") approximately 90 radio stations in 19 markets across the United States. Consistent with its strategy of operating in the top 60 markets (as ranked by revenues), American Radio owns or programs pursuant to LMAs stations in the following markets: Boston, Seattle, St. Louis, Baltimore, Cincinnati, Portland, Pittsburgh, Sacramento, Charlotte, Kansas City, Hartford, Austin, Buffalo, Las Vegas, San Jose, West Palm Beach, Rochester, Fresno and San Bernardino/Riverside. ARS station groups ranked first or second among station operators in radio advertising revenues in 18 of its 19 markets, based on the 1997 edition of Duncan's Radio Market Guide (the "Duncan Guide").*

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* The Duncan Guide is published by a company partially owned by James H. Duncan, Jr., a director of American Radio.

THE MERGER AND TOWER SEPARATION

Tower Separation..... The Board of Directors of ARS (the "ARS Board") has determined that it was in the best interests of the holders of ARS Common Stock to dispose of American Radio's radio broadcasting business and to separate its communications site business through the distribution of ATS Common Stock to the holders of ARS Common Stock. Pursuant to that decision, it has unanimously approved the Merger (and, should the Merger not be consummated prior to May 31, 1998, the Tower Merger) as the means of effecting those goals. Pursuant to the Tower Separation, regardless of how effected, holders of ARS Common Stock will receive approximately 38.8% of the ATS Common Stock, assuming consummation of the Merger, the ATC Merger, the exercise of all options to acquire ARS Common Stock, ATC Common Stock and ATS Common Stock proposed to be outstanding, and the conversion of all shares of ARS Convertible Preferred Stock. See "The Merger and Tower Separation".

The Merger..... On September 19, 1997, American Radio, CBS and R Acquisition Corp., a Delaware corporation ("CBS Sub"), entered into an Agreement and Plan of Merger (the "Original Merger Agreement"), pursuant to which CBS Sub will be merged with and into American Radio and American Radio will become a subsidiary of CBS. On December 18, 1997, ARS, CBS and CBS Sub entered into an Amended and Restated Agreement and Plan of Merger. Pursuant to the Merger, each holder of ARS Common Stock, at the effective time (the "Effective Time") of the Merger, will receive for each share of ARS Common Stock held by such holder, if the Tower Merger has not then been consummated, $44.00 per share in cash and one share of ATS Common Stock of the same class as the ARS Common Stock to be surrendered. On December 19, 1997, ARS, CBS and CBS Sub executed an amendment to the Merger Agreement reflecting ATS common stockholder approval and adoption of the Merger Agreement and approval of the Merger.

The Tower Merger..... In order to facilitate the ATC Merger, ARS has entered into a merger agreement (the "Tower Merger Agreement") with a newly organized wholly-owned subsidiary of ARS which provides for the Tower Merger, pursuant to which such subsidiary would be merged with and into ARS. The Tower Merger will occur only if the Merger has not been consummated on or prior to May 31, 1998 (or such later date as may be agreed to by ATC, ARS and CBS) and then only if the ARS Board has determined that, in light of all of the facts and circumstances then existing, such merger is in the best interests of the ARS common stockholders. Pursuant to the Tower Merger, holders of ARS Common Stock would receive the shares of ATS Common Stock they would have received had the Merger been consummated, in exchange for a portion of their ARS Common Stock. In such event, the amount of cash to be received per share of ARS Common Stock pursuant to the Merger would be increased in

	proportion to the reduction in the number of shares of ARS Common Stock outstanding following the Tower Merger so that each holder of ARS Common Stock will receive the same aggregate amount of cash consideration such holder would have received had the Tower Merger not occurred (assuming such holder did not dispose of any shares of ARS Common Stock between the effective time of the Tower Merger and the Effective Time). See "The Merger and Tower Separation--Tower Merger".
Stockholder Approval.....	The Merger and the Tower Merger have been approved by the holders of a majority of the voting power of ARS Common Stock. Accordingly, stockholder proxies are not required and are not being sought from ARS common stockholders. CBS stockholder approval is not required in connection with the Merger.
Appraisal Rights.....	Holders of ARS Common Stock who have not previously consented to the Merger are entitled to appraisal rights as dissenting stockholders to the Merger, which must be exercised within twenty (20) days of the date this Information Statement/Prospectus is first mailed to stockholders of American Radio, as indicated on the cover page. No such appraisal rights are applicable with respect to the Tower Merger. See "The Merger and Tower Separation--Appraisal Rights".
Estimated Merger Effective Date.....	Subject to the satisfaction or waiver of the conditions to closing, consummation of the Merger is expected to occur in the spring of 1998. See "--Regulatory Matters" below.
Reasons for the Tower Separation.....	The ARS Board has unanimously approved the Merger Agreement and concluded that its terms are fair to and in the best interests of the holders of ARS Common Stock. The ARS Board determined that, in light of the growing consolidation of the larger radio broadcasting companies that had taken place and was being discussed, it was in the best interests of the common stockholders of ARS to seek a merger partner for ARS' radio broadcasting business before such a possibility became impossible or was seriously impaired. For a description of the negotiations leading up to the execution of the Merger Agreement and related matters and the reasons for the Merger, see "Background of the Merger". The ARS Board has also unanimously approved the distribution of the ATS Common Stock to the holders of ARS Common Stock as part of the Tower Separation, and concluded that its terms are fair to and in the best interests of such holders. The ARS Board determined that such distribution will enable holders of ARS Common Stock to realize a greater value, in the long run, than if the communications site business had been offered for sale as part of the sale of the radio broadcasting business or separately at this time.
Opinion of ARS Financial Advisor.....	American Radio retained Credit Suisse First Boston Corporation ("Credit Suisse First Boston") as its financial advisor in connection with the Merger. Credit Suisse First Boston has delivered its written

	opinion to the ARS Board stating that, as of September 19, 1997, the date of such opinion, the $44.00 per share in cash to be received by the holders of ARS Common Stock for, in effect, their interest in ARS' radio broadcasting business was fair to such holders from a financial point of view. The Credit Suisse First Boston opinion was based on the procedures and subject to the assumptions described therein. See "Background of the Merger--Opinion of Financial Advisor to American Radio". Since the ARS Board had determined not to sell the communications site business but to distribute it to the holders of ARS Common Stock, the opinion of Credit Suisse First Boston was limited to the fairness, from a financial point of view, as of its date, of the $44.00 per share of ARS Common Stock to be received by such holders in the Merger. Stockholders should recognize that the opinion of Credit Suisse First Boston addressed only the issue of the fairness of the cash consideration to be received for the radio broadcasting business of ARS and did not address the issue of the fairness of the distribution of ATS Common Stock as part of the Tower Separation. The Board of Directors did not seek the opinion of Credit Suisse First Boston (or any other firm) as to the fairness of the distribution of ATS Common Stock as part of the Tower Separation (whether pursuant to the Merger or the Tower Merger) because such distribution will be made on a pro rata basis to ARS common stockholders and will preserve the relative voting rights of the ARS common stockholders at the time of the Tower Separation. In addition, because the modifications to the Original Merger Agreement did not affect the amount of cash consideration to be received by the holders of ARS Common Stock, no updating of that opinion was considered necessary by the ARS Board.
Termination of the Merger Agreement.....	The Merger Agreement may be terminated by American Radio or CBS under various circumstances, including the failure to consummate the Merger on or before December 31, 1998.
Regulatory Matters.....	The receipt of certain federal governmental and regulatory approvals is required in order to consummate the Merger, including approvals from the FCC of the transfer of control to CBS of the subsidiaries holding ARS' FCC licenses and the expiration or earlier termination of the waiting period under the HSR Act. Each of American Radio and CBS has agreed in the Merger Agreement to use its best efforts to obtain such regulatory approvals.
Certain Federal Income Tax Consequences.....	The Tower Separation will result in taxable gain to American Radio (most of which is required to be borne by ATS pursuant to the provisions of the ARS-ATS Separation Agreement to be executed by ARS and ATS to implement certain provisions of the Merger Agreement). In the event the Merger (but not the Tower Merger) is consummated, a holder of ARS Common Stock holding his or her shares as a capital asset will recognize gain or loss equal to the difference between the tax basis in the ARS Common Stock

	surrendered pursuant to the Merger and the sum of (i) the aggregate cash received and (ii) the fair market value of the shares of ATS Common Stock received pursuant to the Merger. In the event both the Tower Merger and the Merger are consummated, comparable tax consequences will ensue for such holders of ARS Common Stock. However, in the event the Tower Merger were consummated and the Merger were not, the redemption of shares of ARS Common Stock pursuant to the Tower Merger would not meet the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") for such redemption to qualify for sale or exchange treatment, and the fair market value of the shares of ATS Common Stock received pursuant to the Tower Merger would be taxable as a dividend. See "The Merger and Tower Separation--Certain Federal Income Tax Consequences of the Merger and Tower Merger".
Classes of ATS Common Stock.....	As is the case with the ARS Common Stock, the Class A Common Stock of ATS (the "ATS Class A Common Stock") is entitled to one (1) vote per share, the Class B Common Stock of ATS (the "ATS Class B Common Stock") is entitled to ten (10) votes per share, and the Class C Common Stock of ATS (the "ATS Class C Common Stock") is nonvoting, except as otherwise provided by applicable law. The holders of each class of ATS Common Stock are entitled to identical rights with respect to cash dividends and upon liquidation and dissolution of ATS. Except as otherwise provided by applicable law and except for the rights of the holders of the ATS Class A Common Stock to elect two "independent" directors, the holders of ATS Class A Common Stock and ATS Class B Common Stock vote together on all matters requiring the vote of the ATS common stockholders.
Trading Market.....	ATS intends to seek a Nasdaq National Market ("Nasdaq") listing for the ATS Class A Common Stock. While ATS believes it currently meets the financial listing criteria for such listing, no application for such listing has been filed, and there can be no assurance that such listing will be obtained.
Principal ATS Stockholders.....	Assuming consummation of the Merger and the ATC Merger, and the conversion of all shares of ARS Convertible Preferred Stock, Steven B. Dodge, Chairman of the Board of the Directors of ATS (the "ATS Board") and the ARS Board, President and Chief Executive Officer of ATS and ARS, and Thomas H. Stoner, Chairman of the Executive Committee of the ATS and ARS Boards, together with their affiliates, owned "beneficially", on February 1, 1998, approximately 51.4% (approximately 63.0% prior to the consummation of the ATC Merger) of the combined votes of the ATS voting stock. See "Principal Stockholders of American Tower Systems".
Relationship with ARS after the Tower Separation.....	As a result of the Tower Separation, American Tower Systems will cease to be a subsidiary of, or otherwise be affiliated with, American

	Radio and will thereafter operate as an independent publicly held company. However, ARS and ATS have entered or will enter into certain agreements providing for, among other things, (i) the orderly separation of ARS and ATS and the completion of the Tower Separation, (ii) the lease of space on certain towers owned or leased by ATS to ARS, (iii) the allocation of certain tax and other liabilities between ARS and ATS, and (iv) certain indemnification obligations of ATS to ARS. See "The Merger and Tower Separation--ARS-ATS Separation Agreement".
Market Prices.....	On August 19, 1997, the day prior to the announcement by ARS that management was exploring ways to maximize stockholder value, the last reported sale price per share of the ARS Class A Common Stock on the New York Stock Exchange (the "NYSE") was $39.125. On September 18, 1997, the day prior to the announcement by American Radio of the signing of the Original Merger Agreement with CBS, the last reported sale price per share of ARS Class A Common Stock on the NYSE was $51 7/8. On February 6, 1998, the last reported sale price per share of the ARS Class A Common Stock on the NYSE was $60.

RISK FACTORS

Holders of ARS Common Stock should carefully consider the information set forth or referred to under the heading "Risk Factors", in addition to the other information contained in this Information Statement/Prospectus.

AMERICAN TOWER SYSTEMS DIVIDEND POLICY

American Tower Systems currently does not intend to pay cash dividends on ATS Common Stock for the foreseeable future and any such payments would be limited by the restrictions set forth in the Tower Loan Agreement. See "Description of American Tower Systems Capital Stock--Dividend Restrictions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems--Liquidity and Capital Resources".

AMERICAN TOWER SYSTEMS SELECTED FINANCIAL DATA

The following Selected Financial Data of American Tower Systems has been derived from the consolidated financial statements of American Tower Systems included elsewhere in this Information Statement/Prospectus. The data as of and for the nine months ended September 30, 1996 is unaudited, but in the opinion of management contains all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of such information. The American Tower Systems Selected Financial Data should be read in conjunction with American Tower Systems' audited and unaudited financial statements and the notes thereto and with "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems". The pro forma financial data with respect to the year ended December 31, 1996 and the nine months ended September 30, 1997 included below reflects certain adjustments, as explained elsewhere in this Information Statement/Prospectus, and therefore any comparison of such pro forma financial data with the American Tower Systems Selected Financial Data appearing below for periods prior to 1996 is inappropriate. Such pro forma financial data for the year ended December 31, 1996 and the nine months ended September 30, 1997 gives effect to the ATS Pro Forma Transactions and the Merger, including the Tower Separation, as described in the Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations of American Tower Systems. The ATS Pro Forma Transactions do not include all Recent Transactions relating to American Tower Systems or pending construction. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems".

The historical financial data presented below reflects periods during which American Tower Systems 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' future results of operations or financial condition.

AMERICAN TOWER SYSTEMS CORPORATION(1)

	JULY 17, 1995 THROUGH DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996 HISTORICAL	YEAR ENDED DECEMBER 31, 1996 PRO FORMA(2)	NINE MONTHS ENDED SEPTEMBER 30, HISTORICAL 1996	NINE MONTHS ENDED SEPTEMBER 30, HISTORICAL 1997	NINE MONTHS ENDED SEPTEMBER 30, PRO FORMA 1997(3)
	(IN THOUSANDS, EXCEPT PER SHARE DATA)					
STATEMENTS OF OPERATIONS DATA:						
Net revenues	$ 163	$2,897	$ 65,873	$1,858	$ 7,902	$ 65,981
Operating expenses:						
Operating expenses	60	1,362	37,633	1,066	3,588	33,186
Depreciation and amortization	57	990	49,906	614	2,706	38,873
Corporate general and administrative	230	830	2,830	506	919	2,419
Total operating expenses	347	3,182	90,369	2,186	7,213	74,478
Operating income (loss)	(184)	(285)	(24,496)	(328)	689	(8,497)
Interest expense, net	--	36	(11,726)	18	(1,221)	(9,453)
Other income (expense)	--	--	36	--	(3)	(3)
Minority interest in net earnings of subsidiaries(4)	--	(185)	(185)	(75)	(221)	(221)
Income (loss) before income taxes	(184)	(434)	(36,371)	(385)	(756)	(18,174)
Provision (benefit) for income taxes	(74)	46	(9,119)	69	(49)	(3,198)
Net income (loss) applicable to common stockholders	$(110)	$ (480)	$(27,252)	$ (454)	$ (707)	$(14,976)
Pro forma net income (loss) per common share(5)		$ (.01)	$ (0.34)		$ (.02)	$ (0.19)
Pro forma shares outstanding		36,042	79,175		36,042	79,175
OTHER OPERATING DATA:						
Tower Cash Flow(6)	$ 103	$1,535	$ 28,240	$ 792	$ 4,314	$ 32,795
EBITDA(6)	(127)	705	25,410	286	3,395	30,376
EBITDA margin(6)	(77.9)%	24.3%	38.6%	15.4%	43.0%	46.0%
After-tax cash flow(6)	(53)	510	22,654	160	1,999	23,897
Cash provided by (used for) operating activities	(51)	2,229	--	980	3,118	--
Cash used for investing activities	--	--	--	--	(74,318)	--
Cash provided by financing activities	63	132	--	582	71,121	--

	SEPTEMBER 30, 1997 HISTORICAL	SEPTEMBER 30, 1997 PRO FORMA(3)
	(IN THOUSANDS)	
BALANCE SHEET DATA:		
Cash and cash equivalents	$ 2,295	$ 2,759
Working capital deficiency, excluding current portion of long-term debt	(580)	(3,546)
Property and equipment, net	43,941	228,023
Total assets	111,340	823,621
Long-term debt, including current portion	54,203	173,020
Total stockholders' equity	50,105	608,368

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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.

See "Business of American Tower Systems--Recent Transactions" and the consolidated financial statements of American Tower Systems elsewhere in this Information Statement/Prospectus for a description of the acquisitions made and construction activity in 1995, 1996 and the first nine months of 1997.

(2) The unaudited pro forma Statement of Operations Data and Other Operating Data for the year ended December 31, 1996 gives effect to the ATS Pro Forma Transactions and the Merger, including the Tower Separation, as if each of the foregoing had occurred on January 1, 1996. The term "ATS Pro Forma Transactions" includes the Meridian Transaction, the Diablo Transaction, the MicroNet Transaction, the Tucson Transaction, the Gearon Transaction, the ATC Merger, consummation of transactions contemplated by the ATS Stock Purchase Agreement and the transfer of towers from ARS to ATS and does not include all of the Recent Transactions relating to American Tower Systems or pending construction. See "Business of American Tower Systems--Recent Transactions" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems".

(3) The unaudited pro forma Statement of Operations Data and Other Operating Data for the nine months ended September 30, 1997 gives effect to the ATS Pro Forma Transactions and the Merger, including the Tower Separation, as if each of the foregoing had occurred on January 1, 1997. The unaudited pro forma Balance Sheet Data as of September 30, 1997 gives effect to the ATS Pro Forma Transactions not consummated as of September 30, 1997 and the Merger, including the Tower Separation, as if each of the foregoing had occurred on September 30, 1997. See "Business of American Tower Systems--Recent Transactions" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems".

(4) Represents the elimination of the 49.9% member's earnings of ATS Needham, LLC, in which Tower Operating Subsidiary holds a 50.1% interest and the elimination of the 30% member's loss of Communications Systems Development LLC, in which Tower Operating Subsidiary holds a 70% interest.

(5) Pro forma net income (loss) per share has been computed using (a) in the case of historical information, the number of shares expected to be outstanding following the Tower Separation and (b) in the case of pro forma information, the number of shares expected to be outstanding following the Tower Separation and the transactions discussed in Note 2 to the "American Tower Systems Selected Financial Data" and the Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations.

(6) "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. Tower Cash Flow, EBITDA and after-tax cash flow should not be considered in isolation from, or as a substitute for, operating income, net income or cash flow and other consolidated income or cash flow statement data computed in accordance with generally accepted accounting principles or as a measure of ATS' profitability or liquidity. Although these measures of performance are not calculated in accordance with generally accepted accounting principles, many of them are widely used in the communications site industry as a measure of a company's operating performance because they 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. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems--General" and "--Liquidity and Capital Resources".

AMERICAN RADIO SELECTED COMBINED FINANCIAL DATA

The following Selected Combined Financial Data of American Radio has been derived from the consolidated financial statements of American Radio and the Selected Financial Data of the four predecessor entities of American Radio (the "ARS Predecessor Entities"), which are contained in the American Radio Annual Report on Form 10-K for the year ended December 31, 1996 (the "ARS 10-K") and the American Radio Quarterly Report on Form 10-Q for the nine months ended September 30, 1997 (the "ARS September 199710-Q"). The data as of and for the nine months ended September 30, 1996 and 1997 is unaudited, but in the opinion of management contain all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of such information. The American Radio Selected Combined Financial Data should be read in conjunction with American Radio's audited and unaudited financial statements and the notes thereto and with "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the ARS 10-K and the ARS September 1997 10-Q. The following financial data presents the combined operating results of the ARS Predecessor Entities for periods prior to the date of the formation of American Radio (November 1, 1993) for 1992 and the ten months ended October 31, 1993 as if such entities had combined effective January 1, 1992 or, if later, the date of commencement of operations of certain ARS Predecessor Entities. The data for the two months ended December 31, 1993 and the years ended December 31, 1994, 1995 and 1996 is based on the historical audited American Radio consolidated financial statements. The pro forma financial data with respect to the year ended December 31, 1996 and the nine months ended September 30, 1997 included below reflects certain adjustments, as explained elsewhere in this Information Statement/Prospectus, and therefore any comparison of such pro forma financial data with the American Radio Selected Combined Financial Data appearing below for periods prior to 1996 is inappropriate. Such pro forma financial data for the year ended December 31, 1996 and the nine months ended September 30, 1997 gives effect to the ARS Pro Forma Transactions, the ATS Pro Forma Transactions and to the Merger, including the Tower Separation, as described in the Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations of American Radio. The ARS Pro Forma Transactions do not include all of the Recent Transactions but do include the sale pursuant to the ATS Stock Purchase Agreement of ATS Common Stock to Steven B. Dodge, Chairman of the Board, President and Chief Executive Officer of ARS and ATS and certain other officers and directors of ARS and ATS (or their affiliates, family members or family trusts) and the transfer of towers from ARS to ATS in connection with the Tower Separation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the ARS 10-K and the ARS September 1997 10-Q and the financial statements of EZ in the EZ Annual Report on Form 10-K for the year ended December 31, 1996 (the "EZ 10-K").

AMERICAN RADIO SYSTEMS CORPORATION(1)

	COMBINED ARS PREDECESSOR ENTITIES(2)		ARS	COMBINED ARS PREDECESSOR ENTITIES AND ARS(2)	YEAR ENDED DECEMBER 31,			
					HISTORICAL			
	YEAR ENDED DECEMBER 31, 1992	TEN MONTHS ENDED OCTOBER 31, 1993	TWO MONTHS ENDED DECEMBER 31, 1993	COMBINED YEAR ENDED DECEMBER 31, 1993	1994	1995	1996	PRO FORMA 1996(3)
	(IN THOUSANDS, EXCEPT PER SHARE DATA)							
STATEMENT OF OPERATIONS DATA:								
Net revenues	$46,306	$45,010	$8,943	$53,953	$68,034	$97,772	$178,019	$315,905
Station operating expenses	36,698	37,058	6,493	43,551	50,129	66,448	120,004	209,498
Net local marketing agreement expenses(5)	--	--	--	--	--	600	8,128	8,128
Depreciation and amortization	4,465	5,900	1,415	7,315	9,920	12,364	17,810	59,275
Merger expenses	--	--	--	--	--	--	--	--
Corporate general and administrative expenses	3,657	2,897	944	3,841	2,229	3,908	5,046	5,216
Operating income (loss)	1,486	(845)	91	(754)	5,756	14,452	27,031	33,788
Interest expense--net	(4,370)	(5,517)	(801)	(6,318)	(7,051)	(10,062)	(16,762)	(54,534)
Gains (losses) on sale of assets, net	(964)	3,133	--	3,133	2,345	11,544	(308)	(159)
Other non-operating income (expense), net	(3)	42	--	42	(568)	--	--	--
Income (loss) before income taxes and other items	(3,851)	(3,187)	(710)	(3,897)	482	15,934	9,961	(20,905)
Provision (benefit) for income taxes(6)	382	1,690	(263)	1,427	556	6,829	4,826	(10,711)
Income (loss) before extraordinary item	$(4,233)	$(4,877)	$ (447)	$(5,324)	(74)	9,105	5,135	(10,194)
Extraordinary loss					(1,159)	(817)	--	--
Net income (loss)					(1,233)	8,288	5,135	(10,194)
Preferred Stock and Series C Common Stock dividends					(1,887)	(815)	(4,973)	(27,723)
Net income (loss) applicable to common stockholders					$(3,120)	$ 7,473	$ 162	$(37,917)
Net income (loss) before extraordinary item per common share					$ (0.21)	$ 0.65	$ 0.01	$ (1.36)
Weighted average common shares								

outstanding....					9,338	12,646	20,510	27,893
OTHER OPERATING DATA:								
Broadcast cash flow(7).....	$ 9,608	$ 7,952	$2,450	$10,402	$17,905	$31,324	$ 58,015	$106,407
EBITDA(7).....	5,951	5,055	1,506	6,561	15,676	27,416	52,969	101,191
After-tax cash flow(7).....	--	--	--	--	7,959	20,654	17,972	21,358
Cash (used for) provided by operating activities.....	2,312	(531)	(404)	(935)	2,166	9,724	15,659	--
Cash (used for) investing activities.....	(1,632)	(6,573)	(197)	(6,770)	(92,909)	(81,183)	(421,885)	--
Cash provided by financing activities.....	22	6,197	1,977	8,174	89,519	72,180	412,784	--

	NINE MONTHS ENDED SEPTEMBER 30,		
	HISTORICAL		PRO FORMA
	1996	1997	1997(4)
STATEMENT OF OPERATIONS DATA:			
Net revenues....	$ 113,582	$ 260,512	$ 274,826
Station operating expenses.....	78,171	172,018	184,284
Net local marketing agreement expenses(5)....	4,878	1,914	1,914
Depreciation and amortization...	10,966	42,974	48,829
Merger expenses.....	--	300	300
Corporate general and administrative expenses.....	3,615	6,601	6,182
Operating income (loss).....	15,952	36,705	33,317
Interest expense--net...	(10,474)	(38,562)	(54,729)
Gains (losses) on sale of assets, net....	172	455	679
Other non-operating income (expense), net.....	--	--	--
Income (loss) before income taxes and other items.....	5,650	(1,402)	(20,733)
Provision (benefit) for income taxes(6).....	2,961	(774)	(10,800)
Income (loss) before extraordinary item.....	2,689	(628)	(9,933)
Extraordinary loss.....	--	(1,639)	--
Net income (loss).....	2,689	(2,267)	(9,933)
Preferred Stock and Series C Common Stock dividends.....	(2,567)	(22,770)	(24,666)
Net income (loss) applicable to common stockholders...	$ 122	$ (25,037)	(34,599)
Net income (loss) before			

extraordinary item per common share.....	$ 0.01	$ (0.88)	$ (1.17)
Weighted average common shares outstanding....	20,031	26,549	29,454
OTHER OPERATING DATA:			
Broadcast cash flow(7).....	$ 35,411	$ 88,494	$ 90,542
EBITDA(7).....	31,796	81,593	84,060
After-tax cash flow(7).....	11,088	19,576	14,230
Cash (used for) provided by operating activities.....	18,477	29,594	--
Cash (used for) investing activities.....	(382,739)	(529,246)	--
Cash provided by financing activities.....	374,926	503,027	--

	SEPTEMBER 30, 1997	
	HISTORICAL	PRO FORMA(4)
	(IN THOUSANDS)	
BALANCE SHEET DATA:		
Cash and cash equivalents	$ 13,822	$ 11,527
Restricted cash	34,441	34,441
Working capital, excluding current portion of long-term debt	59,879	60,459
Intangible assets--net	1,592,772	1,532,953
Total assets	1,962,925	1,847,419
Long-term debt, including current portion	809,015	873,412
Cumulative exchangeable preferred stock	215,550	215,550
Total stockholders' equity	674,937	502,066

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(1) Year-to-year comparisons are significantly affected by the timing of acquisitions and dispositions of radio stations, which have been numerous during the periods shown. See "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Radio" in Appendix I and the consolidated financial statements of American Radio in the ARS 10-K and the ARS September 1997 10-Q for a description of the acquisitions and dispositions made in 1995, 1996 and the first nine months of 1997.

(2) The information for the Combined ARS Predecessor Entities includes the results of operations of the following entities for the following periods: two entities--the year ended December 31, 1992 and ten months ended October 31, 1993; one entity--the fiscal year ended August 31, 1992 (included in calendar year 1992) and the sum of (a) eight-twelfths of the fiscal year ended August 31, 1993 and (b) the historical results for the two months ended October 31, 1993 (included in the ten months ended October 31, 1993); and the fourth entity--the one-month period ended December 31, 1992 (in calendar year 1992) and the ten months ended October 31, 1993 (in that period). In addition, the 1993 financial information combines the ARS Predecessor Entities for the ten months ended October 31, 1993 and historical American Radio financial statements for the two month period ended December 31, 1993.

(3) The unaudited pro forma Statement of Operations Data and Other Operating Data for the year ended December 31, 1996 give effect to (i) the ARS Pro Forma Transactions, (ii) the ATS Pro Forma Transactions, (iii) the offering and exchange of the 11 3/8% Cumulative Exchangeable Preferred Stock (the "ARS Cumulative Preferred Stock") and the use of the proceeds thereof, and (iv) the Tower Separation, as if each of the foregoing had occurred on January 1, 1996. The term "ARS Pro Forma Transactions" means the EZ Merger, the BayCom Transaction, the Hartford Transaction, the HBC Merger (excluding the Omaha stations which have been sold) and the Baltimore Transaction and does not include all of the Recent Transactions. See "Business of American Tower Systems--Recent Transactions" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Radio" in Appendix I.

(4) The unaudited pro forma Statement of Operations Data and Other Operating Data for the nine months ended September 30, 1997 gives effect to (i) the EZ Merger, (ii) the Baltimore Transaction, (iii) the ATS Pro Forma Transactions, (iv) the offering and exchange of the ARS Cumulative Preferred Stock and the use of the proceeds thereof, and (v) the Tower Separation, as if each of the foregoing had occurred on January 1, 1997. The unaudited pro forma Balance Sheet Data as of September 30, 1997 gives effect to (i) the ATS Pro Forma Transactions and (ii) the Tower Separation, as if each of the foregoing had occurred on September 30, 1997. See "Business of American Tower Systems--Recent Transactions" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Radio" in Appendix I.

(5) In connection with a number of Recent Transactions, ARS entered into local marketing agreements ("LMAs"). Net LMA expense represents the excess of monthly payments payable by ARS to the station owners over LMA revenue received by ARS. Net LMA expense is, in effect, a reimbursement to the station owners of their depreciation and amortization and interest expense and, upon acquisition of the stations by ARS, will be replaced by such expenses.

(6) The ARS Predecessor Entities' provision (benefit) for income taxes for the periods prior to 1994 represents the historical provision (benefit) for one of such entities. One of the other predecessors was a partnership and one was an S corporation and, accordingly, taxable income or loss flowed through to the partners and stockholder, respectively, of those entities. The fourth predecessor had net operating loss carryforwards available to reduce future taxable income. As the realization of the benefit of those losses was not assured, no income tax benefit was recorded. Based on these circumstances, a combined tax provision for periods prior to 1994 has not been presented.

(7) "Broadcast cash flow" means operating income (loss) before net LMA expenses, depreciation and amortization and corporate general and administrative expenses. "EBITDA" means operating income (loss) before LMA expenses and depreciation and amortization. LMA expenses are, as explained in note (5), fees paid by American Radio which permit American Radio to

program stations prior to their acquisition. "After-tax cash flow" means income (loss) before extraordinary items, plus depreciation and amortization, less stock dividends. Broadcast cash flow, EBITDA and after-tax cash flow should not be considered in isolation from, or as a substitute for, operating income, net income or cash flow and other consolidated income or cash flow statement data computed in accordance with generally accepted accounting principles or as a measure of American Radio's profitability or liquidity. Although these measures of performance are not calculated in accordance with generally accepted accounting principles, they are widely used in the broadcasting industry as a measure of a radio company's operating performance because they assist in comparing radio station performance on a consistent basis across radio companies 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. Broadcast cash flow also excludes the effect of corporate general and administrative expenses, which generally do not relate directly to station performance.

RISK FACTORS

The following risk factors should be considered by the holders of ARS Common Stock in evaluating the Merger and whether to exercise their appraisal rights. These factors should be considered in conjunction with the other information included and incorporated by reference in this Information Statement/Prospectus.

RISK FACTORS RELATING TO THE MERGER AND THE TOWER MERGER

MERGER AGREEMENT--CERTAIN CONTINGENT LIABILITIES

The Merger Agreement provides that ATS will be responsible for the tax consequences of the Tower Separation to the extent that the aggregate amount of taxes required to be paid by CBS or any of its affiliates (including without limitation ARS after the Merger) exceeds $20.0 million. The amount of that tax liability is dependent on the "fair market value" of the ATS Class A Common Stock at the time of the Tower Separation. Such "fair market value" is likely to be based on the initial trading levels of such stock for some reasonable period after the Tower Separation. American Tower Systems estimates that, assuming such fair market value is $10.00 per share (the price at which ATS Common Stock was issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement), the federal tax liability of American Radio for which ATS will be responsible will be approximately $66.6 million (after giving effect to the $20.0 million of taxes to be borne by ARS pursuant to the provisions of the Merger Agreement), and that for each $1.00 by which such fair market value exceeds or is less than $10.00 per share, the federal tax liability would increase or decrease by approximately $14.8 million. In addition, state taxes could be payable by ARS in connection with the Tower Separation for which ATS would also be responsible. See "The Merger and Tower Separation--ARS-ATS Separation Agreement--Sharing of Tax and Other Consequences".

The Merger Agreement also provides for closing date balance sheet adjustments based upon the working capital and specified debt levels (including the liquidation preference of the ARS Cumulative Preferred Stock) of ARS at the Effective Time which may result in payments to be made by either ARS or ATS to the other party following the Closing Date. ATS will benefit from or bear the cost of such adjustments. Since the amounts of working capital and debt are dependent upon future operations and events, including without limitation cash flow from operations, capital expenditures, and expenses of the Merger and the Tower Separation, neither ARS nor ATS is able to state with any degree of certainty what payments, if any, will be owed following the Closing Date by either ARS or ATS to the other party. However, as indicated in the pro forma financial information with respect to ATS included elsewhere in this Information Statement/Prospectus, and based on the assumptions stated therein, ARS has estimated that the payment, if any, required to be paid or to be received by ATS will not be material as a result of those provisions. See "The Merger and Tower Separation--Closing Date Adjustments".

CERTAIN EFFECTS OF THE MERGER

If the Merger is consummated, the present holders of ARS Common Stock will no longer have the opportunity to share in ARS' radio business' future earnings and growth. Instead each such holder will have the right to receive cash consideration and shares of ATS Common Stock pursuant to the Tower Separation of the same class as the class of ARS Common Stock to be surrendered.

FEDERAL INCOME TAX CONSEQUENCES OF TOWER MERGER

In the event the Tower Merger were consummated and the Merger were not, the redemption of shares of ARS Common Stock pursuant to the Tower Merger would not meet the applicable requirements of the Code for such redemption to qualify for sale or exchange treatment, and the fair market value of the shares of ATS Common Stock received pursuant to the Tower Merger would be taxable as a dividend. Because of these adverse federal income tax consequences, the ARS Board has not made a final determination of whether to

proceed with the Tower Merger. It intends to evaluate all of the facts and circumstances existing at the time of any such proposed consummation to determine whether the Tower Merger is in the best interests of the ARS common stockholders, notwithstanding such possible adverse consequences. See "The Merger and Tower Separation--Certain Federal Income Tax Consequences of Merger and Tower Merger".

ABSENCE OF OPINION ON TOWER SEPARATION

Stockholders should recognize that the opinion of Credit Suisse First Boston as to the fairness of the Merger addressed only the issue of the fairness of the cash consideration to be received by ARS common stockholders for the radio broadcasting business of ARS and did not address the issue of the fairness of the distribution of ATS Common Stock as part of the Tower Separation. The ARS Board did not seek the opinion of Credit Suisse First Boston (or any other firm) as to the fairness of the distribution of ATS Common Stock as part of the Tower Separation (whether pursuant to the Merger or the Tower Merger) because such distribution will be made to ARS common stockholders on a pro rata basis and will preserve the relative voting rights of the ARS common stockholders existing at the time.

INTERESTS OF CERTAIN ARS PERSONS IN THE MERGER

In reviewing the recommendation of the ARS Board with respect to the Merger, ARS common stockholders should be aware that certain members of American Radio management and the ARS Board may have interests in the Merger and the Tower Separation that may present them with actual or potential conflicts of interest. See "The Merger and Tower Separation--Interest of Certain Persons in the Merger".

POTENTIAL LOSS OF KEY PERSONNEL

The pendency of the Merger may increase the risk that certain key employees, including the co-chief operating officers, station general managers, sales managers and program directors, as well as on-air announcers who are well recognized and established in the markets in which ARS conducts business, could decide to seek employment elsewhere.

RISK FACTORS RELATING TO AMERICAN TOWER SYSTEMS

DEPENDENCE ON DEMAND FOR WIRELESS COMMUNICATIONS AND IMPLEMENTATION OF DIGITAL TELEVISION

The demand for rental space on ATS' towers is dependent on a number of factors beyond ATS' control, including demand for wireless services by consumers, the financial condition and access to capital of wireless providers, the strategy of wireless providers with respect to owning or leasing their own communications sites, government licensing of broadcast rights, changes in FCC 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' antennae sites. In addition, a downturn in a particular wireless segment, or of the number of carriers, nationally or locally, in a particular segment, as a result of technological or other competition or other factors beyond the control of ATS could adversely affect the demand for its antennae sites. Finally, advances in technology could reduce the need for tower-based transmission and reception. The occurrence of any of these factors could have a material adverse effect on ATS' financial condition and results of operations. See "Industry Overview".

The demand for rental space on ATS' towers is also dependent on the demand for tower sites by television and radio broadcasters. Many of the same factors described above with respect to wireless providers are also applicable to television and radio broadcasters. Additionally, certain technological advances, including the development and implementation of satellite-delivered radio, may reduce the need for tower-based broadcast transmission. ATS could also be affected adversely should the development of digital television ("DTV") be delayed or impaired, particularly should the intensity of demand for DTV service decrease because of the speed with which the industry implements the changes or because of regulatory requirements.

ACQUISITION STRATEGY

American Tower Systems has pursued on an aggressive basis, and intends to continue to pursue on a selective basis, the acquisition of other companies in the communications site industry. Inherent in such a

strategy are certain risks, such as 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' acquisitions (including the ATC Merger) are larger and/or involve communications sites in diverse geographic areas. Accordingly, there can be no assurance that one or more of ATS' past or future acquisitions may not have an adverse effect on its business.

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 potential sites and expects such competition to increase. Certain of those competitors have greater financial and other resources than ATS. The success of ATS' growth strategy continues to be dependent, although to a lesser extent than in the past, on its ability to identify and complete acquisitions of communications site companies. Increased competition may result in fewer acquisition opportunities as well as higher acquisition prices. No assurance can be given that ATS will be able to identify, finance and complete future acquisitions on acceptable terms. See "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems" and "Business of American Tower Systems--Recent Transactions".

The ATC Merger Agreement provides for a termination fee to ATC of $15.0 million (together with reimbursement of reasonable out-of-pocket expenses up to an aggregate of $1.0 million) in the event such agreement is terminated because of the failure of either the Merger or the Tower Merger to occur or the failure of American Radio to obtain the approval, if required, of the holder of ARS Common Stock. Such termination fee and reimbursement would be the sole and exclusive recourse of ATC in the event of any such termination. See "Business of American Tower Systems--Recent Transactions--ATC Merger".

CONSTRUCTION OF NEW TOWERS

American Tower Systems currently has under construction, or plans to construct during 1998 (exclusive of those which ATC is constructing or plans to construct), an aggregate of approximately 300 towers (most of which are on a build to suit basis) at an estimated aggregate cost of approximately $60.0 million. In addition, ATS is actively competing for the opportunity to construct more than 200 towers in 1998 for an estimated cost of approximately $42.0 million, although there can be no assurance as to how many, if any, of such towers ATS will be engaged to construct. ATC has under construction or plans to construct during 1998 an aggregate of approximately 125 towers at an estimated aggregate cost of approximately $28.0 million. The success of ATS' 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, including 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 associated with new tower construction and could have a material adverse effect on ATS' financial condition or result of operations. In light of the anticipated increase in construction activity, both for ATS and the communications site industry generally, these factors may, in the future, be significantly exacerbated. 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 of American Tower Systems--Regulatory Matters".

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

Build to suit activities (such as the 200-tower project described above) involve certain additional risks. While they do 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 such as the 600-tower project), to ensure that such projects will be profitable. Moreover, ATS may find that one of the reasons wireless carriers are willing to permit ATS to build towers for them is that certain or many of such towers may be on sites that are either expensive or difficult to build on or that they are such that they are unlikely to attract a sufficient number of other tenants.

SUBSTANTIAL CAPITAL REQUIREMENTS AND LEVERAGE

ATS' acquisition and construction activities will create substantial ongoing capital requirements. During 1997, ATS made capital investments aggregating approximately $178.0 million in communications site acquisitions and approximately $25.7 million in new tower construction, including site upgrades. ATS has financed its capital expenditures through a combination of bank borrowings, equity investments by American Radio, and cash flow from operations. As of September 30, 1997, on a pro forma basis, assuming consummation of the ATS Pro Forma Transactions and all other Recent Transactions relating to ATS, the Tower Separation and the transactions contemplated by the ATS Stock Purchase Agreement, ATS would have had aggregate indebtedness of approximately $323.0 million. Based on the foregoing assumptions and the estimated current pro forma cash flow, ATS would be able to borrow an additional $61.5 million under the Tower Loan Agreement; the total capacity under the Tower Loan Agreement is $400.0 million. ATS expects that it will continue to be required to borrow funds to finance construction and, to a lesser extent, acquisitions and to operate with substantial leverage. If ATS' revenues and cash flow do not meet current expectations, or if its borrowing base is reduced as a result of operating performance, American Tower Systems 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.

The Tower Operating Subsidiary is a party to a loan agreement (the "Tower Loan Agreement") providing for maximum borrowing, subject to compliance with certain financial ratios, of $400.0 million. The Tower Loan Agreement includes certain financial and operational covenants and other restrictions with which Tower Operating Subsidiary must comply, including, among others, limitations on additional indebtedness, capital expenditures, investments in Unrestricted Subsidiaries (as defined therein) and cash distributions, as well as restrictions on the use of borrowings and requirements to maintain certain financial ratios. The obligations of Tower Operating Subsidiary under the Tower Loan Agreement are collateralized by a pledge of the stock and partnership interests of each Tower Operating Subsidiary and a first priority security interest in substantially all of each Tower Operating Subsidiary's assets.

Assuming consummation of all of the Recent Transactions and the Merger, management believes that, in light of current construction plans and potential acquisitions, ATS will require additional financing during 1998. Any such financing could take the form of an increase in the maximum borrowing levels under the Tower Loan Agreement, the issuance, publicly or privately, of debt securities (which could have the effect of increasing its consolidated leverage ratios) or equity securities (which, in the case of ATS Common Stock or securities convertible into or exercisable for ATS 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 debt or equity financing would be available on favorable terms.

CONTROL BY THE PRINCIPAL STOCKHOLDERS; RESTRICTIONS ON CHANGE OF CONTROL

Assuming consummation of the Merger and the ATC Merger, and the conversion of all shares of ARS Convertible Preferred Stock, Messrs. Dodge and Stoner, together with their affiliates (the "ATS Principal Stockholders"), owned "beneficially", on January 27, 1998, approximately 51.4% (approximately 63.0% prior to consummation of the ATC Merger) of the combined voting power of the ATS voting stock. See "Principal Stockholders of American Tower Systems". Accordingly, the ATS Principal Stockholders may, in effect, be able to control the vote on all matters submitted to a vote of the holders of the ATS Common Stock, except with respect to (i) the election of two independent directors, (ii) those matters which the Restated Certificate of Incorporation of ATS (the "ATS Restated Certificate") or applicable law requires a 66 2/3% vote, and (iii) those matters requiring a class vote by law. Control by the ATS Principal Stockholders may have the effect of discouraging certain types of transactions involving an actual or potential change of control of ATS. See

"Business of American Tower Systems--Recent Transactions--ATC Merger" and "Description of American Tower Systems Capital Stock--Common Stock".

The Tower Loan Agreement provides that an "Event of Default" will occur upon certain changes in the ownership interests and executive positions in American Tower Systems of Mr. Dodge. 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 in control of ATS. In addition to the stock ownership by the ATS Principal Stockholders and the FCC restrictions, 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 American Tower Systems Capital Stock--Delaware Business Combination Provisions".

DEPENDENCE ON KEY PERSONNEL

The implementation of ATS' growth strategy is dependent, to a significant degree, on the efforts of ATS' Chief Executive Officer and certain 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. which was merged into ATSI pursuant to the Gearon Transaction in January 1998. Many of the executive and other officers have been granted options to purchase shares of ATS Common Stock that are subject to vesting provisions generally over a five-year period. However, there can be no assurance that American Tower Systems will be able to retain such officers, the loss of whom could have a material adverse effect upon ATS, or that ATS 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, 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. See "Business of American Tower Systems--Environmental Matters".

LACK OF DIVIDENDS; RESTRICTIONS ON PAYMENTS OF DIVIDENDS AND REPURCHASE OF COMMON STOCK

American Tower Systems intends to retain all available earnings, if any, generated by its operations for the development and growth of its business and does not anticipate paying any dividends on the ATS Common Stock in the foreseeable future. In addition, each Tower Operating Subsidiary is and will be restricted under the Tower Loan Agreement from paying dividends on its stock (distributions to its partners, in the case of ATSLP) and from repurchasing, redeeming or otherwise acquiring any shares of ATS Common Stock. Since ATS has no significant assets other than its ownership of all of the capital stock of Tower Operating Subsidiary, its ability to pay dividends to its stockholders in the foreseeable future is restricted.

NO PRIOR MARKET FOR ATS COMMON STOCK

Prior to the Tower Separation, there will be no public market for the ATS Common Stock, and there can be no assurance that an active trading market will develop or be sustained in the future. ATS intends to seek listing on Nasdaq for the ATS Class A Common Stock. While ATS believes it currently meets the financial listing criteria for such listing, no application has been filed and such listing will be subject to the discretion of the applicable authorities. Accordingly, there can be no assurance that any such listing will be obtained. There also can be no assurance as to the price at which the ATS 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. See "Shares Eligible for Future Sales".

MARKET PRICES AND DIVIDEND POLICY

Shares of ARS Class A Common Stock were quoted on Nasdaq under the symbol "AMRD" from the consummation of the ARS Class A Common Stock initial public offering in June 1995 through February 4, 1997. On February 5, 1997, shares of ARS Class A Common Stock began trading on the NYSE under the symbol "AFM". The following table sets forth, for the calendar quarters indicated, the high and low closing sales prices per share of Class A Common Stock on Nasdaq and the NYSE for the applicable periods, as reported in published financial sources in the case of Nasdaq, and thereafter as reported on the NYSE.

	HIGH	LOW
1995:		
Second Quarter (commencing June 9, 1995)	$26	$18 1/4
Third Quarter	29 3/4	23
Fourth Quarter	28 1/2	19 1/2
1996:		
First Quarter	$34 1/2	$25
Second Quarter	43 1/2	30 1/4
Third Quarter	43	33
Fourth Quarter	37 3/4	23 7/8
1997:		
First Quarter	$36 1/2	$27
Second Quarter	39 7/8	25 1/4
Third Quarter	51 7/8	38 5/16
Fourth Quarter	53 5/16	47 11/16
1998:		
First Quarter (ending February 6, 1998)	$60 5/8	$52 11/16

On August 19, 1997, the day prior to the announcement by American Radio that management was exploring ways to maximize stockholder value, the last reported sale price per share of the ARS Class A Common Stock on the NYSE was $39.125. On September 18, 1997, the day prior to the announcement by American Radio of the signing of the Original Merger Agreement with CBS, the last reported sale price per share of the ARS Class A Common Stock on the NYSE was $51 7/8. On February 6, 1998, the last reported sale price per share of the ARS Class A Common Stock on the NYSE was $60 per share. As of January 30, 1998, there were 339 holders of record of the ARS Class A Common Stock.

No established public trading market currently exists for the ATS Class A Common Stock. As of February 1, 1998, there were 18 holders of record of ATS Class Common Stock.

ATS anticipates that it will retain future earnings, if any, to fund the development and growth of its business and does not anticipate paying cash dividends on shares of ATS Common Stock in the foreseeable future. In addition, each Tower Operating Subsidiary is and will be restricted under the Tower Loan Agreement from paying dividends on the stock (distributions to its partners, in the case of ATSLP) and repurchasing, redeeming or otherwise acquiring any shares of ATS Common Stock. Since ATS has no significant assets other than its ownership of all of the capital stock of ATSI, its ability to pay dividends to its stockholders in the foreseeable future is restricted. See "Description of American Tower Systems Capital Stock--Dividend Restrictions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems--Liquidity and Capital Resources".

AMERICAN TOWER SYSTEMS CAPITALIZATION

Prior to the consummation of the Merger (or the Tower Merger), American Tower Systems will have been operated as part of American Radio. The following table sets forth the capitalization of American Tower Systems as of September 30, 1997, and as adjusted to give effect to (a) the ATS Pro Forma Transactions and (b) the Merger and the related transactions (including the Tower Separation), and events described in the notes hereto as if all of the foregoing had been consummated on September 30, 1997. See Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet of American Tower Systems included in this Information Statement/Prospectus, and "The Merger and Tower Separation--ATS Stock Purchase Agreement".

Management believes that the assumptions used provide a reasonable basis on which to present such capitalization. The capitalization table below should be read in conjunction with the historical financial statements of ATS included elsewhere in this Information Statement/Prospectus, "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems". The capitalization table below is provided for informational purposes only and (i) should not be construed to be indicative of ATS' 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 during such period, and (iii) is not necessarily indicative of ATS' future capitalization or financial condition.

	SEPTEMBER 30, 1997	
	HISTORICAL	PRO FORMA
	(IN THOUSANDS)	
Cash and cash equivalents	$ 2,295	$ 2,759
Long term debt, including current portion(1)(2)		
Borrowings under the Tower Loan Agreement	$ 52,500	$171,317
Other long-term debt	1,703	1,703
Total long-term debt	54,203	173,020
Stockholders' equity(1)(3)		
Preferred Stock	--	--
Common Stock(4):		
Common Stock	--	--
Class A Common Stock	--	660
Class B Common Stock	--	91
Class C Common Stock	--	33
Additional paid-in capital	51,403	608,882
Accumulated deficit	(1,298)	(1,298)
Total stockholders' equity	50,105	608,368
Total capitalization	$104,308	$781,388

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(1) For additional information, see "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Systems--Liquidity and Capital Resources".

(2) See Notes to Consolidated Financial Statements of American Tower Systems for additional information regarding the components and terms of ATS' long-term debt. Approximately $150.0 million of additional long-term debt borrowings are expected to be required (on a net basis) to finance the Recent Transactions not included in the ATS Pro Forma Transactions.

(3) Consists, on a pro forma basis, of (a) Preferred Stock, par value $.01 per share, authorized, 20,000,000 shares, none issued or outstanding; (b) ATS Class A Common Stock, par value $.01 per share, authorized

200,000,000 shares; shares issued and outstanding: 3,000 (historical) and 66,021,279 (pro forma); (c) ATS Class B Common Stock, par value $.01 per share, 50,000,000 authorized shares; shares issued and outstanding: none (historical) and 9,054,454 (pro forma); and (d) ATS Class C Common Stock, par value $.01 per share, 10,000,000 authorized shares; shares issued and outstanding: none (historical) and 3,295,518 (pro forma).

(4) The number of outstanding shares does not include, except as otherwise indicated: (a) shares of ATS Class A Common Stock issuable upon conversion of ATS Class B Common Stock or ATS Class C Common Stock, or (b) shares issuable upon exercise of options currently outstanding to purchase an aggregate of 3,895,300 shares of ATS Common Stock, (of which 2,695,300 are purchasable at $10.00 per share and 1,200,000 are purchaseable at $13.00 per share), all of which become exercisable, on a cumulative basis, at the rate of 20% per year, commencing one year from the date of original grant, or (c) shares of ATS Common Stock issuable upon the exchange of options to purchase an aggregate of (i) 682,000 shares of Common Stock of ATSI, at prices ranging from $5.00 to $8.00, which will be exchanged for options to purchase 938,713 shares of ATS Common Stock, at prices ranging from $3.61 to $5.77, or (ii) 803,916 shares of ARS Common Stock, at prices ranging from $6.375 to $28.25, which assumes that all options of employees of ATS will be exchanged (based on assumed relative values of the ARS Common Stock and ATS Common Stock of $54.00 per share and $10.00 per share, respectively) for options to purchase 4,341,146 shares of ATS Common Stock, at prices ranging from $1.18 to $5.23, or (iii) 6,500 shares of ATC Common Stock, at prices ranging from $100.00 to $475.00, which will be exchanged for options to purchase 1,295,208 shares of ATS Common Stock, at prices ranging from $0.50 to $2.38. The number of outstanding shares does, however, include the 8,000,000 shares issued in connection with the ATS Stock Purchase Agreement. See the Notes to Consolidated Financial Statements of American Tower Systems, "Business of American Tower Systems--Recent Transactions" and "The Merger and Tower Separation--Certain Other Covenants--ARS Options" and "--ATS Stock Purchase Agreement".

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN TOWER SYSTEMS

The following unaudited pro forma condensed consolidated financial statements of American Tower Systems consist of an unaudited pro forma condensed consolidated balance sheet as of September 30, 1997 and unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 1996 and for the nine months ended September 30, 1997, adjusted for the ATS Pro Forma Transactions and the Merger, as if such transactions had been consummated on January 1, 1996. 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' acquisitions. The unaudited pro forma condensed consolidated balance sheet and the unaudited pro forma condensed consolidated statements of operations should be read in conjunction with American Tower Systems' 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 Information Statement/Prospectus. The unaudited pro forma condensed consolidated balance sheet and the unaudited pro forma condensed consolidated statements 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 ATS' future results of operations or of the financial condition or the results of operations which would have resulted had ATS been operated as a separate, independent company during such periods, and are not necessarily indicative of ATS' 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 is 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 SYSTEMS CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1997
(IN THOUSANDS)

	HISTORICAL	PRO FORMA ADJUSTMENTS(A)	PRO FORMA
ASSETS			
Cash and cash equivalents	$ 2,295	$ 464	$ 2,759
Accounts receivable, net	1,560	976	2,536
Other current assets	710	965	1,675
Notes receivable	260		260
Property and equipment, net	43,941	184,082	228,023
Intangible assets, net	59,819	527,794	587,613
Investment in affiliate	322		322
Deposits and other assets	2,433	(2,000)	433
Total	$111,340	$712,281	$823,621
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities, excluding current portion of long-term debt	$ 5,145	$ 5,371	$ 10,516
Deferred income taxes	1,084	29,657	30,741
Other long-term liabilities	29	173	202
Long-term debt, including current portion	54,203	118,817	173,020
Minority interest	774		774
Stockholders' equity	50,105	558,263	608,368
Total	$111,340	$712,281	$823,621

See Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet of American Tower Systems.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

The unaudited pro forma condensed consolidated balance sheet as of September 30, 1997 gives effect to the Diablo Transaction, the MicroNet Transaction, the Tucson Transaction, the Gearon Transaction and the ATC Merger (collectively, with the Meridian Transaction, the transfer of towers from ARS to ATS, and the consummation of the transactions contemplated by the ATS Stock Purchase Agreement, the "ATS Pro Forma Transactions") and the Merger, including the Tower Separation, as if each of the foregoing had occurred on September 30, 1997. See "Business of American Tower Systems--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 for the ATS Pro Forma Transactions as of September 30, 1997. (In thousands).

	DIABLO TRANSACTION	MICRONET TRANSACTION	TUCSON TRANSACTION	GEARON TRANSACTION	ATC MERGER	TRANSFER OF TOWERS	TOWER SEPARATION TAX	ATS STOCK PURCHASE AGREEMENT	TOTAL
ASSETS									
Cash and cash equivalents					$ 464				$ 464
Accounts receivable, net					976				976
Other current assets					965				965
Property and equipment, net	$18,215	$40,000	$ 4,700	$ 5,000	112,000	$4,167			184,082
Intangible assets, net	26,785	30,250	7,300	75,000	388,459				527,794
Deposits and other assets	(2,000)								(2,000)
Total	$43,000	$70,250	$12,000	$80,000	$502,864	$4,167	$ --	$ --	$712,281
LIABILITIES AND STOCKHOLDERS' EQUITY									
Current liabilities, excluding current portion of long-term debt					$ 5,371				$ 5,371
Deferred income taxes					116,257		$(86,600)		29,657
Other long-term liabilities					173				173
Long-term debt, including current portion	$ 2,500	$29,750		$26,400	72,967		66,600	$(79,400)	118,817
Stockholders' equity	40,500	40,500	$12,000	53,600	308,096	$4,167	20,000	79,400	558,263
Total	$43,000	$70,250	$12,000	$80,000	$502,864	$4,167	$ --	$ --	$712,281

The Diablo Transaction, MicroNet Transaction, Tucson Transaction, Gearon Transaction and the ATC Merger will be accounted for under the purchase method of accounting. The anticipated purchase price of each transaction has been allocated among the assets acquired based upon preliminary appraisals of those assets' fair values. With the exception of the ATC Merger, working capital of the acquired companies was not transferred to ATS.

The following table describes the financing of the transactions described above. In connection with certain of these transactions, ARS consummated the transactions directly using borrowings against their line of credit and subsequently contributed the assets (at ARS' cost) to ATS.

	PURCHASE PRICE	BORROWINGS BY ATS	BORROWINGS BY AND CONTRIBUTIONS FROM ARS	COMMON STOCK ISSUED BY ATS
		(IN THOUSANDS)		
Diablo Transaction	$45,000	$2,500	$40,500	
MicroNet Transaction	70,250	29,750	40,500	
Tucson Transaction	12,000		12,000	
Gearon Transaction	80,000	26,400	5,600	$ 48,000
ATC Merger	500,459	72,967		308,096

In addition, in connection with the ATC Merger, a deferred tax liability of $116.3 million will be established for the differences in bases for book and tax purposes resulting from transaction. The working capital deficiency of ATC at September 30, 1997 ($3.1 million) has also been recorded as a pro forma

adjustment.

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.

As a result of the Tower Separation, ATS will be required to bear an estimated $66.6 million of income tax liabilities (net of $20.0 million to be borne by ARS pursuant to the provisions of the Merger Agreement.) In addition, the tax bases of ATS' assets will be increased as a result of the separation; a deferred tax asset of $86.6 million has been recorded for such increase. The estimated tax liability of $66.6 million is based on an assumed fair market value of the ATS Common Stock of $10.00 per share, which is the price at which shares were issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. Such estimated tax liability would increase or decrease by approximately $14.8 million for each $1.00 per share increase or decrease in the fair market value of the ATS Common Stock.

The issuance of ATS Common Stock pursuant to the ATS 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 upon consummation of the Merger and the balance in cash).

ATS expects to issue a total of 43,132,691 shares of Common Stock to effect all of the transactions described above. The following shares will be issued pursuant to the Gearon Transaction (5,333,333), the ATC Merger (29,799,358), and the ATS Stock Purchase Agreement (8,000,000).

No adjustment has been included in the pro forma information with respect to certain adjustment provisions in the Merger Agreement related to the Working Capital and Debt Amount (each as defined in the Merger Agreement) of ARS at the time of consummation of the Merger because ARS currently estimates that the payment, if any, which would be required to be paid or to be received by ATS would not be material.

The ATS Pro Forma Transactions referred to above do not constitute all of the Recent Transactions. Since January 1, 1997, ATS has consummated more than 15 acquisitions (four of which are included in the ATS Pro Forma Transactions) involving more than 525 sites, including sites on which towers are to be constructed (of which approximately 285 are represented by the ATS Pro Forma Transactions referred to above), in a variety of regions for an aggregate purchase price of approximately $290.0 million (of which approximately $207.3 million was represented by the ATS Pro Forma Transactions referred to above). ATS is a party to two pending transactions, one of which (the ATC Merger) is included in the ATS Pro Forma Transactions and one of which (the acquisition of the assets relating to a teleport serving the Washington, D.C. area for approximately $30.5 million) is not. See "Business of American Tower Systems--Recent Transactions".

AMERICAN TOWER SYSTEMS CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1996
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	PRO FORMA ADJUSTMENTS(A)	PRO FORMA
Net revenues	$2,897	$ 62,976	$ 65,873
Operating expenses	1,362	36,271	37,633
Depreciation and amortization	990	48,916	49,906
Corporate general and administrative expenses	830	2,000	2,830
Operating loss	(285)	(24,211)	(24,496)
Other (income) expense:			
Interest expense, net		11,726	11,726
Other (income) expense	(36)		(36)
Minority interest in net earnings of subsidiary	185		185
Total other (income) expense	149	11,726	11,875
Loss before income taxes	(434)	(35,937)	(36,371)
Provision (benefit) for income taxes	46	(9,165)(b)	(9,119)
Net loss	$ (480)	$(26,772)	$(27,252)
Net loss per common share	$(0.01)		$ (0.34)
Pro forma common shares outstanding(c)	36,042	43,133	79,175

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

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, 1996 gives effect to the ATS Pro Forma Transactions and the Merger as if each of the foregoing had occurred on January 1, 1996.

(a) To record the results of operations for the ATS Pro Forma Transactions. The results of operations have been adjusted to: (i) reverse historical interest expense of $4.2 million; (ii) record interest expense of $11.7 million for the year ended December 31, 1996, as a result of approximately $128.4 million of additional net debt to be incurred in connection with the ATS Pro Forma Transactions and payment of the estimated tax liability attributable to the Tower Separation of approximately $66.6 million (net of the $20.0 million to be borne by ARS pursuant to the provisions of the Merger Agreement), after giving effect to (x) capital contributions by ARS of $146.1 million, representing the difference between the aggregate amount invested by ARS in ATS at January 1, 1996 of $3.9 million and the maximum amount ($150.0 million) permitted by the Merger Agreement, and (y) the proceeds from the issuance of ATS Common Stock pursuant to the ATS 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 are due upon consummation of the Merger and the balance in cash); and (iii) the historical depreciated book value of $4.2 million for an aggregate of 16 towers transferred or to be transferred by American Radio to ATS representing an additional ARS equity investment in ATS. 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 $0.3 million. The estimated tax liability shown in clause (i) preceding is based on an assumed fair market value of the ATS Common Stock of $10.00 per share, which is the price at which shares were issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. Such estimated tax liability would increase or decrease by approximately $14.8 million for each $1.00 per share increase or decrease in the fair market value of the ATS Common Stock. No adjustment has been included in the pro forma information with respect to certain adjustment provisions in the Merger Agreement relating to the Working Capital and Debt Amount (each as defined in the Merger Agreement) of ARS at the time of the consummation of the Merger, because ARS estimates that the payment, if any, required by such provisions to be paid or to be received by ATS will not be material. For information with respect to such adjustments, see "The Merger and Tower Separation--Closing Date Adjustments".

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of $7.7 million for the year ended December 31, 1996 and record depreciation and amortization expense of $48.7 million for the year ended December 31, 1996 based on estimated allocations of purchase prices. Depreciation expense for property, plant and equipment acquired has been determined based on an average life of fifteen 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.

Corporate general and administrative expenses of the prior owners have 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 maintains a separate corporate headquarters which provides services substantially similar to those represented by these costs, they are not expected to recur following acquisition. After giving effect to an estimated $2.0 million of incremental costs, ATS believes that it has existing management capacity sufficient to provide such services without incurring additional incremental costs.

(a) continued

The following table sets forth the historical results of operations for the ATS Pro Forma Transactions for the year ended December 31, 1996. (In thousands).

	MERIDIAN TRANSACTION	DIABLO TRANSACTION	MICRONET TRANSACTION	TUCSON TRANSACTION	GEARON TRANSACTION	ATC MERGER	TRANSFER OF TOWERS	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues.....	$4,498	$7,422	$15,058	$1,438	$21,484	$12,366	$ 710		$ 62,976
Operating expenses.....	3,218	5,922	9,867	371	13,302	2,849	742		36,271
Depreciation and amortization.....	416	417	3,936	164	103	2,709	215	$ 40,956	48,916
Corporate general and administrative....		776				2,049		(825)	2,000
Operating income (loss).....	864	307	1,255	903	8,079	4,759	(247)	(40,131)	(24,211)
Other (income) expense.....									
Interest expense, net.....	70	81		213		3,808		8,536	12,708
Other expense (income).....		294	(43)	(19)	(95)	150		(287)	
Income (loss) from operations before income taxes.....	$ 794	$ (68)	$ 1,298	$ 709	$ 8,174	$ 801	$(247)	$(48,380)	$(36,919)

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

(c) Consists of shares expected to be issued pursuant to the Tower Separation (36,042,476, assuming the exercise of all ARS Options prior to the Merger), the Gearon Transaction (5,333,333), the ATC Merger (29,799,358), and the ATS Stock Purchase Agreement (8,000,000).

AMERICAN TOWER SYSTEMS CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 1997
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	PRO FORMA ADJUSTMENTS (A)	PRO FORMA
Net revenues	$ 7,902	$ 58,079	$ 65,981
Operating expenses	3,588	29,598	33,186
Depreciation and amortization	2,706	36,167	38,873
Corporate general and administrative expenses	919	1,500	2,419
Operating income (loss)	689	(9,186)	(8,497)
Other (income) expense:			
Interest expense, net	1,221	8,232	9,453
Other income (expense)	3		3
Minority interest in net earnings of subsidiary	221		221
Total other (income) expense	1,445	8,232	9,677
Income (loss) before income taxes	(756)	(17,418)	(18,174)
Provision (benefit) for income taxes	(49)	(3,149)(b)	(3,198)
Net income (loss)	$ (707)	$(14,269)	$(14,976)
Net loss per common share	$ (0.02)		$ (0.19)
Pro forma common shares outstanding(c)	36,042	43,133	79,175

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

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

The unaudited pro forma condensed consolidated statement of operations for the nine months ended September 30, 1997 gives effect to the ATS Pro Forma Transactions and the Merger 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. The results of operations have been adjusted to: (i) reverse historical interest expense of $4.2 million; (ii) record interest expense of $8.2 million for the nine months ended September 30, 1997, as a result of approximately $118.8 million of additional net debt to be incurred in connection with the ATS Pro Forma Transactions and payment of the estimated tax liability attributable to the Tower Separation of approximately $66.6 million (net of the $20.0 million to be borne by ARS pursuant to the provisions of the Merger Agreement), after giving effect to (x) capital contributions by ARS of $98.6 million, representing the difference between the aggregate amount invested by ARS in ATS at September 30, 1997 of $51.4 million and the maximum amount ($150.0 million) permitted by the Merger Agreement, and (y) the proceeds from the issuance of ATS Common Stock pursuant to the ATS 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 are due upon consummation of the Merger and the balance in cash); and (iii) the historical depreciated book value of $4.2 million for an aggregate of 16 towers transferred or to be transferred by American Radio to ATS representing an additional ARS equity investment in ATS. 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 estimated tax liability shown in clause (i) preceding is based on an assumed fair market value of the ATS Common Stock or $10.00 per share, which was the price at which shares were issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. Such estimated tax liability would increase or decrease by approximately $14.8 million for each $1.00 per share increase or decrease in the fair market value of the ATS Common Stock. No adjustment has been included in the pro forma information to certain adjustment provisions in the Merger Agreement relating to the Working Capital and Debt Amount (each as defined in the Merger Agreement) of ARS at the time of the consummation of the Merger, because ARS estimates that the payment, if any, required to be paid or to be received by ATS will not be material. For information with respect to such adjustments, see "The Merger and Tower Separation--Closing Date Adjustments".

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of $6.8 million for the nine months ended September 30, 1997 and record depreciation and amortization expense of $36.0 million for the nine months ended September 30, 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 fifteen years. Costs of acquired intangible assets for the transaction 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.

Corporate general and administrative expenses of the prior owners have 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 maintains a separate corporate headquarters which provides services substantially similar to those represented by these costs, they are not expected to recur following acquisition. After giving effect to an estimated $1.5 million of incremental costs, ATS believes that it has existing management capacity sufficient to provide such services without incurring additional incremental costs.

(a) continued

The following table sets forth the historical results of operations for the ATS Pro Forma Transactions for the periods in which they were not owned by American Radio for the nine months ended September 30, 1997. (In thousands).

	MERIDIAN TRANSACTION	DIABLO TRANSACTION	MICRONET TRANSACTION	TUCSON TRANSACTION	GEARON TRANSACTION	ATC MERGER	TRANSFER OF TOWERS	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues.....	$2,385	$6,930	$13,477	$1,201	$19,062	$14,491	$ 533		$ 58,079
Operating expenses.....	1,730	3,309	7,900	255	12,922	2,924	558		29,598
Depreciation and amortization....	211	393	2,638	123	111	3,369	162	$ 29,160	36,167
Corporate general and administrative..		1,802		88		2,347		(2,737)	1,500
Operating income (loss).....	444	1,426	2,939	735	6,029	5,851	(187)	(26,423)	(9,186)
Interest expense, net.....	80	110		150		3,900		4,782	9,022
Other expense (income).....			(30)	(7)	(65)	213		(111)	
Income (loss) from operations before income taxes.....	$ 364	$1,316	$ 2,969	$ 592	$ 6,094	$ 1,738	$(187)	$(31,094)	$(18,208)

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

(c) Consists of shares issued or expected to be issued pursuant to the Tower Separation (36,042,476, assuming the exercise of all ARS Options prior to the Merger), the Gearon Transaction (5,333,333), the ATC Merger (29,799,358) and the ATS Stock Purchase Agreement (8,000,000).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF AMERICAN TOWER SYSTEMS

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' actual results and could cause ATS' 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--Risk Factors Relating to American Tower Systems". The discussion should be read in conjunction with the American Tower Systems Consolidated Financial Statements and the notes thereto contained elsewhere in this Information Statement/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 the periods. Because of ATS' relatively brief operating history and the large number of recent acquisitions, the following discussion, while presented to satisfy certain SEC disclosure requirements, will not necessarily reveal any significant developing or continuing trends. See "Business of American Tower Systems--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 in excess of 1,580 towers in 39 states and the District of Columbia, including approximately 510 towers managed for third party owners (of which approximately 255 are rooftop towers). ATS' rapid growth has come from numerous strategic acquisitions during 1996 and 1997. During 1996, ATS acquired approximately ten communications sites and site management businesses involving approximately 250 sites for an aggregate purchase price of approximately $21.0 million. Through September 1997, its acquisition activity accelerated and ATS acquired approximately 360 sites (and related site management businesses) for an aggregate purchase price of approximately $62.8 million.

RESULTS OF OPERATIONS

Management expects that acquisitions consummated to date and the major acquisition now pending (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 year ended December 31, 1996 and the nine months ended September 30, 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 year ended December 31, 1996 and the nine months ended September 30, 1997 indicate the effect of certain of the acquisitions, both consummated and pending, 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. The effects shown do include all of the ATS Pro Forma Transactions which, as explained elsewhere herein, do not constitute all of the Recent Transactions. See "Business of American Tower Systems--Recent Transactions". Since January 1, 1997, ATS has consummated more than 15 acquisitions involving more than 525 communications sites (of which approximately 340 sites are represented by the ATS Pro Forma Transactions that have been consummated and approximately 60 are sites on which towers are to be built), in a variety of regions for an aggregate purchase price of approximately $290.0 million (of which approximately $240.5 million is represented by ATS Pro Forma Transactions which have been consummated). In addition, the ATC Merger (which is included in the ATS Pro Forma Transactions) will represent the acquisition of not less than an additional 775 communications sites for approximately 35% of the pro forma ATS Common Stock. Accordingly, the impact of the Recent Transactions which 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 prove material. 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 in 1998. Management believes that such activity will have a material effect on future operations, which effect, in the initial years, will probably be negative until such time, if ever, as the newly constructed towers approach full or close to full utilization. Management believes that ARS common stockholders should be aware of the dramatic changes in the nature and scope of ATS' business in reviewing the ensuing discussion of comparative historical results.

NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996 (DOLLARS IN THOUSANDS)

As of September 30, 1997, ATS owned and/or operated approximately 370 wireless communications sites principally in the Northeast and Mid-Atlantic regions, Florida and California. As of September 30, 1996, ATS owned and/or operated approximately 250 wireless communications sites, principally in the Northeast and Mid-Atlantic regions and Florida. See the Notes to the Consolidated Financial Statements of American Tower Systems for a description of the acquisitions consummated in 1997 and 1996. These transactions have significantly affected operations for the nine months ended September 30, 1997 as compared to the nine months ended September 30, 1996.

Net revenues were $7,902 for the nine months ended September 30, 1997 compared to $1,858 for the same nine months in 1996, an increase of $6,044 or 325.3%. This increase was attributable to the impact of communications sites and related business acquisitions that occurred in the first nine months of 1997.

Tower lease revenues were $4,803 or 60.8% of net revenues for the nine months ended September 30, 1997 compared to $1,057 or 56.9% of net revenues for the same nine months in 1996; an increase of $3,746. This increase was attributable to revenue growth from the communications site acquisitions that occurred in the first nine months of 1997.

Sublease revenues were $702 or 8.9% of net revenues for the nine months ended September 30, 1997 compared to $296 or 15.9% of net revenues for the same period in 1996; an increase of $406. This increase was due to the impact of revenue growth from the communications site acquisitions that occurred in the first nine months of 1997.

Management fee revenues were $621 or 7.9% of net revenues for the nine months ended September 30, 1997 compared to $362 or 19.5% of net revenues for the same nine months in 1996; an increase of $259. The increase is due to the increased number of site management agreements ATS assumed in connection with the communications site acquisitions that occurred in the first nine months of 1997.

Consulting revenues from site acquisition services were $1,436 or 18.2% of net revenues for the nine months ended September 30, 1997. The revenues are attributable to the acquisition of a company in May of 1997, which performs site acquisition professional services to customers in the wireless communications industry.

Operating expenses excluding depreciation and amortization and corporate general and administrative expenses were $3,588 for the nine months ended September 30, 1997 compared to $1,066 for the same period in 1996, an increase of $2,522. This increase was due to the impact of increased costs associated with ATS' acquisitions.

Depreciation and amortization was $2,706 and $614 for the nine months ended September 30, 1997 and 1996, respectively, an increase of $2,092. This increase was primarily attributable to the increase in depreciable and amortizable assets resulting from the 1996 and 1997 acquisitions, and to a lesser extent, completed construction projects.

Corporate general and administrative expenses increased to $919 for the nine months ended September 30, 1997 from $506 for the nine months ended September 30, 1996, an increase of $413 or 81.6%. This increase was primarily attributable to the higher personnel costs associated with supporting ATS' greater number of tower properties and growth strategy.

Interest income was $97 for the nine months ended September 30, 1997 compared to $18 for the nine months ended September 30, 1996, an increase of $79. The increase is attributable to higher investable cash balances and interest income earned on a note receivable in 1997 as compared to 1996.

Interest expense net of amounts capitalized was $1,318 for the nine months ended September 30, 1997 compared to $0 for the 1996 period, an increase of $1,318. The increase is related to higher borrowing levels under the Tower Loan Agreement in 1997 as compared to 1996. Such borrowings were used to fund the 1997 acquisitions.

Minority interest in net earnings of subsidiary was $221 for the nine months ended September 30, 1997 compared to $75 for the 1996 period, an increase of $146. This represents the elimination of the minority shareholder'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 income tax benefit for the nine months ended September 30, 1997 was $49 as compared to an income tax provision of $69 for nine months ended September 30, 1996. The effective tax rate for the nine months ended September 30, 1997 was approximately 6% compared to 18% in 1996. The effective rate in 1997 and 1996 is due to the effect of permanent differences, principally amortization of non-deductible goodwill, on certain stock acquisitions.

The net loss was $707 for the nine months ended September 30, 1997 compared to $454 for the nine months ended September 30, 1996, as a result of the factors discussed above.

Tower Cash Flow for the nine months ended September 30, 1997 was $4,314 as compared to $792 for the nine months ended September 30, 1996, as a result of the factors discussed above.

EBITDA for the nine months ended September 30, 1997 was $3,395 as compared to $286 for the nine months ended September 30, 1996, as a result of the factors discussed above.

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

As of December 31, 1996, ATS owned and/or operated approximately 260 wireless communications sites principally in the Northeast and Mid-Atlantic regions and Florida. As of December 31, 1995, ATS owned and/or operated one wireless communications site in Florida. See the Notes to the ATS 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.

Net revenues were $2,897 for the year ended December 31, 1996 compared to $163 for period ended December 31, 1995, an increase of $2,734. This increase was primarily attributable to the impact of the tower site acquisitions that occurred in 1996.

Tower lease revenues were $1,804 or 62.3% of net revenues for the year ended December 31, 1996 compared to $163 or 100% of net revenues for the period ended December 31, 1995; an increase of $1,641. This increase was attributable to revenue growth from the communications site acquisitions that occurred during 1996.

Sublease revenues were $468 for the year ended December 31, 1996 compared to $0 for the period ended December 31, 1995. This increase was attributable to revenue growth from the communications site acquisitions that occurred during 1996.

Management fee revenues were $467 for the year ended December 31, 1996 compared to $0 for the period ended December 31, 1995. This increase was attributable to revenue growth from the communications site acquisitions that occurred during 1996.

Operating expenses excluding depreciation and amortization and corporate general and administrative expenses were $1,362 for the year ended December 31, 1996 compared to $60 for the 1995 period, an increase of $1,302. This increase was due to the impact of increased costs associated with ATS' acquisitions and revenue growth.

Depreciation and amortization was $990 for the year ended December 31, 1996 and $57 for the 1995 period, an increase of $933. This increase was primarily attributable to the increase in depreciable and amortizable assets resulting from the 1996 acquisitions.

Corporate general and administrative expenses were $830 for the year ended December 31, 1996 and $230 for the 1995 period, an increase of $600. This increase was primarily attributable to the higher personnel costs associated with supporting ATS' greater number of tower properties.

Interest income was $36 for the year ended December 31, 1996 and $0 for the 1995 period. The increase is attributable to higher investable cash balances in 1996 as compared to 1995.

Minority interest in net earnings of subsidiary was $185 for the year ended December 31, 1996. This represents the elimination of the minority shareholder's earnings of consolidated subsidiaries. ATS purchased its 50.1% interest in ATS Needham, LLC, in July 1996.

The income tax provision for the year ended December 31, 1996 was $46 as compared to a benefit for income taxes of $74 for the 1995 period. The effective tax rate for the year ended December 31, 1996 was approximately 11% compared to 40% in 1995. The effective rate in 1996 is due to the effect of permanent differences, principally amortization of non-deductible goodwill on certain stock acquisitions. The effective tax rate in 1995 was consistent with the statutory rate.

The net loss was $480 for the year ended December 31, 1996 compared to $110 for the 1995 period, as a result of the factors discussed above.

Tower Cash Flow was $1,535 for the year ended December 31, 1996 as compared to $103 for the year ended December 31, 1995, as a result of the factors discussed above.

EBIDTA was $705 for the year ended December 31, 1996 as compared to a negative $127 for the year ended December 31, 1995, as a result of the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

ATS' 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 nine months ended September 30, 1997, cash flow from operating activities was $3.1 million, as compared to $1.0 million for the nine months ended September 30, 1996. The change is primarily attributable to working capital investments related to communications site acquisitions and growth.

Cash flows used for investing activities were $74.3 million for the nine months ended September 30, 1997. ARS funded substantially all of the ATS investing activities during 1996.

Cash provided by financing activities was $71.1 million for the nine months ended September 30, 1997 as compared to $.6 million for the nine months ended September 30, 1996. The increase in 1997 is due to the impact of borrowings under the Tower Loan Agreement, offset somewhat by contributions from American Radio.

Pending Sale of American Radio Operations and Tower Separation: In September 1997, ARS entered into a merger agreement with CBS, pursuant to which a subsidiary of CBS will merge with and into ARS, each holder

of ARS Common Stock at the Effective Time of the Merger will receive $44.00 per share in cash and, assuming the Tower Merger has not been consummated, a share of the same class of ATS Common Stock as the share of ARS Common Stock surrendered, and ARS will become a subsidiary of CBS. As a result of the Tower Separation, ATS will cease to be a subsidiary of, or otherwise be affiliated with, ARS and will thereafter operate as an independent publicly held company. ARS and ATS will enter into certain agreements pursuant to the Merger Agreement providing for, among other things, the orderly separation of ARS and ATS, certain closing date adjustments based on ARS' debt levels and working capital (current assets less defined liabilities), the transfer of lease obligations to ATS of leased space on certain towers owned or leased by ARS to ATS, and the allocation of certain tax liabilities between ARS and ATS and certain indemnification obligations of ATS to ARS. The Tower Separation will result in a taxable gain to ARS, of which $20.0 million will be borne by ARS, and the remaining obligation (currently estimated at approximately $66.6 million, based on an assumed value of ATS Common Stock of $10.00 per share) will be required to be borne by ATS pursuant to the Merger Agreement. The liability is expected to be paid with borrowings under the Tower Loan Agreement.

Prior to the Tower Separation, ARS intends to increase its overall investment in ATS from $51.4 million at September 30, 1997 to $150.0 million and to contribute tower properties with a net book value of approximately $4.2 million to ATS; 14 of the 16 towers to be so contributed were transferred in January 1998. In January 1998, ATS issued 8,000,000 shares of ATS 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 ATS Class B Common Stock and 450,000 shares of ATS Class A Common Stock were issued in exchange for an aggregate of $49.375 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. These transactions will increase ATS' ability to fund acquisitions and meet its liquidity and capital resource needs.

Credit Agreements: As of September 30, 1997, ATS had approximately $54.2 million of total long-term debt (including the current portion thereof) outstanding. This included approximately $52.5 million of borrowings outstanding under ATS' then credit facility and approximately $1.7 million outstanding under other obligations. As of such date, assuming consummation of all of the Recent Transactions relating to ATS, the ATS Stock Purchase Agreement and the Tower Separation, the aggregate principal amount outstanding under the Tower Loan Agreement would have been approximately $321.3 million. In October 1997, ATS entered into the Tower Loan Agreement, which replaced the previously existing credit facility. All amounts outstanding under the previous facility ($55.0 million) were repaid with proceeds from the Tower Loan Agreement. The Tower Loan Agreement provides ATS with a $250.0 million loan commitment based on ATS 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 Tower Loan Agreement and repayment of amounts outstanding under the previous agreement, ATS incurred an extraordinary loss in the fourth quarter of 1997 of approximately $1.2 million which will be recorded net of the applicable income tax benefit, representing the write-off of deferred financing fees associated with the previous facility. The terms of the Tower Loan Agreement are discussed in the Notes to the Consolidated ATS Financial Statements. In January 1998, the Tower 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 are co-borrowers and jointly and severally liable under the Tower Loan Agreement and various subsidiaries of ATS and ATSI have guaranteed all of the obligations of ATSI and ATSLP under the Tower Loan Agreement. As of the date of this Information Statement/Prospectus, approximately $132.5 million of borrowings were outstanding under the Tower Loan Agreement.

In order to finance acquisitions of tower related properties and for general corporate purposes, ATS has borrowed and expects to continue to borrow under the Tower Loan Agreement. A substantial portion of ATS' cash flow from operations is required for debt service. Accordingly, ATS' leverage could make it vulnerable to a downturn in the operating performance of its tower properties or in 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 Tower Loan Agreement. If such cash flow is not sufficient

to meet such debt service requirements, ATS may be required to sell equity securities, refinance its obligations or dispose of one or more of its properties 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, apart from needs generated by acquisitions and construction, and believes that it has sufficient financial resources available to it, including borrowings under the Tower Loan Agreement, to finance operations for the foreseeable future.

ATS has entered into several merger and acquisition agreements (see the Notes to the ATS Consolidated Financial Statements). The consummation of certain of the transactions contemplated by these agreements is subject to, among other things, the expiration or earlier termination of the HSR Act waiting period. Unless otherwise noted, ATS intends to effect all of the Recent Transactions as soon as the necessary approvals are obtained and any conditions to closing are satisfied. ATS intends to finance the acquisitions with contributions from American Radio, available cash, borrowings under the Tower Loan Agreement, and, in certain cases, issuance of equity securities.

ATS made approximately $7.8 million in capital expenditures in the nine months ended September 30, 1997, principally related to tower construction. ATS expects capital expenditures in 1998 to be approximately $60.0 million (exclusive of ATC which plans to construct approximately 125 towers at a cost of approximately $28.0 million) and of up to $42.0 million to construct approximately 200 towers as to which ATS has submitted a bid), consisting principally of tower site construction and ongoing technical improvements. To the extent that funds generated from operations, or available cash, are insufficient to finance non-recurring capital expenditures, ATS would seek to borrow the necessary funds under the Tower Loan Agreement. The availability of funds under the Tower Loan Agreement is dependent upon ATS being able to meet certain leverage ratios. Assuming consummation of all of the Recent Transactions and the Merger, management believes that, in light of current construction plans and potential acquisitions, ATS will require additional financing during 1998. Any such financing could take the form of an increase in the maximum borrowing levels under the Tower Loan Agreement, the issue, publicly or privately, of debt securities (which could have the effect of increasing its consolidated leverage ratios) or equity securities (which, in the case of ATS Common Stock or securities convertible into or exercisable for ATS 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.

Management expects that the consummated acquisitions, the consummation of the ATC Merger and current and future construction activities will have a material impact on liquidity. As indicated in the Unaudited Pro Forma Condensed Consolidated Balance Sheet for the nine months ended September 30, 1997, and the foregoing discussion there is a substantial difference in the historical liquidity 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 the overall liquidity of ATS, although as such sites become more fully operational and achieve higher utilization, they should generate cash flow and, in the longer term, increase liquidity. Management intends to plan its construction activities in a manner designed to ensure that no violations occur in the Tower Loan Agreement. However, in order to facilitate such construction activity and to avoid any such violation ATS will require, as noted above, additional financing during 1998. Any such financing could take the form of an increase in the maximum borrowing levels under the Tower Loan Agreement, the issue, publicly or privately, of debt securities (which could have the effect of increasing its consolidated leverage ratios) or equity securities (which, in the case of ATS Common Stock or securities convertible into or exercisable for ATS 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 the Notes to the ATS Consolidated Financial Statements with respect to acquisition and related 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' current information systems because current software is either already Year 2000 compliant or required changes are not expected to be material. Based on the nature of ATS' 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 that incremental expenditures to address Year 2000 compliance will be material to ATS' liquidity, financial position or results of operations over the next few years.

INFLATION

The impact of inflation on ATS' 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' operating results.

RECENT ACCOUNTING PRONOUNCEMENTS

In March 1997, the Financial Accounting Standards Board ("FASB") released Statement of Financial Accounting Standards (FAS) No. 128, "Earnings Per Share" ("FAS 128"), which ATS will adopt in the fourth quarter of 1997.

In June 1997, the FASB released FAS No. 130 "Reporting Comprehensive Income" ("FAS 130"), and FAS No. 131 "Disclosures about Segments of and Enterprise and Related Information" ("FAS 131"). These pronouncements will be effective in 1998. FAS 130 establishes standards for reporting comprehensive income items and will require ATS to provide a separate statement of comprehensive income; reported financial statement amounts will not be affected by this adoption. FAS 131 established standards for reporting information about the operating segments in its annual report and interim reports and will require ATS to adopt this standard in the first quarter of 1998.

INDUSTRY OVERVIEW

Communications site owners and operators have benefited in recent years from a substantial increase in demand for wireless communications services. The CTIA 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 network 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 more dense network, or "footprint", of towers. PCIA estimates that over 100,000 additional antennae sites will have to be built to accomodate the needs of cellular and PCS over the next ten years.

ATS believes that, as the wireless industry has become more competitive, many carriers are seeking to focus their capital and operation resources primarily on activities that contribute directly to subscriber growth, such as the marketing and distribution of products. Management believes that these carriers, therefore, may seek to preserve capital and speed access to their markets through the outsourcing of infrastructure requirements such as communications site ownership, construction, operation and maintenance. 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 trend in local municipalities to slow 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. 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.

The attractiveness of a communications site is dependent on its location and the loaded capacity at certain wind speeds of its towers, which determine its desirability to wireless carriers and the number of antennae that its towers can support. Virtually all forms of wireless communications depend upon placing transmitting and receiving antennae at some level of altitude, the height depending on whether the site is elevated above sea level or not and what is in the surrounding area. A transmitter's height on a tower and such tower's location determine the line-of-sight of such transmitter with the horizon and, consequently, the distance a signal can be transmitted. Some users, such as paging companies and specialized mobile radio ("SMR") providers in rural areas, need higher elevations for broader coverage. Other businesses such as ESMR, PCS 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-supported or supported by guy wires. There are two types of self-supported towers: the lattice and the monopole. A lattice model 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-supported 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 are as important. Moreover, the installation of a tower structure in urban areas will often prove to be impossible due to zoning restrictions, land cost and land availability.

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 which a tower can accommodate will vary depending on the nature of the services provided by such tenants, well-constructed non-broadcast towers 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 line and the number and weight of the antennae on the tower; (iii) the existing capacity of the tower; (iv) the location on the tower; and (v) the competitive environment.

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, but 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 such 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 significantly 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 communications 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 has been the historical model, a large number of individual tower owners, construction companies

and other service providers. There can, of course, be no assurance that ATS will be able to secure a substantial portion of such potential business. See "Risk Factors--Factors Relating to American Tower Systems".

ATS believes that there is another significant trend influencing the wireless service providers that is likely to continue to have important implications for independent tower operators. In the increasingly competitive environment, ATS believes that many carriers are seeking to dedicate their capital and operations primarily to those activities, such as marketing and distribution of products, that directly contribute to subscriber growth. Management believes these carriers, therefore, may seek to preserve capital and to speed access to their markets through the outsourcing of infrastructure network requirements such as communications site ownership, construction, operation and maintenance. 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 those needs, independent operators have expanded into a number of associated network and communications site services, including 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.

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, financially responsible 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.

BUSINESS OF AMERICAN TOWER SYSTEMS

GENERAL

American Tower Systems is a leading independent owner and operator of wireless communications towers in the U.S. with over 1,580 towers in 39 states and the District of Columbia, including approximately 510 towers managed for third party owners (of which approximately 255 are rooftop towers). Of such 1,580 towers, approximately 810 are presently operated by ATS (approximately 750 of which are owned by it and the balance of which are managed for others), and approximately 775 are presently operated by ATC (of which approximately 125 are managed for a third party; ATC is a party to agreements or letters of intent to acquire approximately 125 currently operating towers). In addition to such 1,580 towers, ATS and ATC have more than 90 and 50 towers, respectively, currently under construction. ATS rents tower space and provides related services to a diverse range of wireless communications service industries, including PCS, cellular, paging, SMR, ESMR and fixed microwave, as well as radio and television broadcasters. ATS has significant tower networks throughout the United States with its most significant networks in California, Florida and Texas, and owns and operates communications sites or is constructing networks of tower sites in cities such as Albuquerque, Atlanta, Austin, Baltimore, Boston, Dallas, Jacksonville, Kansas City, Los Angeles, Miami-Ft. Lauderdale, Nashville, New York, Philadelphia, Sacramento, San Antonio, San Diego, San Francisco, Tucson, Washington, D.C. and West Palm Beach.

ATS' primary business is the leasing of antennae sites on multi-tenant towers and rooftops, primarily for its own towers and, to a lesser extent, for unaffiliated communications site owners. In support of its rental business, ATS also offers its customers network development services, including: site acquisition, zoning, antennae installation, site construction and network design. These services are offered on a time and materials or fixed fee basis or incorporated into build to suit construction contracts. American Tower Systems 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. For the nine months ended September 30, 1997, giving effect to the ATS Pro Forma Transactions, ATS had revenues and EBITDA of $66.0 million and $30.4 million, respectively.

On a pro forma basis, ATS' customers (which aggregate more than 2,390) include many of the major companies in the wireless communications industry, including: (i) cellular and PCS, including AT&T Corp. ("AT&T"), Bell Atlantic NYNEX Mobile ("Bell Atlantic Mobile"), BellSouth Mobility, Inc. ("BellSouth Mobility"), GTE Mobilnet of South Texas ("GTE Mobilnet"), Houston Cellular, Prime Co. ("Prime"), SBC

Communications, Inc. ("SBC Communications"), Southern New England Telephone ("SNET"), Southwestern Bell Mobile Systems (operating as Cellular One) ("Southwestern Bell") and Sprint Corp. ("Sprint"); (ii) paging, including Arch Communications Group Inc. ("Arch"), Metrocall, Inc. ("Metrocall"), PageMart Inc. ("PageMart"), PageNet, Inc. ("PageNet") and Pittencrief Communications, Inc. ("Pittencrief Communications"); (iii) ESMR, including Nextel Communications, Inc. ("Nextel"); and (iv) the television and radio broadcasting industries including American Broadcasting Company ("ABC"), American Radio, CBS, Chancellor Media Corporation ("Chancellor Media"), Clear Channel Communications, Inc. ("Clear Channel"), Cable News Network ("CNN"), The Fox Network ("Fox"), Jacor Communications, Inc. ("Jacor") and the National Broadcasting Company ("NBC"). ATS' site acquisition activities, which affords the opportunity to provide additional services such as the construction and leasing of communications sites, are provided to Bell Atlantic Mobile, SNET and Southwestern Bell, 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' video, voice and data transmission services are television broadcasters and other video suppliers such as CBS, CNN, Fox and Home Box Office ("HBO"). While none of ATS' customers accounted for as much as 10% of its pro forma revenues for the nine months ended September 30, 1997, most of the named customers accounted for more than 1% of such revenues and each is considered by ATS to be an important customer.

Giving effect to all ATS Pro Forma Transactions, management estimates that its site leasing activities, which it believes to generate the highest profit margin of its businesses, account for approximately 49% of such revenues, site acquisition activities (including construction for others) account for 31%, and the video, voice and data transmission business accounts for 20%. However, in light of management's intention to focus on construction (build to suit) activities, which will increase the number of sites available for leasing, it believes that antennae site leasing is likely to grow at a more rapid rate than other aspects of ATS' business.

ATS derives its revenue from various industry segments. The percentage of ATS' revenues derived from the various industry segments is approximately as follows: PCS--15%; Paging--24%; Cellular--12%; ESMR/SMR--12%; radio and television broadcasting--9%; Microwave--3%; private industrial users--3%; and Governmental and others--2%. The remaining approximately 20% of ATS' 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 and cellular compared to other wireless providers and management's intended focus on build to suit and other tower construction activities.

GROWTH STRATEGY

ATS' objective is to maintain and extend its position as a leading U.S. provider of communications sites and network development services to the wireless communications and broadcasting industries. ATS' growth strategy includes:

Internal Growth through Selling, Service and Capacity Utilization. Management believes that a substantial opportunity for profitable growth exists by maximizing the utilization of existing towers through targeted sales and marketing techniques. 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' 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. ATS focuses on building or acquiring towers engineered to hold as many tenants as possible and acquiring towers with underutilized capacity because the costs of operating a site are largely fixed, and increasing tower utilization results in significantly improved site operating margins. 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.

Growth by Construction (Build to Suit). ATS believes that attractive investment returns can be achieved by constructing new tower networks ("footprints") 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 (in much the same manner as a shopping mall developer), ATS will seek to develop an overall master plan for a particular market by locating new sites in areas identified by its customers as optimal for their network expansion requirements (build to suit). ATS generally secures commitments for leasing prior to commencing construction, thereby minimizing, to some extent, the risks associated with the investment. See "Risk Factors--Risk Factors Relating to American Tower Systems--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.

American Tower Systems currently has under construction or plans to construct during 1998 (exclusive of those which ATC is constructing or plans to construct) approximately 300 towers (most of which are on a build to suit basis) at an estimated aggregate cost of approximately $60.0 million. In addition, ATS is actively competing for the opportunity to construct more than 200 towers in 1998 for an estimated cost of approximately $42.0 million, although there can be no assurance as to how many, if any, of such towers ATS will be engaged to construct. ATC has under construction or plans to construct during 1998 approximately 125 towers at an estimated aggregate cost of approximately $28.0 million.

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 substantial majority of these designed to serve the wireless communications industry.

ATS believes that the ability to obtain, and commit to, large new construction (build to suit) projects will require significant financial resources. Management believes its reputation in the financial community, including among banks, investment banking firms, institutional investors and public investors, will attract such capital, on the favorable terms necessary to finance its growth, although there can be no assurance that funds will be available to ATS on such terms. Further, management believes that its cost of capital, relative to the cost of capital of its competitors, will be an important factor in implementing this aspect of its growth strategy.

Growth by Acquisition. ATS intends to continue to target strategic acquisitions in markets or regions where it already owns towers as well as new markets, including possibly non-U.S. markets. ATS has achieved a leading industry position primarily through acquisitions. 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. ATS may also pursue acquisitions related to the communications site industry, including companies engaged in the tower fabrication business.

While to date the majority of ATS' growth has resulted from acquisition activities, once the Recent Transactions are consummated management expects to shift ATS' 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, and expects to consummate selected acquisitions when the economics or fit are sufficiently attractive.

Growth through the Negotiation of Lease Escalators. The value of a tower and its growth prospects are affected by the terms of the leases associated with it. Most 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 which is then enhanced by increased tower utilization.

PRODUCTS AND SERVICES

Leasing of Antennae Sites. ATS' primary business is the leasing of antennae sites on multi-tenant towers to companies in all segments of the wireless communications and broadcasting industries. ATS' communications site business (including that of ATC) consists of more than 1,580 towers in 39 states and in the District of Columbia, including approximately 510 towers managed for third party owners (of which approximately 255 are rooftop towers). Of such 1,580 towers, approximately 810 are presently operated by ATS (approximately 425 of which are owned by it and the balance of which are managed for others), and approximately 775 are presently operated by American Tower Corporation (of which approximately 125 are managed for a third party; ATC is a party to agreements or letters of intent to acquire approximately 125 currently operating towers). In addition to such 1,580 towers, ATS and ATC have more than 90 and 50 towers, respectively, currently under construction. ATS rents tower space and provides related services for a diverse range of wireless communications industries, including: PCS, cellular, paging, SMR, ESMR, paging, fixed microwave, as well as radio and television broadcasters. ATS has significant networks of sites throughout the United States with its most significant clusters in California, Florida and Texas, and owns and operates communications sites or is constructing networks of tower sites in cities such as Albuquerque, Atlanta, Austin, Baltimore, Boston, Dallas, Jacksonville, Kansas City, Los Angeles, Miami-Ft. Lauderdale, Nashville, New York, Philadelphia, Sacramento, San Antonio, San Diego, San Francisco, Tucson, Washington, D.C. and West Palm Beach.

ATS' 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. Leases contain escalator provisions based on the consumer price index or a predetermined minimum increase, and tend to be renewed due to the costs and disruption associated with reconfiguring a network or broadcast location. The number of antennae which ATS' towers can accommodate varies depending on the type of tower (broadcast or non-broadcast) and 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 line and the number and weight of the antennae on the tower; (iii) the existing capacity of the tower; (iv) the location on 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 "footprint" 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 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, as they seek to focus their capital and operational resources primarily on activities that contribute to subscriber growth, such as marketing and distribution of products. 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, permit, 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.

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 are operational have been on a much smaller scale than those on which it is now bidding or considering bidding. Management believes that ATS' favorable results (occupancy and financial) achieved on completed projects is not representative of the results likely to be achieved from the larger projects ATS is currently contemplating and, therefore, has not included information herein with respect to the typical vacancy rates or financial results that can be expected to be generated by such build to suit projects.

Although build to suit 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 such as the 600-tower project on which ATS is bidding as described elsewhere in this Information Statement/Prospectus), 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 that are either expensive or difficult to build on or that they are such that they are unlikely to attract a sufficient number of other tenants.

Site Acquisition Business. 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 be. 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 various communications sites. ATS' site acquisition services are provided on a fixed fee or time and materials basis. Existing users of ATS' site acquisition business, include Bell Atlantic Mobile, SNET and Southwestern Bell. 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.

Communications Site Management Business. ATS is a leading manager of communications sites, principally rooftop sites but also including 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, paging and rooftop infrastructure construction services. ATS currently manages more than 380 sites in 35 states, exclusive of the approximately 125 sites managed by ATC for a third party. 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.

Voice, Video and Data Transmission Business. ATS' voice, video and data transmission business is operated in the New York City to Washington, D.C. corridor and in Texas. ATS owns a teleport outside of New York City and has an agreement to acquire a teleport 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 systems 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' video, voice and data transmission services are television broadcasters and other video suppliers such as CBS, CNN, Fox and HBO.

MANAGEMENT ORGANIZATION

ATS is organized on a regional basis. Management believes that its regional operations centers should be capable of responding effectively to the opportunities and customer needs of its defined geographic area and that these operations centers should have skilled engineers, 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 operating 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 engineering, site acquisition, construction management, tower operations, marketing, lease administration, and finance. However, as ATS seeks to expand its size and improve on the quality and consistency of service delivery, it believes it will need to supplement its current workforce in certain critical areas 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 engineers, marketing and other personnel from outside the communications site, wireless communications and broadcasting industries.

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 American Radio's management, recognized the opportunity in the communications site industry through ARS' ownership and operation of broadcast towers. ATS was formed in July 1995 to capitalize on this opportunity. During 1996, ATS' acquisition program was modest, entailing the acquisition of companies owning an aggregate of ten 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

The following transactions constitute the Recent Transactions (of which only the Meridian Transaction, the Diablo Transaction, the MicroNet Transaction, the Tucson Transaction, the Gearon Transaction and the ATC Merger are, together with the Tower Separation and the ATS Stock Purchase Agreement, included in the ATS Pro Forma Transactions).

Consummated Acquisitions. Since January 1, 1997, ATS has consummated more than 15 acquisitions (including those agreed to in 1996) involving more than 525 sites (including sites on which towers are to be constructed), in a variety of regions for an aggregate purchase price of approximately $290.0 million, certain of which are described below.

In May 1997, ATS consummated, among others, three acquisitions as follows:

- the purchase for approximately $13.0 million of two related companies engaged in the site acquisition business for unaffiliated third parties in various locations in the United States;

- the purchase for approximately $5.4 million of 21 tower sites, and a tower site management business, in Georgia, North Carolina and South Carolina. The acquisition agreement also provided for additional payments 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 are estimated to aggregate up to approximately $1.2 million; management believes that it is unlikely that any such arrangement will be entered into; and

- 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 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 $5.0 million) as well as any others that the joint venture may construct.

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

In October 1997, ATS consummated two unrelated acquisitions as follows:

- the purchase for approximately $45.0 million of 110 sites and a site management business primarily in northern California (the "Diablo Transaction"); and

- the purchase for approximately $70.25 million of 128 owned or leased tower sites, principally in the Mid-Atlantic region, with the remainder in California and Texas. The acquisition also provided ATS with its video, voice and data transmission business (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 ATS Class A Common Stock, the payment of approximately $30.0 million in cash and assumed liabilities.

In January 1998, 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 will be transferred and leases entered into following acquisition by ARS of the sites from third parties. See "The Merger and Tower Separation--Lease Arrangements".

In January 1998, ATS consummated the purchase of a communications site with six towers in Tucson, Arizona (the "Tucson Transaction") for approximately $12.0 million.

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

Pending Acquisitions. In January 1998, ATS entered into an agreement to purchase 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. Consummation of the transaction, which is subject to certain conditions, including receipt of FCC approvals and the expiration or earlier termination of the HSR Act waiting period, is expected to occur in the first half of 1998.

ATC Merger. On December 12, 1997, ATS entered into the ATC Merger Agreement pursuant to which ATC will merge with and into ATS which will be the surviving corporation. Pursuant to the ATC Merger, ATS will issue an aggregate of approximately 31.1 million shares of ATS Class A Common Stock (including shares issuable upon exercise of options to acquire ATC Common Stock which, to the extent they are outstanding as of the effectiveness of the ATC Merger, will become options to acquire ATS Class A Common Stock). The 31.1 million shares of ATS Class A Common Stock will represent 35% of the aggregate number of shares of ATS Common Stock which would be outstanding on a pro forma basis, assuming consummation of the ATC Merger, the Merger, the exercise of all ATS and ATC stock options currently proposed to be outstanding and the conversion of all ARS Convertible Preferred Stock.

The ATS Board and the Board of Directors of ATC each believes that the ATC Merger Agreement and the transactions contemplated thereby (including the respective proportions of the combined company to be owned by the ATS common stockholders and the ATC common stockholders) are fair to, and in the best interests of, its respective stockholders. ARS, as the then sole ATS stockholder, has approved the ATC Merger Agreement and the transactions contemplated thereby. Approval of the holders of a majority of the ATC Common Stock will be required to approve and adopt the ATC Merger Agreement and approve the ATC Merger.

The ATS Board, in reaching its conclusions, considered the factors discussed below. In view of the wide variety of factors considered in connection with the evaluation of the ATC Merger, the ATS Board did not find it practicable, nor did it attempt, to quantify or otherwise to assign relative weights to the specific factors it considered in reaching its determinations.

Amount and Form of ATC Merger Consideration. The ATS Board viewed favorably the exchange ratio and the proportions of the combined company to be owned by the ATS stockholders and the ATC stockholders. Such determination was based on all of the factors discussed herein. The ATS Board also viewed as favorable the fact that ATC Merger would result in a decrease in the combined company's leverage ratios, thereby enabling ATS to continue the construction activities of both companies which were viewed as essential to the long term growth of ATS.

Other Terms of the ATC Merger Agreement. The ATS Board considered the legal and other financial terms of the ATC Merger Agreement. The ATS Board gave consideration to, in addition to the amount and form of consideration offered to the ATC stockholders, the provisions of the ATC Merger Agreement that would permit ATS to terminate the agreement, if the Merger had not occurred and the ATS Board determined that consummation of the Tower Separation was not in the best interests of the ATS common stockholders, upon the payment of $15.0 million (together with reimbursement of reasonable out-of-pocket fees and expenses up to $1.0 million). Finally, the ATS Board considered the absence of any term or condition in the ATC Merger Agreement that was unduly onerous or could materially impede or impair the consummation of the ATC Merger.

Industry Changes and Consolidation. The ATS Board was aware of the changes that are taking place and will take place in the wireless communications and broadcasting industries, as well as the consolidation that had been taking place in the communications site industry. Particularly as a result of the outsourcing by many

wireless carriers and the growth in build to suit projects, the ATS Board viewed as favorable the increased size and capacity that the combination with ATC would achieve, and believed that such fact would enhance its ability to compete effectively in the build to suit market and, of equal importance, to be able to provide enhanced levels of service to the much larger carriers, wireless and broadcasting, that dominate the communications industry.

ATS' and ATC's Business, Conditions and Prospects. In evaluating the terms of the ATC Merger, the ATS Board reviewed, among other things, information with respect to the financial condition, results of operations and businesses of ATS and ATC, on both an historical and prospective basis, and current industry, economic and market conditions. In evaluating ATS' and ATC's prospects and the terms of the ATC Merger, the ATS Board considered, among other things, the strengths and weaknesses of the two companies. Included in that consideration were the financial, accounting and computer systems and programs that ATC had available to it, the depth and quality of its employees, the location and clustering of its communications sites, and the identity of its stockholders. In this connection, management had prepared and presented to the ATS Board various financial projections with respect to ATS and had received comparable projections from ATC. Among the specific financial information considered were the following: (a) debt levels of the two companies anticipated to exist at the time of the merger and at December 31, 1998; (b) financial projections of the two companies with respect to operating cash flow for 1998 and fourth quarter of 1998; (c) revenue per tower information with respect to ATC; (d) a summary of ATC's acquisitions, including prices paid (and the then current multiples of annualized revenues) as compared to current annualized revenues and the multiple thereof represented by the purchase price; and (e) a summary of construction opportunities for ATC (potential and expected) and the likely customer or customers. One of the more significant factors in determining the relative value of the two companies was the fact that ATC was engaged exclusively in the ownership and operation of communications sites, an activity that was considered to command a higher multiple of operating cash flow than certain aspects of ATS' business (the site acquisition business and the voice, video and data transmission business).

Depending on the period measured, the multiple applied, and whether such multiple was, in the case of ATS, applied to its overall business or whether different multiples were used for the different aspects of ATS' business, the information considered by the ATS Board indicated a range of comparative values for the two companies. For example, based on applying the same multiples (ranging from 12 times to 15 times) to all aspects of ATS' business, the percentage allocable to ATC ranged from 36.4% to 31.7% annualizing estimated 1997 fourth quarter EBITDA, 31.2% to 28.0% using estimated 1998 EBITDA, and 31.8% to 29.7% annualizing estimated 1998 fourth quarter EBITDA. However, using blended multiples (17.2 times for tower rental business, 8.0 times for site acquisition business, and 6.0 for audio, video and data transmission business, which resulted in a "blended" rate for ATS of 14.0 times EBITDA), the percentage allocable to ATC was 42.5% (based on annualized 1997 fourth quarter EBITDA), 37.2% (based on estimated 1998 EBITDA), and 36.9% (based on annualized estimated 1998 fourth quarter EBITDA). When an 18.7 (rather than 17.2) multiple (resulting in a "blended" rate for ATS of 15.0 times EBITDA) was applied to tower rental business, ATC's percentage allocations were 41.4%, 36.4% and 36.4%, respectively.

Other Acquisition Information. The ATS Board also considered the historical prices that had been paid by it for other communications sites companies, although this was a factor of less importance given the fact that none of the prior acquisitions were of companies of a comparable size or state of development as ATC.

Management did not believe that the obtaining of a fairness opinion from an independent investment banking firm in connection with the ATC Merger was necessary. Management believed that it could evaluate and make a recommendation to the ATS Board with respect to the fairness of the ATC Merger, without the need of any such opinion. Among the factors leading to that conclusion were management's prior experience in acquiring other companies in the communications site industry, the extensive experience that management had over twenty years in buying and selling businesses in the cable and radio broadcasting industries, and the absence of any conflict of interest on the part of any member of management (and the fact that the one member of the ATS Board who had a conflict of interest abstained from participating in any of the negotiations of the terms and conditions of the ATC Merger).

ATC required, as conditions of consummation of the ATC Merger, that (i) the ATS Class A Common Stock be publicly traded and (ii) the ATC Merger occur on or prior to May 31, 1998. While management believes that the merger with CBS (which will result in such a public trading market) will be consummated prior to that time, since clearance of the Merger by the Justice Department under the HSR Act and FCC approval of the transfer of ARS' FCC licenses to CBS are not within the control of either ARS or CBS, ATC was not willing to enter into the ATC Merger Agreement unless an alternative means of creating such a public trading market was included. Accordingly, provisions were added to the ATC Merger Agreement and the Merger Agreement to provide for such separation through the Tower Merger, which could be effected on June 1, 1998, if the Merger has not been consummated on or prior to May 31, 1998. See "The Merger and Tower Separation--Tower Merger". Management believes that the merger with CBS will be consummated by such time and therefore intends to consummate the Tower Merger only if required to timely consummate the ATC Merger. However, in light of the adverse federal income tax consequences to the ARS common stockholders should the Tower Merger occur and the merger with CBS not occur, the ARS Board intends to evaluate all of the facts and circumstances existing at the time of any proposed consummation of the Tower Merger to determine whether it is in the best interests of the ARS common stockholders, notwithstanding such adverse tax consequences. In that connection, the ARS Board will also consider the provision of the ATC Merger Agreement which provides for a termination fee to ATC of $15.0 million (together with reimbursement of reasonable out-of-pocket expenses up to an aggregate of $1.0 million) in the event that such agreement is terminated because of the failure of either the Merger or the Tower Merger to occur on or prior to May 31, 1998. Such termination fee would be the sole and exclusive recourse of ATC in the event of any such termination. See "The Merger and Tower Separation--Certain Federal Income Tax Consequences of ATC Merger".

Consummation of the ATC Merger is also conditioned on, among other things, the expiration or earlier termination of the HSR Act waiting period. On January 28, 1998, the Justice Department issued a Second Request with respect to the ATC Merger. ATS and ATC are in the process of compiling the information requested by the Justice Department and intend to meet with its representatives to address any questions they may have regarding such information. (For information on the effects of a Second Request, see "The Merger and Tower Separation--Regulatory Matters--Antitrust".)

In light of the fact that ARS management would prefer not to consummate the Tower Merger (which would occur prior to the consummation of the Merger with the consequence of two publicly traded companies), the ATC Merger is not expected to be consummated prior to the spring of 1998, which is the anticipated timing for consummation of the Merger.

It is a condition of ATC's obligation to consummate the ATC Merger that Messrs. Dodge and Stoner shall have entered into a voting agreement with ATC and certain of the ATC common stockholders, pursuant to which Messrs. Dodge and Stoner will have 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) so long as Messrs. Lummis and Clear Channel (or their respective affiliates), as the case may be, hold at least 50% of the shares of ATS Class A Common Stock to be received by him or it, as the case may be, in the ATC Merger.

Chase Manhattan Capital Corporation ("Chase Capital"), which is an affiliate of Chase Equity Associates, a stockholder of ARS, and of Mr. Chavkin, a director of ARS, owned approximately 18.1% of the ATC common stock as of February 1, 1998 and has a representative on the ATC Board of Directors. See "Principal Stockholders of American Tower Systems" below and "Principal Stockholders of American Tower Corporation" in Appendix V to this Information Statement/Prospectus. Summit Capital, Inc. ("Summit Capital") is entitled upon closing of the ATC Merger to receive from ATC a $2.25 million broker's fee. Fred Lummis, President and Chief Executive Officer of ATC, 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; (b) covenants as to the interim conduct of the business of ATS and ATC (including the necessity of approval of

the other party for acquisitions or construction commitments not therein disclosed and over certain specified amounts); (c) 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 which CBS has agreed to in the Merger Agreement, and (iii) continue the employment of ATC employees at existing salary levels for a period of one year; (d) closing conditions, (including (i) the delivery of customary closing opinions, (ii) the receipt of opinions of counsel as to the federal income tax consequences of the ATC Merger to the parties and, in the case of ATC, its stockholders, (iii) the election of Messrs. Lummis and Mays as directors of ATS; and (iv) the amendment of the ATS Restated Certificate to (A) prohibit future issuances of ATS Class B Common Stock (except upon exercise of then outstanding options and pursuant to stock dividends or stock splits), (B) limit transfers of the ATS Class B Common Stock, (C) limit Steven B. Dodge's voting power to 49.99%, (less the voting power represented by the shares of Class B Common Stock acquired by the Stoner purchasers pursuant to the ATS Private Placement and still owned by them), (D) provide for automatic conversion of the ATS Class B Common Stock to ATS Class A Common Stock should Mr. Dodge's aggregate voting power fall below either (i) 50% of his initial aggregate voting power (immediately after consummation of the ATC Merger) or (ii) 20% of the aggregate voting power of all shares of ATS Common Stock at the time outstanding, and (E) require consent of the holders of a majority of ATS Class A Common Stock for amendments adversely affecting the ATS Class A Common Stock; (e) the nonsolicitation of employees in the event of termination of the ATC Merger Agreement; (f) a termination fee of $15.0 million (together with reimbursement of reasonable out-of-pocket fees and expenses up to $1.0 million) payable to (i) ATS in the event that the ATC stockholders do not approve the ATC Merger Agreement, and (ii) ATC in the event that (A) neither the Merger nor the Tower Merger has occurred on or prior to May 31, 1998, or (B) if required, approval of the ATC Merger by the ARS common stockholders has not been obtained; and (g) the nonsurvival of the representations and warranties of both parties. The ATC Merger Agreement provides, among other conditions of consummation, that there shall not have been any event which shall have had a Material Adverse Effect (as defined in the ATC Merger Agreement) on ATS or ATC.

A copy of the ATC Merger Agreement has been filed as an exhibit to the registration statement of which this Information Statement/Prospectus is a part and will be furnished to any ARS common stockholder on request.

Other Transactions. ATS is negotiating and intends to pursue the acquisition of other communications sites and management and related businesses on a selective basis, although there are no definitive binding agreements with respect to any material transaction except as referred to above, and, accordingly, such transactions are not included in Recent Transactions. Neither the Recent Transactions nor any such acquisitions (unless they could delay consummation of the Merger for a period of more than 15 business days) will require the consent of CBS under the provisions of the Merger Agreement, although certain regulatory approvals may be required.

ATS Stock Purchase Agreement. In January 1998, American Tower Systems consummated the transactions contemplated by the ATS Stock Purchase Agreement, dated as of January 8, 1998, with Steven B. Dodge, Chairman of the Board and Chief Executive Officer of ARS and ATS, and certain other officers and directors of ARS (or their affiliates, members of their families 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. See "The Merger and Tower Separation--ATS Stock Purchase Agreement".

SALES AND MARKETING

American Tower Systems' 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 which enable 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 a primary source of new customers.

REGULATORY MATTERS

Federal Regulations. Both the FCC and the FAA regulate towers used for wireless communications transmitters and receivers and radio and television transmitters. 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. 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 broadcast stations operating on towers. Most proposals to construct new antenna structures or to modify existing antenna structures are reviewed by both the FCC and the FAA to ensure that a structure will not present a hazard to aircraft. 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 structural and power requirements for DTV transmission facilities may necessitate the relocation of many currently co-located FM antennae. The construction and reconstruction of this substantial number of antenna structures presents a potentially significant state and local 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 regulation, or whether the constitutionality of such regulation, if challenged, would be upheld.

Local Regulations. Local regulations include city and other local ordinances, zoning restrictions and restrictive covenants imposed by community developers. These regulations vary greatly, but typically require tower owners to obtain approval from local officials or community standards organizations prior to tower construction. Local regulations can delay or prevent new tower construction or site upgrade projects, thereby limiting ATS' 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' 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' 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 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 site opportunities 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 resources than ATS.

PROPERTIES

ATS' 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. As of September 30, 1997, giving effect as of such date to the Recent Transactions, ATS had more than 1,000 land leases. Pursuant to the Tower Loan Agreement, the senior lenders have liens on substantially all of the fee interests, leasehold interests and other assets of the Tower Operating Subsidiary which owns, directly or, in certain cases, through subsidiaries all of the assets of the consolidated group.

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' financial condition or results of operations.

EMPLOYEES

As of January 1, 1998, ATS employed approximately 140 full time individuals and considers its employee relations to be satisfactory. Such number does not include employees of companies included in Recent Transactions which had not then been consummated (such as ATC, Gearon and OPM) or members of the corporate administrative staff of ARS that may be employed by ATS upon consummation of the Merger. ATS estimates that on a pro forma basis, giving effect to consummation of all of the Recent Transactions and the Merger, it will have approximately 450 full time employees.

MANAGEMENT OF AMERICAN TOWER SYSTEMS

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth certain information concerning the executive officers and directors of American Tower Systems:

NAME	AGE	POSITIONS
Steven B. Dodge(1).....	52	Chairman of the Board, President and Chief Executive Officer
Alan L. Box.....	46	Chief Operating Officer and Director
Arnold L. Chavkin(1)(2)(3).....	46	Director
James S. Eisenstein.....	39	Executive Vice President--Corporate Development
J. Michael Gearon, Jr...	32	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, Chief Financial Officer and Director

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* Director nominee, conditioned on the ATC Merger being consummated.
(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.

As of the consummation of the Merger (or the earlier consummation of the Tower Merger), the ATS Board will be expanded to include two "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 the year following consummation of the Merger (or the earlier consummation of the Tower Merger), by the holders of ATS 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, will be elected as directors of ATS, and Mr. Winn will resign as a director of ATS.

Steven B. Dodge is the Chairman, President and Chief Executive Officer of American Tower Systems. Mr. Dodge is also the Chairman of the Board, President and Chief Executive Officer of ARS, a position he has occupied since its founding on November 1, 1993. ARS completed its initial public offering in June 1995 at $16.50 per share of ARS Class A Common Stock. Mr. 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 million, or $46.50 per share. Mr. Dodge also serves as a director of American Media, Inc., the National Association of Broadcasters (the "NAB").

Alan L. Box is the Chief Operating Officer and a director of American Tower Systems. Mr. Box also has been Executive Vice President of ARS since April, 1997. Prior to that date, Mr. Box was employed by EZ Communications, Inc. ("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 the George Mason Bankshares, Inc. and the George Mason Bank.

Mr. Chavkin is the Chairman of the Audit Committee of the Board of American Tower Systems. Mr. Chavkin has been the Chairman of the Audit Committee of the Board of American Radio since its founding. 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"), one of American Radio's shareholders, and previously a principal shareholder of Multi Market Communications, Inc. ("Multi-Market"), 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. Mr. Chavkin is also a director of R&B Falcon Drilling Company, Bell Sports Corporation, and Wireless One, Inc. 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 of American Tower Systems--Recent Transactions--ATC Merger" above and "Principal Stockholders of American Tower Corporation" in Appendix V.

James S. Eisenstein is the Executive Vice President--Corporate Development of American Tower Systems. Mr. Eisenstein has overall responsibility for seeking out acquisition and development opportunities for ATS. Mr. Eisenstein helped form ATS in the summer of 1995. He was previously Chief Operating Officer for Amaturo Group Ltd., a broadcast company operating eleven radio stations and four broadcasting towers from 1990 to 1995, several of which were purchased by American Radio. Mr. Eisenstein was also General Corporate Counsel of Home Shopping Network from 1988 to 1990, an Associate with Skadden, Arps, Slate, Meagher and Flom from 1985 to 1988 and an Associate with Vinson and Elkins from 1983 to 1985. He has extensive experience in structuring acquisitions and the operation and management of broadcasting and tower businesses.

Mr. Gearon was the principal stockholder and Chief Executive Officer of Gearon & Co., Inc., a position he held since September 1991. As a condition to consummation of the Gearon Transaction, Mr. Gearon was elected an Executive Vice President and a director of ATS and the Chief Executive Officer of the site acquisition business of ATS. See "Business of American Tower Systems--Recent Transactions".

Fred R. Lummis 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 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.

Mr. Stoner is the Chairman of the Executive Committee and the Compensation Committee of the Board of American Tower Systems. Mr. Stoner has been the Chairman of the Executive Committee and the Compensation Committee of the Board of American Radio since its founding. 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, a trustee of Chesapeake Bay Foundation.

Joseph L. Winn is the Chief Financial Officer, Treasurer and a director of American Tower Systems. Mr. Winn is also Treasurer, Chief Financial Officer and has been a director of ARS since its founding. 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 American Tower Systems are employees of and have been paid by ARS (or, in the case of Mr. Box, by EZ prior to the EZ Merger and in the case of Mr. Gearon, by Gearon prior to consummation of the Gearon Transaction) since the organization of ATS in 1995. 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. Eisentein).

SUMMARY COMPENSATION TABLE

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

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(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 such four executive officers, at the following rates: Mr. Dodge: $250,000; Mr. Box: $225,000; Mr. Eisenstein $200,000; Mr. Gearon: $200,000; and Mr. Winn: $225,000. Such salaries will commence (in the case of all such officers other than Mr. Gearon) with the Tower Separation, prior to which such individuals will have been paid by ARS at their present compensation rates.
(3) Includes American Radio's matching 401(k) plan contributions.
(4) Includes group term life insurance and parking expenses paid by ARS.
(5) Includes group term life insurance, automobile lease and parking expenses paid by ARS.
(6) Includes $87,500 paid by ATS commencing October 1, 1997.
(7) Includes group term life insurance paid by ARS.
(8) Represents options to purchase shares of ARS Class A Common Stock granted pursuant to the ARS stock option plan.
(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.

DIRECTOR COMPENSATION

As of the consummation of the Merger, the ATS Board will be expanded to include two 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 (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 American Tower Systems 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 can 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 10,000,000 shares of ATS Common Stock, which may consist of shares of ATS Class A Common Stock, shares of ATS Class B Common Stock or some combination thereof. It is a condition to consummation of the ATC Merger that all future grants of options under the Plan must be to purchase shares of ATS Class A Common Stock.

In July 1996, Tower Operating Subsidiary adopted its 1996 Stock Option Plan (the "ATSI Plan") and, pursuant thereto, options were granted to various officers of ATSI (the "ATSI Subsidiary Options"). In connection with the Merger, those options to purchase the common stock of ATSI will be converted into options to acquire shares of ATS Class A Common Stock (the "ATS Options"). In addition, each option to purchase shares of ARS Common Stock (the "ARS Options") may be exchanged for ATS Options. Both the ATSI Options and the ARS Options may 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. See "The Merger and Tower Merger--Certain Other Covenants--ARS Options".

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 OPTIONS GRANTED(A)	EXERCISE 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.....	27,732	$5.41	1/2/07	$ 94,353	$ 239,109

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(a) Assuming the exchange of ATSI Options to purchase 20,000 shares at $7.00 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 $94,353 and $239,109, respectively. A 5% and 10% per year appreciation in stock price from $5.41 per share yields appreciation of $3.40 per share and $8.62 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 AISI Plan to the individuals referred to in the "--Executive Compensation" above were to Mr. Eisenstein .

NAME	NUMBER OF UNEXERCISED OPTIONS AT DECEMBER 31, 1997 EXERCISABLE(A)	UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 1997(B) EXERCISABLE	UNEXERCISABLE
James S. Eisenstein.....	116,472	188,576	$734,278	$1,165,061

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(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. Assuming the exchange of ATSI Options for ATS Options, Mr. Eisenstein will have options to purchase 277,316 shares of ATS Class A Common Stock at $3.61 per share, of which 110,926 shares will be exercisable. 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. Assuming the exchange of ATSI Options for ATS Options, this option will convert into options to purchase 27,732 of shares of ATS Class A Common Stock at $5.41 per share, of which 5,546 shares will be exercisable.
(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 $1,899,339.

In January 1998, the ATS Compensation Committee granted options to purchase shares of ATS Common Stock to the executive officers of ATS in the amounts shown (which will be increased by subsequent grants, contingent upon consummation of the ATC Merger, as shown in parenthesis). All existing options have an exercise price of $10.00, the price at which shares of ATS Common Stock were sold pursuant to the ATS Stock Purchase Agreement, are to purchase ATS Class A Common Stock (ATS Class B Common Stock in the case of Mr. Dodge's option to purchase 1,700,000 shares) and become exercisable in 20% cumulative annual increments commencing one year from the grant dates): Mr. Dodge--1,700,000 shares (an additional 1,300,000 shares); Mr. Box--120,000 shares (an additional 80,000 shares); Mr. Eisenstein--28,000 shares (an additional 22,000 shares); and Mr. Winn--275,000 shares (an additional 210,000 shares). Pursuant to options granted as a condition to consummation of the Gearon Transaction, Mr. Gearon received an option to purchase 234,451 shares of ATS Class A Common Stock at $13.00 per share, which also becomes exercisable in 20% cumulative annual increments.

The information set forth above does not include ARS Options held by Messrs. Dodge, Box, Eisenstein and Winn which, as explained elsewhere in this Information Statement/Prospectus, may be converted into options to purchase ATS Common Stock at the election of the optionee. Such individuals have indicated that they intend to elect to convert their ARS Options as follows: Mr. Dodge--290,000 shares; Mr. Box--options to purchase 100,000 shares; Mr. Eisenstein--options to purchase 40,000 shares; and Mr. Winn--options to purchase 285,000 shares; however, such indications are not binding on such individuals and they will not be required to make a definitive election until shortly before the consummation of the Tower Separation. See "The Merger and Tower Merger--Certain Covenants--ARS Options" and "Principal Stockholders of American Tower Systems".

PRINCIPAL STOCKHOLDERS OF AMERICAN TOWER SYSTEMS

The following table sets forth certain information known to ATS as of February 1, 1998, with respect to the shares of ATS Common Stock that will be beneficially owned after the Tower Separation, based on the ARS Common Stock (and, in certain cases, ATS Common Stock) beneficially owned as of such date by (i) each person known by American Radio to own more than 5% of the outstanding ARS Common Stock, (ii) each director of American Tower Systems, (iii) each executive officer of American Tower Systems, and (iv) all directors and executive officers of American Tower Systems as a group. The table also sets forth information of a comparable nature giving effect, in addition to the foregoing, to the consummation of the ATC Merger. 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 February 1, 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 ATS Common Stock listed as owned by such person or entity. For information with respect to ownership of ARS Common Stock, see "Principal Stockholders of American Radio" in Appendix I.

	SHARES OF ATS COMMON STOCK BENEFICIALLY OWNED(1)					AFTER ATC MERGER	
	NUMBER	PERCENT OF CLASS A	PERCENT OF CLASS B	PERCENT OF COMMON STOCK	PERCENT OF TOTAL VOTING POWER	PERCENT OF COMMON STOCK	PERCENT OF TOTAL VOTING POWER
DIRECTORS AND EXECUTIVE OFFICERS							
Steven B. Dodge(2).....	6,842,346	*	69.35	13.90	50.60	8.66	41.36
Thomas H. Stoner(3).....	1,628,817	*	17.32	3.35	12.41	2.08	10.05
Alan L. Box(4).....	848,428	2.34	--	1.75	*	1.08	*
James S. Eisenstein(5)..	227,872	*	*	*	*	*	*
J. Michael Gearon, Jr.(6).....	4,711,113	13.01	--	9.70	3.72	6.01	3.01
Joseph L. Winn(7).....	987,448	*	9.76	1.99	7.17	1.25	5.88
Arnold L. Chavkin (CEA)(2).....	3,327,829	*	--	6.85	*	12.83	4.32
All executive officers and directors as a group (7 persons)(9).....	18,573,854	16.26	86.96	36.84	69.11	45.16	67.35
DIRECTOR NOMINEES							
Fred R. Lummis(10).....	--	--	--	--	--	+	+
Randall Mays (Clear Channel) (11).....	--	--	--	--	--	+	+
FIVE PERCENT STOCKHOLDERS							
Baron Capital Group, Inc.(12).....	5,620,000	15.15	--	11.58	4.44	7.17	3.59
Wellington Management Company LLP(13).....	1,929,676	5.33	--	3.97	1.52	2.46	1.23
Massachusetts Financial Services Company(14)...	2,741,774	7.57	--	5.65	2.17	3.50	1.75
Lehman Brothers Holding Inc.(15).....	2,050,000	5.66	--	4.22	1.62	2.62	1.31
Arthur C. Kellar(16)....	2,473,257	6.83	--	5.09	1.95	3.16	1.58
Charlton H. Buckley(17).....	2,116,957	5.84	--	4.36	1.67	2.70	1.35

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* Less than 1%.

\+ For information regarding the pro forma beneficial ownership of Messrs. Lummis and Mays, see Notes 10 and 11.

(1) The number of shares of ATS Common Stock that each person or entity will beneficially own immediately after the Tower Separation has been calculated assuming that all of the ARS Options held by the directors and executive officers of ATS (other than ARS Options to purchase an aggregate of 84,010 shares of ARS Common Stock held by Mr. Box) will have been exchanged for ATS Options, and that none of the other employees of ATS entitled to exchange ARS Options for ATS Options exercise such privilege. For purposes of determining such exchanges, which will be made with respect to an aggregate of 803,916 shares of ARS Common Stock, the relative values of ARS Common Stock and ATS Common Stock have been assumed to be $54.00 and $10.00, respectively. See "Management of American Tower Systems--

Stock Option Information" and "The Merger and Tower Separation--Certain Other Covenants--ARS Options". To the extent ARS Options are not exercised or exchanged or have not expired prior to the Effective Time, the holders thereof will receive, in the Merger, a number of shares of ATS Common Stock equal to the number of shares of ARS Common Stock covered by such options.

(2) Mr. Dodge is Chairman of the Board, President and Chief Executive Officer of American Tower Systems. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 75,950 shares of ATS Class A Common Stock owned by Mr. Dodge. Does not include an aggregate of 885,600 shares of ATS Class B Common Stock purchasable under ATS Options to be received in exchange for ARS Options; includes an aggregate of 680,400 shares of ATS Class B Common Stock as to which such options will be exercisable. Includes an aggregate of 25,050 shares of ATS Class A Common Stock and 20,832 shares of ATS Class B Common Stock owned by three trusts for the benefit of Mr. Dodge's children and 3,000 shares of ATS 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 an aggregate of 1,566,000 shares of ATS Class B Common Stock purchasable under options granted on January 8, 1998 to Mr. Dodge under the Plan and 170 shares of ATS Class A Common Stock held by Thomas S. Dodge, an adult child of Mr. Dodge, with respect to which Mr. Dodge disclaims beneficial ownership.

(3) Mr. Stoner is Chairman of the Executive Committee of the ATS Board. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 21,600 shares of ATS Class A Common Stock purchasable under an ATS Option to be received in exchange for an ARS Option; includes 5,400 shares of ATS Class A Common Stock as to which such option will be exercisable. Includes 1,094,158 shares of ATS Class B Common Stock owned by Mr. Stoner, 46,311 shares of ATS Class B Common Stock owned by his wife and an aggregate of 424,448 shares of ATS Class B Common Stock and 58,500 shares of ATS Class A Common Stock owned by trusts of which he and/or certain other persons are trustees. Mr. Stoner disclaims beneficial ownership of 242,128 shares of ATS Class B Common Stock and 58,500 shares of ATS Class A Common Stock owned by such trusts. Does not include 61,454 shares of ATS Class B Common Stock and 100,675 shares of ATS Class A Common Stock owned by Mr. Stoner's adult children.

(4) Mr. Box is a director and Chief Operating Officer of American Tower Systems. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 846,358 shares of ATS Class A Common Stock owned by Mr. Box and 2,070 shares of ATS Class A Common Stock owned by two trusts for the benefit of Mr. Box's children. Does not include an aggregate of 540,000 shares of ATS Class A Common Stock purchasable under ATS Options to be received in exchange for ARS Options. Does not include an aggregate of 120,000 shares of ATS Class A Common Stock purchasable under options granted on January 8, 1998 to Mr. Box under the Plan.

(5) Mr. Eisenstein is Executive Vice President-Corporate Development of American Tower Systems. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 25,000 shares of ATS Class A Common Stock owned by Mr. Eisenstein. Does not include an aggregate of 129,600 shares of ATS Class B Common Stock purchasable under ATS Options to be received in exchange for ARS Options; includes an aggregate of 86,400 shares of ATS Class B Common Stock as to which such options will be exercisable. Does not include an aggregate of 188,576 shares of ATS Class A Common Stock purchasable under options originally granted by Tower Operating Subsidiary which will become options to purchase ATS Class A Common Stock pursuant to the transactions contemplated by the Merger; includes an aggregate of 116,472 shares of ATS Class A Common Stock as to which such options will be exercisable. Does not include an aggregate of 28,000 shares of ATS Class A Common Stock purchasable under options granted on January 8, 1998 to Mr. Eisenstein under the Plan.

(6) Mr. Gearon is an Executive Vice President and director of American Tower Systems. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 4,240,002 shares of ATS Class A Common Stock owned by Mr. Gearon and 471,111 shares of ATS Class A Common Stock held by a trust for the benefit of Mr. Gearon's son of which J. Michael Gearon, Sr. is the trustee. Mr. Gearon disclaims beneficial ownership in all shares owned by such trust. Does not include an aggregate of 234,451 shares of ATS Class A Common Stock purchasable under options granted on January 22, 1998 to Mr. Gearon under the Plan.

(7) Mr. Winn is a director, Treasurer and Chief Financial Officer of American Tower Systems. Pursuant to the ATC Merger Agreement, Mr. Winn has agreed to resign as a director upon the election of the ATC director nominees. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 2,000 shares of ATS Class A Common Stock and 7,948 shares of ATS Class B Common Stock owned individually by Mr. Winn and 100 shares of ATS Class A Common Stock held for the benefit of his children. Does not include an aggregate of 499,738 shares of ATS Class B Common Stock and 34,862 shares of ATS Class A Common Stock purchasable under ATS Options to be received in exchange for ARS Options; includes an aggregate of 968,684 shares of ATS Class B Common Stock and 8,716 shares of ATS Class A Common Stock as to which such options will be exercisable. Does not include an aggregate of 275,000 shares of ATS Class A Common Stock purchasable under options granted on January 8, 1998 to Mr. Winn under the Plan.

(8) Mr. Chavkin is a director of American Tower Systems. 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. Giving effect to the Tower Separation, CEA would own 26,911 shares of ATS Class A Common Stock and 3,295,518 shares of ATS Class C Common Stock. Giving effect to the ATC Merger, Chase Capital would own 5,379,100 shares of ATS Class A Common Stock and Archery Partners, an affiliate of Chase Capital, would own 1,345,024 shares of ATS Class A Common Stock. 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 21,600 shares of ATS Class A Common Stock purchasable under an ATS Option to be received in exchange for an ARS Option; includes 5,400 shares of ATS Class A Common Stock as to which such option will be exercisable. For information with respect to the ownership of shares of ATC Common Stock by Chase Capital and Archery Partners, see "Principal Stockholders of American Tower Corporation" in Appendix V.

(9) Includes all shares stated to be owned in the preceding notes and, in the case of the post-ATC Merger information, that set forth in notes (10) and (11) following.

(10) Mr. Lummis is the Chairman, Chief Executive Officer and President of ATC. His address is 3411 Richmond Avenue, Suite 400, Houston, Texas, 77046. Mr. Lummis beneficially owns 7,155 shares of ATC Common Stock. Giving effect to the ATC Merger, Mr. Lummis would own 1,874,066 shares of ATS Class A Common Stock representing 2.81%, 2.37% and 1.19% of the pro forma ATS Class A Common Stock, ATS Common Stock and Voting Power, respectively. Includes 14,944 shares of ATS Class A Common Stock that will be owned by Mr. Lummis, an aggregate of 265,020 shares of ATS Class A Common Stock owned by trusts of which he is trustee, 996,314 shares of ATS Class A Common Stock owned by Summit, an affiliate of Mr. Lummis by reason of Mr. Lummis' 50% ownership of the common stock of Summit, and 597,788 shares of ATS Class A Common Stock purchasable under an option originally granted by ATC which will become an option to purchase ATS Class A Common Stock pursuant to the ATC Merger. For information with respect to his ownership of shares of ATC Common Stock, see "Principal Stockholders of American Tower Corporation" in Appendix V.

(11) Mr. Mays is Chief Financial Officer and an Executive Vice President of Clear Channel. His address is P.O. Box 659512, San Antonio, TX 78265-9512. Clear Channel owns 46,814 shares of ATC Common Stock. Giving effect to the ATC Merger, Clear Channel would own 9,328,288 shares of ATS Class A Common Stock representing 14.13%, 11.91% and 5.97% of the pro forma ATS Class A Common Stock, ATS Common Stock and Voting Power, respectively. Mr. Mays disclaims beneficial ownership of Clear Channel's ownership of ATC and ATS. See "Principal Stockholders of American Tower Corporation" in Appendix V.

(12) The address of Baron Capital Group, Inc. ("Baron") is 767 Fifth Avenue, New York, New York 10153. On a pro forma basis, based on Baron's Amendment No. 2 to Schedule 13D dated February 2, 1998, Mr. Baron, the president of Baron, will have sole voting power over 180,000 shares of ATS Class A Common Stock, shared voting power over 1,896,600 shares of ATS Class A Common Stock, sole dispositive power over 180,000 shares of ATS Class A Common Stock and shared dispositive power over 1,896,600 shares of ATS Class A Common Stock. Mr. Baron disclaims beneficial ownership of 5,620,000 shares of ATS Class A Common Stock.

(13) The address of Wellington Management Company LLP ("Wellington") is 75 State Street, Boston, Massachusetts 02109. On a pro forma basis, based on its Schedule 13G (Amendment No. 2) dated August 8, 1997, Wellington will have shared voting power over 985,313 shares of ATS Class A Common Stock and shared dispositive power over 1,929,676 shares of ATS Class A Common Stock.

(14) The address of Massachusetts Financial Services Company ("MFS") is 500 Boylston Street, Boston, Massachusetts 02116-3741. On a pro forma basis, based on its Schedule 13G (Amendment No. 1) dated October 14, 1997, MFS will have sole voting power over 2,558,984 shares of ATS Class A Common Stock and sole dispositive power over 2,741,774 shares of ATS Class A Common Stock.

(15) The address of Lehman Brothers Holding Inc. ("Lehman") is 3 World Financial Center, 24th Floor, New York, New York 10285. On a pro forma basis, based on its Schedule 13D dated January 23, 1998, Lehman will have shared voting power over 2,050,000 shares of ATS Class A Common Stock and shared dispositive power over 2,050,000 shares of ATS Class A Common Stock.

(16) Mr. Kellar is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116.

(17) Mr. Buckley is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 6,053 shares of ATS Class A Common Stock which are held by an adult child of Mr. Buckley with respect to which Mr. Buckley disclaims beneficial ownership.

BACKGROUND OF THE MERGER

GENERAL BACKGROUND

The radio broadcasting industry has undergone significant changes in the last several years in anticipation and, after February 1996, as a consequence of a new regulatory structure. The passage of the Telecommunications Act of 1996 (the "Telecommunications Act") fundamentally altered the landscape in the radio broadcasting industry by dramatically expanding the number of radio stations that could be owned in a local market and eliminating all FCC restrictions on the number of stations that could be owned nationwide by a single entity. In anticipation of those changes, ARS began to pursue, and after such legislation was enacted pursued even more aggressively, the acquisition of additional radio stations in new and existing markets, in order to achieve, among other things, increased size and greater geographic diversification. ARS intended to increase its presence in these markets through further acquisitions, as well as to expand into new markets. ARS concentrated these efforts in markets ranked in the top 60 (with an emphasis on markets ranked 10 through 50) in terms of radio advertising revenues where management had believed it could have ultimately achieved a substantial market position. When evaluating acquisition opportunities in new markets, ARS assessed the potential to achieve a strong position in audience share and to generate significant cash flow growth through owning multiple stations and through improved programming, marketing, sales and operating efficiencies.

Commencing in the spring of 1997, ARS perceived a change in the nature of the consolidation taking place in the radio broadcasting industry with a shift from local or regional acquisitions to mergers between more substantial companies beginning to accelerate. As a consequence, ARS began to consider and evaluate possible strategic alternatives for ARS, including potential major transactions with third parties. In August 1997, American Radio announced that it was exploring ways to maximize stockholder value in the immediate future. On behalf of ARS, Credit Suisse First Boston contacted thirteen potential merger or acquisition candidates, eleven of whom were engaged in the radio broadcasting industry and two of which were leveraged buyout firms or financial companies. Of these thirteen, eleven signed confidentiality agreements and received an informational memorandum prepared by ARS. The informational memorandum contained detailed historical and projected financial information with respect to ARS' radio broadcasting business distribution of revenues by stations and markets, station rating information, "value" of "underdeveloped" stations, and historical and projected financial information with respect to the communications site business. Management consulted with Credit Suisse First Boston as to the companies to whom the informational memorandum should be sent, recognizing that such companies would need to have the financial resources to be able to consummate a transaction with ARS. The prospective bidders were advised to submit their best and final bid to ARS no later than September 19, 1997.

During the course of the due diligence which was conducted by the prospective bidders, ARS made clear to them that their bids were to relate solely to ARS' radio broadcasting business and not to the communications site business. The ARS Board had concluded that the separation of the communications site business through the distribution of ATS Common Stock to the ARS common stockholders would enable such stockholders to realize a greater value, in the long run, than if the communications site business had been offered for sale as part of the radio broadcasting business. The ARS Board based such belief on two principal groups of factors: (i) factors affecting the communications site industry, including that the communications site business was a new one as far as the market place was concerned, that there were no publicly traded communications site companies, and that the amount of information publicly available about such industry was limited, together with the ARS Board's knowledge with respect to the prices at which companies in the industry were being bought and sold; and (ii) factors affecting ATS, including that ATS was in the very early stages of development, that ATS was engaged in a major acquisition program only a portion of which had been completed, that ATS had not had the opportunity to consolidate its acquisitions and to begin to reap the benefits of such acquisition program, and that ATS' construction activities had been relatively minimal (compared to its projected program) and therefore the benefits of such program were in the future. See also the discussion below under "The Merger and Tower Separation--Reasons for the Tower Separation".

The principal alternatives to a cash sale of the radio broadcasting business to another radio broadcasting company considered by the ARS Board were (i) an acquisition by ARS of another radio broadcasting company,

including one which might be larger than ARS, in which management of ARS would be the continuing management, (ii) a merger of ARS with another radio broadcasting company in which stock or other securities of the other company would be the principal consideration and in which management of the other company would be the continuing management, and (iii) a management cash buyout, financed by a leverage buyout firm or other financial institutions. All of the alternatives were ultimately rejected, some (the management leveraged buyout) earlier than others for the reasons explained in more detail below and which can be summarized as follows: (a) the ARS Board did not believe ARS had the capacity, either financially or, equally importantly from management's perspective, operationally to continue to operate effectively and grow a company which was engaged, to such a significant extent, in both the radio broadcasting business and the communications site business, and (b) the ARS Board's evaluation of the current and long term values of potential stock merger candidates.

On September 12, 1997, one of the prospective bidders, CBS, indicated that it was not willing to participate in a bidding process and that, if it had not negotiated and executed a definitive merger agreement prior to the time when bids were due, it would not submit a bid. No bids had been received by ARS at the time, although that fact was not revealed to CBS. ARS indicated that it was willing to enter into negotiations with CBS, but that it would not stop the bidding process unless and until a satisfactory merger agreement was executed by ARS and CBS. ARS' willingness to enter into negotiations with CBS was based on a number of factors: (i) its belief that CBS was the most likely (and probably the only) all cash purchaser; (ii) ARS' indication to CBS that it would not (and it did not) terminate the bidding process until after an agreement had been reached with CBS; and (iii) its belief (based on its knowledge of what the management of CBS with whom it was negotiating had done in other similar situations) that CBS was serious in its intention not to participate in the bidding process and its belief that it was essential that CBS not be eliminated as a potential purchaser. On September 15, 1997, CBS advised ARS that it was willing to pay $2.5 billion for ARS' radio broadcasting business, which amount included the assumption of all ARS indebtedness as well as the liquidation preference of the ARS Preferred Stock. Such amount resulted in a per share price for the ARS Common Stock of approximately $41.30. ARS indicated that such offer was inadequate and further negotiations ensued. An agreement in principle on a $2.6 billion overall or $44.00 per share price was reached on September 16, 1997. However, while an agreement in principle with respect to price had been reached, a number of material financial and legal issues remained to be resolved, CBS had not conducted its due diligence investigation and a definitive merger agreement remained to be negotiated. Thereafter, CBS conducted its due diligence and representatives of ARS and CBS negotiated the terms and conditions of the definitive merger agreement. Such negotiations were completed on September 19, 1997.

An informational meeting of the ARS Board took place by telephone conference on September 17, 1997, at which all of the directors other than Messrs. Kellar and Primis were present. Also in attendance were representatives of Credit Suisse First Boston, Sullivan & Worcester LLP, counsel for ARS ("Sullivan & Worcester") and Sullivan & Cromwell, counsel for Credit Suisse First Boston. Credit Suisse First Boston presented certain informational material and analyses (described in detail below under "--Opinion of Financial Advisor to American Radio"), including an overview of the transaction, the background to the offer, a list of the persons who had been furnished information concerning ARS and invited to participate in the bidding process, and the financial terms of the CBS offer. Also included in the material presented by Credit Suisse First Boston was its evaluation of the likely form (all or predominantly stock) of potential bids to be received by those companies that had indicated they were likely to submit a bid and the likely range of those bids, to the extent known by it. Among the matters reviewed by the directors were the market performance of the ARS Common Stock and trading statistics, and various valuation analyses. The nature of the CBS bid was discussed, including the risks associated with accepting or not accepting it before determining the results of the bidding process.

Mr. Dodge then explained in detail the reasons why he was recommending the sale of the radio broadcasting business at this time and why he favored the CBS proposal. Among Mr. Dodge's concerns were the high multiples at which radio companies were trading and his opinion that there were substantial risks that those multiples may not be sustained. In that regard, Mr. Dodge considered the factors that might cause such multiples

to decline substantially, including the failure of a leading radio broadcaster to achieve expected results, an economic or stock market decline, and regulatory and technological factors. He also advised the directors that he was concerned, in light of the known discussions that were currently taking place among the larger companies in the industry, that, in the not too distant future, if ARS did not act promptly, the number of prospective bidders would be considerably smaller than at present (and that the antitrust and FCC regulatory problems most of such bidders would face in merging with ARS would have been exacerbated) and that perhaps none of them would be able to offer an all or predominantly cash transaction. Mr. Dodge also believed that once a "deal" had been reached with CBS, it would be consummated based on CBS' record of successfully closing large mergers and acquisitions. He then outlined the history of his negotiations with Mr. Mel Karmazin, who negotiated the transaction on behalf of CBS and who is the Chairman and Chief Executive Officer of the CBS Stations Group. With the assistance of Credit Suisse First Boston, Mr. Dodge advised the ARS Board, based upon discussions between Mr. Dodge and one of the potential bidders and between representatives of Credit Suisse First Boston and certain of the other potential bidders, on the prospects of other bids, who might be making them, what form the consideration might take, and, if known, the amount of such bids, based on the respective current market prices per share of the potential bidders' common stock. In that connection, Mr. Dodge and representatives of Credit Suisse First Boston reported to the ARS Board that based on preliminary indications from potential bidders to date the ARS Board that it appeared likely that a maximum of three bids (other than the CBS offer) would be received, that all of those bids would likely be from other radio broadcasting companies, and that in two, or possibly three cases, the consideration to be offered would consist solely of common stock (with the possibility in one case of convertible preferred stock), and that while one bidder might possibly offer some cash, the amount was not likely to be significant in light of certain other transactions that that bidder had recently announced. The ARS Board was then advised as to the value of each of such bids, which in a majority of the cases was approximately the same as that of CBS (valuing such bids on the current trading levels per share of the bidders' common stock). The ARS Board then proceeded to consider at length the merits of the CBS offer and the potential other bids. Among the factors considered was the likelihood and timing of consummation of the CBS transaction compared to those of the other potential bidders. Mr. Dodge expressed the view that he believed a merger with CBS involved far fewer regulatory problems which could be resolved far quicker than those with two of the other potential bidders and that while the regulatory fit with the third bidder was somewhat more favorable than with CBS, he did not believe the difference was material or should be considered as an important factor. An extended discussion ensued on the comparative "value" of the CBS cash offer and those likely to be received from the other potential bidders. The ARS Board, with the assistance of Mr. Dodge, considered the management and reputation of the other bidders, the nature of their respective businesses, including in one case businesses other than the radio broadcasting business, and each potential bidder's ability to digest and operate a potentially much larger radio broadcasting business. After such discussion, the ARS Board tentatively concluded that it appeared to be in the best interests of the ARS common stockholders to pursue the CBS all cash offer, given the trading levels of the common stock of the other potential bidders, the market risks inherent therein, and its assessment of the prospects for the potential "stock" bidders.

A meeting of the ARS Board took place by telephone conference on September 18, 1997, at which all of the directors other than Mr. Peebler (who had indicated his approval of the proposed CBS transaction at the prior day's meeting) were present. Also in attendance were representatives of Credit Suisse First Boston, Sullivan & Worcester and Sullivan & Cromwell. The ARS Board reviewed the substance of the prior days' discussion and materials and then considered the basic terms of the proposed merger agreement, including both the financial and legal terms and conditions. Mr. Dodge also presented more current information concerning the prospects of bids from other parties, including the fact that the one potential bid that he had been aware of that was higher than the CBS offer was being substantially reduced. He also indicated that no bids had, in fact, been received. The directors were also advised in general terms of the proposed distribution to the ARS stockholders of the stock of ATS, although it was noted that many of the details of that transaction needed to be resolved and that a definitive proposal regarding the separation of ATS would be presented to the directors at a future meeting. Thereafter, the ARS Board unanimously approved the Merger with CBS pursuant to the Original Merger Agreement which had been presented to it.

On September 19, 1997, American Radio, CBS and CBS Sub executed and delivered the Original Merger Agreement. CBS requested that certain stockholders (who were, in most instances members of the ARS Board: Messrs. Box (and his wife), Buckley, Dodge, Kellar and Stoner (and certain members of his family or trusts for their benefit), and a partner of ARS' legal counsel, Sullivan & Worcester) execute and deliver consents, in accordance with the Delaware General Corporation Law (the "DGCL") and the proxy rules under the Exchange Act, approving and adopting the Original Merger Agreement and approving the Merger. As a result of such requests, holders of shares of ARS Common Stock representing a majority of the voting power of the shares of the ARS Common Stock entitled to vote with respect to the Original Merger Agreement executed and delivered such consents on September 19, 1997, thereby approving and adopting the Original Merger Agreement and approving the Merger. CBS advised ARS that its Board of Directors had approved the Original Merger Agreement on September 18, 1997. On September 18, 1997, ARS and Credit Suisse First Boston advised the other potential bidders of the agreement with CBS. No other bids had been or were thereafter received.

During the period from September to early December 1997, management considered various means of effecting the Tower Separation in order to increase the likelihood that the distribution of ATS Common Stock to the holders of ARS Common Stock would be treated as capital gains for federal income tax purposes. On December 10, 1997, the ARS Board approved the form of an Amended and Restated Agreement and Plan of Merger (referenced elsewhere herein as the "Merger Agreement") to provide for such means of effectuating the Tower Separation. On December 18, 1997, ARS, CBS and CBS Sub executed and delivered the Merger Agreement, a copy of which is included as Appendix II. As a result of the request of one of the ARS common stockholders, which was aware of the tax benefit to holders of ARS Common Stock of the new provision in the Merger Agreement, holders of ARS Common Stock representing a majority of the voting power of the shares of the ARS Common Stock entitled to vote with respect to such matters executed and delivered on December 19, 1997 written consents approving and adopting the Merger Agreement and the Tower Merger Agreement and approving the Merger and the Tower Merger, each on the respective terms set forth therein and in accordance with the DGCL.

On December 19, 1997, ARS, CBS and CBS Sub executed an amendment to the Merger Agreement reflecting ATS common stockholder approval and adoption of the Merger Agreement and approval of the Merger, changing all references to the term "Proxy Statement" to "Information Statement" and to the term "Tower Proxy Statement" to "Tower Information Statement", deleting the requirement that a meeting of ARS common stockholders be held to approve and adopt the Merger Agreement and the Tower Merger Agreement and approve the transactions contemplated by each of them, and acknowledging that the Merger Agreement amended and restated the Original Merger Agreement. The amendment also contained a representation and warranty of ARS to the effect that the stockholder consents constituted the Required Vote. A copy of such amendment is included as Appendix IIB to this Information Statement/Prospectus.

RECOMMENDATION OF THE ARS BOARD; ARS' REASONS FOR THE MERGER

The ARS Board believes that the Merger Agreement and the transactions contemplated thereby are fair to, and in the best interests of, its common stockholders. Accordingly, the ARS Board unanimously recommended that the ARS common stockholders vote for the approval of the Merger Agreement and the transactions contemplated thereby. The ARS Board, in reaching its conclusions, considered the factors discussed below. In view of the wide variety of factors considered in connection with the evaluation of the Merger, the ARS Board did not find it practicable, nor did it attempt, to quantify or otherwise to assign relative weights to the specific factors it considered in reaching its determinations.

Amount and Form of Merger Consideration. The ARS Board viewed favorably the price of $44.00 per share to be received by the holders of ARS Common Stock for their interest in the ARS radio broadcasting business. The ARS Board concluded that this price represented, in light of estimated value of ATS, a significant premium to the trading prices of ARS Class A Common Stock during the period prior to the announcement that ARS was exploring ways to maximize stockholder values. Also viewed as extremely favorable to the ARS common stockholders was the fact that CBS had offered an all cash transaction. The ARS Board was aware of the other potential bidders as a result of the due diligence process and concluded, after advice from Credit Suisse First Boston, that none of such potential bidders would be financially able to offer an all or principally cash

transaction. Consideration was given to the mix of cash, if any, and securities and the nature of the securities likely to be offered by other bidders and how the intrinsic value of such securities compared to the ARS Common Stock.

Other Terms of the Merger Agreement. The ARS Board considered the legal and other financial terms of the Merger Agreement. The ARS Board gave consideration to, in addition to the amount and form of consideration offered to the ARS common stockholders (i.e., $44.00 cash) for their interest in the ARS radio broadcasting business, the provisions of the Merger Agreement that (i) the closing date adjustment provisions (which would not affect the $44.00 per share price but which would benefit or burden ATS); and (ii) permit the Tower Separation to be implemented on terms favorable to the holders of ARS Common Stock. Finally, the ARS Board considered the absence of any term or condition in the Merger Agreement that was unduly onerous or could materially impede or impair the consummation of the Merger.

Trading History of ARS Common Stock and Other Market Information. The ARS Board also considered historical market prices and trading volume of the ARS Class A Common Stock and historical and projected earnings, the premium CBS' offer represented over the historical trading prices of the ARS Class A Common Stock during the period prior to the announcement that ARS was exploring ways to maximize stockholder values, the market prices and financial data relating to companies engaged in similar businesses to ARS, and prices and premiums paid in recent acquisitions of similar companies.

Market Consolidation. In light of changes effected by the Telecommunications Act, ARS and other radio broadcasting companies have aggressively pursued the acquisition of additional radio stations. More recently, such acquisitions have taken the form of consolidation among larger companies and the ARS Board was aware that a number of possible further consolidations were being discussed. Management had advised the ARS Board that, in light of that phenomenon, ARS could not continue to rely solely on pursuing the acquisition of isolated stations or groups of stations, but would have to enter into a major transaction if it was to remain competitive. The ARS Board was concerned that were ARS to do nothing in the way of a merger with another large company, it might be left, in a relatively short period, with no potential or possibly only one merger candidate. Accordingly, it had retained Credit Suisse First Boston to seek possible merger candidates.

ARS' Business, Conditions and Prospects. In evaluating the terms of the Merger, the ARS Board reviewed, among other things, information with respect to the financial condition, results of operations and businesses of ARS, on both a historical and prospective basis, and current industry, economic and market conditions. In evaluating ARS' prospects and the terms of the Merger, the ARS Board considered, among other things, the strengths of ARS' radio broadcasting business, including the markets in which it operates, its management team, and the state of the development of its stations. The ARS Board also considered the current industry-specific challenges facing the business including, among other things, increased review by the Antitrust Division of acquisitions in local markets, increased capital requirements, and competition from larger and rapidly growing competitors established pursuant to the changes effected by the Telecommunications Act.

Opinion of Credit Suisse First Boston. The ARS Board considered as favorable to its determination the oral opinion delivered by Credit Suisse First Boston on September 17 and 18, 1997, subsequently confirmed in a written opinion to the ARS Board, dated September 19, 1997, that, as of such date, the $44.00 per share to be received by the holders of ARS Common Stock in the Merger for, in effect, their interest in the ARS radio broadcasting business was fair to such stockholders from a financial point of view. The ARS Board also considered the presentation made to it by Credit Suisse First Boston. See "--Opinion of Financial Advisor to American Radio". Although the Merger Agreement executed on December 18, 1997 changed the means by which the Tower Separation would be effected, it did not affect the amount of the aggregate cash consideration (which had been set forth in the Original Merger Agreement, as executed on September 19, 1997) to be received by holders of ARS Common Stock for their interest in ARS' radio broadcasting business. In connection with the adoption of the Merger Agreement, the ARS Board did not seek an updated fairness opinion from its financial advisor. The Credit Suisse First Boston Opinion obtained in connection with the Original Merger Agreement addressed the fairness of the consideration to be received for American's radio business and concluded that the

$44.00 per share was fair from a financial point of view to the American common stockholders. See "--Opinion of Financial Advisor to American Radio" and Appendix III. The ARS Board determined that, with respect to the Merger Consideration, the Merger Agreement changed only the form of the Tower Separation and did not change the net economics of the Merger Consideration. Accordingly, it concluded that it would not be necessary to incur the expense of engaging Credit Suisse First Boston to re-issue its opinion in connection with such modifications to the Merger Agreement.

OPINION OF FINANCIAL ADVISOR TO AMERICAN RADIO

Credit Suisse First Boston was engaged by ARS to act as a financial advisor, including rendering a fairness opinion letter to the ARS Board in connection with the cash consideration in payment for ARS' radio broadcasting business to be received by the holders of ARS Common Stock in connection with the Merger (but not the distribution of ATS Common Stock as part of the Tower Separation). At the September 18, 1997 meeting of the ARS Board, Credit Suisse First Boston delivered its oral opinion to the ARS Board, subsequently confirmed in a written opinion (the "Credit Suisse First Boston Opinion") to the ARS Board on September 19, 1997 that, as of such date, the $44.00 per share of ARS Common Stock to be received by the ARS stockholders in the Merger for, in effect, their interest in the ARS radio broadcasting business was fair to such holders from a financial point of view.

The full text of the Credit Suisse First Boston Opinion, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached hereto as Appendix III, is incorporated herein by reference and is included with the consent of Credit Suisse First Boston. ARS common stockholders are urged to, and should, read the Credit Suisse First Boston Opinion carefully and in its entirety. The Credit Suisse First Boston Opinion is directed to the ARS Board and relates only to the fairness of the Cash Consideration (in payment for ARS' radio broadcasting business) from a financial point of view. It does not address the distribution of ATS Common Stock as part of the Tower Separation or any other aspect of the Merger nor does it constitute a recommendation to any ARS stockholder with respect to the Merger. The summary of the Credit Suisse First Boston Opinion set forth below is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinion, Credit Suisse First Boston: (i) reviewed certain publicly available business and financial information relating to ARS, as well as the Merger Agreement; (ii) reviewed certain other information, including financial forecasts and pro forma financial information provided to it by ARS concerning ARS, after giving effect to a distribution by ARS of all of the capital stock of ATS or the net proceeds from the sale thereof to the ARS stockholders; (iii) discussed the business and prospects of ARS with management of ARS; (iv) considered certain financial and stock market data of ARS; (v) compared such data with similar data for other publicly held companies in similar businesses; (vi) considered the financial terms of certain other business combinations and other transactions which have recently been effected; and (vii) considered such other information, financial studies, analyses and investigations and financial, economic and market criteria as Credit Suisse First Boston deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the information provided to or otherwise received by Credit Suisse First Boston and relied on its being complete and accurate in all material respects. With respect to the financial forecasts, Credit Suisse First Boston assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of ARS' management as to the future financial performance of ARS. In addition, Credit Suisse First Boston was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of ARS nor was Credit Suisse First Boston furnished with any such evaluations or appraisal. The Credit Suisse First Boston Opinion was necessarily based upon financial, economic, market and other conditions as they existed and could be evaluated on the date of its opinion. In connection with its engagement, Credit Suisse First Boston approached third parties to solicit indications of interest in a possible acquisition of ARS and held preliminary discussions with certain of such parties which discussions, at ARS' request, were not completed, prior to the date on which its opinion was rendered. Although Credit Suisse First

Boston evaluated the Merger Consideration from a financial point of view, Credit Suisse First Boston was not requested to, and did not, recommend the specific consideration payable in the Merger. Interested stockholders are encouraged to review the Credit Suisse First Boston Opinion in its entirety.

In preparing its opinion to the ARS Board, Credit Suisse First Boston performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse First Boston's analyses set forth below does not purport to be a complete description of the analyses underlying the Credit Suisse First Boston Opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to summary description. In arriving at its opinion, Credit Suisse First Boston made qualitative judgments as to the significance and relevance of each analysis and factor considered by it. Accordingly, Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors, without considering all analyses and factors, could create a misleading or incomplete view of the processes underlying such analyses and its opinion. In its analyses, Credit Suisse First Boston made numerous assumptions with respect to ARS, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of ARS. No company, transaction or business used in such analyses as a comparison is identical to ARS or the Merger, nor is an evaluation of the results of such analyses entirely mathematical; rather, such analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions being analyzed. The estimates contained in such analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by such analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities may actually be sold. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty. Credit Suisse First Boston's opinion and financial analyses were only one of many factors considered by the ARS Board in its evaluation of the Merger and should not be viewed as determinative of the views of the ARS Board or management with respect to the Cash Consideration in payment for the interest in ARS' radio broadcasting business or the Merger.

The summary set forth below does not purport to be a complete description of the Credit Suisse First Boston Opinion or Credit Suisse First Boston's analysis related thereto. As used in the following discussion, ARS and American Radio refer only to American Radio's broadcasting assets and operations.

Premium to Unaffected Market Price. Credit Suisse First Boston analyzed the premium to market value of the $44.00 per share price to be received by holders of ARS Common Stock. Assigning a valuation of ATS of $9.00 (per share of ARS Common Stock), Credit Suisse First Boston computed the premiums to be paid over the ARS Class A Common Stock as follows: 35.5% over the $39.125 closing price on August 19, 1997 (the last unaffected trading price) and 6.3% over the $49.875 closing price on September 15, 1997. The price was also determined to provide a 221.2% premium over the June 9, 1995 initial public offering price of ARS of $16.50 and a 17.9% premium over the "unaffected" all-time high stock price of $44.938 (July 17, 1997).

Discounted Cash Flow Analysis. Credit Suisse First Boston performed a discounted cash flow analysis of the projected cash flow of ARS for the period 1997 through 2006 based in part upon certain operating and financial assumptions, forecasts and other information provided by the management of ARS. Using the financial information set forth by management, Credit Suisse First Boston calculated the estimated free cash flow based on forecast net revenues, cash flow margins and cash expenditures. Credit Suisse First Boston analyzed the financial information provided by management and discounted the stream of free cash flows provided in such forecast back to September 30, 1997 using discount rates ranging from 10.5% to 11.5%. To estimate the residual value of ARS at the end of the forecast, Credit Suisse First Boston applied a range of terminal multiples of 9.5x to 11.0x to the forecasted fiscal 2007 broadcast cash flow ("BCF") and discounted such value estimates back to September 30, 1997 using discount rates ranging from 10.5% and 11.5%. The range of discount rates was

selected based on a variety of factors including analysis of the estimated cost of capital and capital structures for companies operating in businesses similar to that in which ARS operates, and the range of terminal year multiples was selected based on the trading multiples for such companies. Credit Suisse First Boston performed this analysis on three different cases. The first case was based upon management projections. Under this scenario, revenues grow at approximately 14.25% in 1997, and 1998 and revenue growth declines to 6.0% (industry average) by 2005. BCF grows at approximately 22% in 1998 and BCF growth declines to 9% by 2005. In the "Upside" case, revenue growth declines from 14.25% in 1998 to 7% by 2005 and BCF growth declines from 22% in 1998 to 10% by 2004. In the "Downside" case, revenue growth declines from 8% in 1998 to 6% in 1999 and BCF growth remains constant at 10%. Credit Suisse First Boston then summed the present values of the free cash flows and the present values of the residual value to derive a reference range of values for ARS of approximately $2.5 billion to $2.8 billion in the "Management" case, $2.6 billion to $2.875 billion in the Upside case and $2.05 billion to $2.25 billion in the "Downside" case. This reference range of values was then adjusted for non-operating assets and liabilities including (i) total debt and other liabilities of $1,045,622,289 (assuming conversion of the 7% Convertible Exchangeable Preferred Stock, par value $.01 per share, of ARS (the "ARS Convertible Preferred Stock") and pro forma for $62.5 million of debt to be spun off with ATS); and (ii) cash and cash equivalents of $53,557,000 (including $39,088,000 of option proceeds) (collectively the "Corporate Adjustments") and then divided by 36,697,241 fully diluted shares of ARS Common Stock (including 2,674,078 shares issuable upon exercise of options and 3,897,059 shares issuable upon conversion of the ARS Convertible Preferred Stock) outstanding to yield a valuation reference range for ARS of $41.09 to $49.27 per share in the Management case, $43.82 to $51.31 in the Upside case and $28.83 to $34.28 in the Downside case.

Comparable Company Analysis. Credit Suisse First Boston reviewed and compared certain actual and forecasted financial, operating and stock market information of ARS with selected publicly traded radio broadcasting companies considered by Credit Suisse First Boston to be reasonably comparable to ARS. These companies included Chancellor Media (pro forma for the merger of Chancellor Broadcasting Company and Evergreen Media Corporation), Clear Channel, Saga Communications, Jacor, Emmis Broadcasting, Cox Radio and Heftel Broadcasting Corporation (the "Comparable Companies"). Credit Suisse First Boston calculated a range of market multiples for the Comparable Companies by dividing the market capitalization (total common shares outstanding plus "in the money" exercisable options times the closing market price per share on September 15, 1997 plus latest reported total debt, capitalized leases, preferred stock and minority interest, minus cash and cash equivalents and option proceeds of each of the Comparable Companies), by such company's sales, BCF and operating cash flow ("OFC") for fiscal 1997 and 1998 on the basis of estimates of selected investment banking firms. This analysis indicated that the average fiscal 1997 multiples of sales, BCF and OCF for the Comparable Companies were 5.9x, 15.2x and 16.6x, respectively and that the average fiscal 1998 multiples of sales, BCF and OCF for the Comparable Companies were 5.1x, 12.4x and 13.5x, respectively. Prior to the announcement that American Radio had retained Credit Suisse First Boston, ARS traded in a range between 12.0x-13.0x forward year broadcasting cash flow, which is in-line, or slightly better than most of the Comparable Companies.

Comparable Acquisition Analysis. Credit Suisse First Boston analyzed the purchase prices and multiples paid or proposed to be paid in selected merger or acquisition transactions using publicly available information in the radio broadcasting industry which occurred over the last two years including: Capstar Broadcasting/SFX, Clear Channel/Paxson, Evergreen & Chancellor/Viacom, Evergreen/Chancellor, SFX/Secret, Jacor/Regent, Chancellor/Colfax, American Radio/EZ, Heftel & Clear Channel/Tichenor, CBS/Infinity, Clear Channel/Heftel, Cox/New City, Chancellor/OmniAmerica, Clear Channel/Equity Radio Partners, SFX/Multi-Market, ARS/Henry, Infinity/Granum, Jacor/Citicasters, SFX/Prism, Jacor/Noble, SFX/Liberty, Infinity/Alliance, Chancellor/ Shamrock, Evergreen/Pyramid and Capstar's acquisitions of Commodore Media, Osborn, Benchmark, Community Pacific, Madison, Knight Quality and Patterson (the "Comparable Transactions"). Credit Suisse First Boston selected these acquisitions based on the comparability of businesses conducted by the acquired company to that of ARS. Credit Suisse First Boston calculated the adjusted purchase price (purchase price plus total assumed debt less assumed cash) as a multiple of BCF for each acquired company.

Credit Suisse First Boston determined that the relevant ranges of multiples derived from the Comparable Transactions as they applied to ARS were 16.0x to 19.0x 1997 estimated BCF and 13.5x to 16.0x 1998 estimated

BCF. Credit Suisse First Boston then calculated imputed valuation ranges of ARS by applying projected results for fiscal 1997 and 1998 to the multiples derived from its analysis of the Comparable Transactions. Using such information, Credit Suisse First Boston derived a reference range of values for ARS of $2.25 billion to $2.65 billion. This reference range of values was then adjusted for the Corporate Adjustments and then divided by 36,550,182 fully diluted shares of ARS Common Stock outstanding to yield a valuation reference range for ARS of $34.28 to $45.18 per share.

Credit Suisse First Boston also valued ARS based upon acquisition multiples appropriate for cash flowing stations, separating out non-cash flowing or under-performing stations and accounting for such stations on a "stick value" basis. Credit Suisse First Boston determined that the relevant ranges of multiples for cash flowing stations, derived from the Comparable Transactions, were 14.5x to 17.0x 1997 estimated BCF and 12.5x to 15.0x 1998 estimated BCF. Using such information, Credit Suisse First Boston derived a reference range of values for ARS of $2.3 billion to $2.675 billion, or $35.64 to $45.86 per share.

The ARS Board retained Credit Suisse First Boston based upon its experience and expertise. Credit Suisse First Boston is an internationally recognized investment banking and advisory firm. Credit Suisse First Boston, as part of its investment banking business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Credit Suisse First Boston is a full-service securities firm engaged in securities trading and brokerage activities, as well as providing investment banking financing and financial advisory services. In the ordinary course of its trading and brokerage activities, Credit Suisse First Boston or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in securities or senior loans of ARS or CBS. In the past, Credit Suisse First Boston and its affiliates have provided financial services to ARS and have received customary fees for rendering these services.

Pursuant to a letter agreement dated as of August 20, 1997, ARS has agreed to pay Credit Suisse First Boston a fee of $7.0 million in consideration for its services. In addition to the foregoing compensation, ARS has agreed to reimburse Credit Suisse First Boston for its expenses, including reasonable fees and expenses of its counsel, and to indemnify Credit Suisse First Boston for liabilities and expenses arising out of its engagement and the transactions in connection therewith, including liabilities under federal securities laws.

The following is a brief summary of the material provisions of the Merger Agreement, a copy of which is attached as Appendix II to this Information Statement/Prospectus and is incorporated by reference herein. This summary is qualified in its entirety by reference to the full and complete text of the Merger Agreement. Capitalized terms used in this Section describing the provisions of the Merger Agreement which are not otherwise defined in this Information Statement/Prospectus shall have the meaning ascribed thereto in the Merger Agreement.

GENERAL

Subject to the terms and conditions of the Merger Agreement, the closing of the transactions contemplated thereby (the "Closing") will take place on the date (the "Closing Date") that is the second business day after the date on which all of the conditions set forth in the Merger Agreement, other than those which require the delivery of opinions or documents on the Closing Date, is fulfilled or waived, unless another date is agreed to by CBS and ARS. The Merger will become effective at the Effective Time, which will be the time at which a Certificate of Merger is filed with the Secretary of State of the State of Delaware, or such later time as is specified in such Certificate of Merger. At such time, CBS Sub will be merged with and into ARS, with ARS continuing as the surviving corporation and a subsidiary of CBS. As a result of the Merger, American Tower Systems will become an independent, publicly owned corporation.

Upon consummation of the Merger, assuming the Tower Merger has not occurred, each holder of record of shares of ARS Common Stock at the Effective Time will receive for each share so held: (i) $44.00 per share in cash; and (ii) one share of ATS Common Stock, with such holders receiving the same class of ATS Common Stock as they owned of ARS Common Stock. Upon consummation of the Tower Merger, holders of ARS Common Stock will receive the same number and class of shares of ATS Common Stock as they would have received had the Merger been consummated at such time, in exchange for a portion of their ARS Common Stock. In such event, the amount of cash to be received per share of ARS Common Stock pursuant to the Merger will be increased in proportion to the reduction in the number of shares of ARS Common Stock outstanding following the Tower Merger so that each ARS common stockholder will receive the same aggregate amount of cash consideration pursuant to the Merger he or she would have received had the Tower Merger not occurred. The following table indicates how the foregoing provisions (which are those described below under "--Conversion of Securities") would operate to increase proportionately the amount of cash consideration to be received in the Merger if the Tower Merger (and related redemption of a portion of ARS Common Stock outstanding at the Tower Merger Effective Time) is effected prior the Merger. Numbers in the table have been rounded for ease of presentation.

ASSUMED CLOSING SALE PRICE OF ARS CLASS A COMMON STOCK ON NYSE AT TOWER MERGER EFFECTIVE TIME	ASSUMED VALUE OF ATS COMMON STOCK AT TOWER MERGER EFFECTIVE TIME	PERCENT OF SHARES OF ARS COMMON STOCK REDEEMED IN TOWER MERGER	ADJUSTED CASH CONSIDERATION IN MERGER (IN LIEU OF $44.00 PER SHARE)
$53.00	$ 9.00	17%	$53.00
$54.00	$10.00	18.5%	$53.99
$55.00	$11.00	20%	$55.00
$56.00	$12.00	21.4%	$55.98
$57.00	$13.00	22.8%	$56.99

For example, if the closing sale price per share of the ARS Class A Common Stock was $54.00 at the Tower Merger Effective Time, then a holder of 1,000 shares of ARS Class A Common Stock would then have the right to exchange such shares at the Tower Merger Effective Time for 815 shares of ARS Class A Common Stock and 1,000 shares of ATS Class A Common Stock. If the Merger is subsequently consummated, such holder would at the Effective Time have the right to receive $53.99 per share for his or her 815 shares of ARS Class A Common Stock (assuming such holder did not dispose of such shares in the interim). In summary, as a result of the Tower Merger followed by the Merger, such holder would have the right to receive 1,000 shares of ATS

Class A Common Stock and $44,000 in cash consideration ($53.99 multiplied by 815 shares). If the Tower Merger had not occurred prior to the Merger, then such holder at the Effective Time would receive 1,000 shares of ATS Class A Common Stock and $44,000 in cash ($44 per share multiplied by 1,000 shares). In the event the Tower Merger were consummated but the Merger were not, ARS common stockholders would continue to own their interests in American Radio and such interests, while represented by a reduced number of shares, would represent the same proportionate interests as existing immediately prior to the Tower Merger.

CONVERSION OF SECURITIES

Conversion of ARS Common Stock. Upon consummation of the Merger, each share of ARS Common Stock issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares) will be converted into the right to receive the following:

(a) in the event the Tower Merger has not occurred, (i) $44.00 in cash and (ii) one share of ATS Common Stock of the same class as the shares of ARS Common Stock surrendered (the "Tower Stock Consideration"); or

(b) in the event the Tower Merger has occurred, (i) an amount in cash determined by dividing $44.00 by the American Conversion Factor.

The term (i) "Cash Consideration" means (x) if the Tower Merger has not occurred, $44.00, and (y) if the Tower Merger has occurred, the amount of cash determined pursuant to the provisions of paragraph (b) preceding, and (ii) "American Conversion Fraction" means a fraction (x) the numerator of which is the difference between (A) the denominator and (B) the value (determined as set forth in the Merger Agreement) of one share of ATS Class A Common Stock immediately prior to the Tower Merger Effective Time, and (y) the denominator of which is the value (determined as set forth in the Merger Agreement) of one share of American Class A Common immediately prior to the Tower Merger Effective Time. The Merger Agreement provides that for purposes of determining the value of the American Class A Common and the ATS Class A Common Stock immediately prior to the Tower Merger Effective Time the following principles shall apply:

(x) each share of American Class A Common shall be valued at an amount equal to the average closing sales price of the American Class A Common on the NYSE, as reported by the Wall Street Journal, for the ten (10) consecutive trading days immediately preceding the second trading date prior to the Tower Merger Effective Time; and

(y) each share of ATS Class A Common Stock shall be valued at the amount determined in good faith by the ARS Board to be its fair market value immediately prior to the Tower Merger Effective Time.

The term "Merger Consideration" means the Cash Consideration and, if the Tower Merger Effective Time shall not have occurred, the Tower Stock Consideration.

Conversion of ARS Options. Upon consummation of the Merger, each ARS Option outstanding immediately prior to the Effective Time will be canceled and the holders thereof will be entitled to receive (i) one share of ATS Class A Common Stock and (ii) the difference between $44.00 and the exercise price per share of the ARS Option so canceled, multiplied, in both cases, by the number of shares subject to such ARS Option. See "--Certain Other Covenants--ARS Options" for information concerning exchange of ARS Options held by ARS employees who will become ATS employees for options to acquire ATS Common Stock.

ARS Preferred Stock. Upon consummation of the Merger, each share of Preferred Stock, par value $.01 per share (the "ARS Preferred Stock"), issued and outstanding immediately prior to the Effective Time will remain issued and outstanding and will not be changed in any respect by the Merger, except that, in accordance with its terms, the ARS Convertible Preferred Stock will become convertible into cash and ATS Class A Common Stock.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF MERGER AND TOWER MERGER

The Internal Revenue Service (the "IRS") has not ruled directly on the tax status of the Merger or the Tower Merger, and no such ruling will be sought. Set forth below is a description of certain material federal income tax consequences of the Merger and the Tower Merger which would be applicable to holders of ARS Common Stock. Sullivan & Worcester, tax counsel to ARS, has rendered its opinion (a copy of which has been filed as an exhibit to the Registration Statement) that the discussion contained in this section describes the material federal income tax consequences of the Merger and the Tower Merger. There can, however, be no assurance that the IRS would agree with the conclusions discussed or refrain from challenging some or all of the described consequences. Except as otherwise expressly indicated, the following only describes certain tax consequences to United States persons (e.g., citizens or residents of the United States and domestic corporations) who hold shares of ARS Common Stock as capital assets. It does not discuss the tax consequences that might be relevant to holders of such stock who may be subject to special rules under the federal income tax law, such as life insurance companies, regulated investment companies, tax-exempt organizations, financial institutions, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, persons who acquired ARS Common Stock or options to acquire such stock in connection with their employment, persons subject to alternative minimum tax or persons who hold ARS Common Stock as part of a straddle, hedging transaction or conversion transaction.

Tax Consequences to ARS and ATS. American Radio will recognize gain, but not loss, in an amount equal to the difference between the fair market value of the shares of ATS Common Stock distributed in the Merger (or, if applicable, the fair market value of the shares of ATS Common Stock distributed in the Tower Merger) and American Radio's basis in such shares. Pursuant to the Merger Agreement, ATS is obligated to indemnify and hold American Radio harmless, on an after-tax basis, from any tax liability imposed upon it in connection with the distribution of ATS Common Stock in the Merger (and, if applicable, the Tower Merger), or in connection with certain associated intercompany sales and transfers of property and assets between and among ATS and other affiliates of American Radio, in excess of $20.0 million. See "--ARS-ATS Separation Agreement" below.

Tax Consequences to Holders of ARS Common Stock in the Merger. The surrender of ARS Common Stock for cash and ATS Common Stock in the Merger will be treated as a sale of such stock. Each holder of ARS Common Stock will recognize capital gain or loss equal to the difference between (i) the amount of cash received and the fair market value of ATS Common Stock received, and (ii) the adjusted tax basis of the shares of ARS Common Stock surrendered. Any such capital gain or loss will be long-term capital gain or loss if, as of the effective date of the Merger, the holding period for such shares is more than one year. Amounts treated as long-term capital gain are subject to taxation at varying rates, depending among other things on the holding period of the property disposed of and the tax status of the holder. The holder's basis in any ATS Common Stock received will equal its fair market value on the date of the Merger, and the holder's holding period therein will commence on the following day.

It is possible that circumstances may delay consummation of the Merger beyond May 31, 1998 and that ATC would be unwilling to extend the termination date (May 31, 1998) set forth in the ATC Merger Agreement. Under such circumstances, management may determine to effect the Tower Merger. See "Business of American Tower Systems--Recent Transactions--ATC Merger". The discussion in the following section below will only be applicable should management determine to pursue the Tower Merger.

Tax Consequences to Holders of ARS Common Stock of the Tower Merger. The surrender in the Tower Merger of a number of shares of ARS Common Stock in exchange for a number of shares of ATS Common Stock (plus cash in lieu of fractional shares) will be treated as a redemption of such ARS Common Stock for an amount of consideration equal to the fair market value of any ATS Common Stock received plus any cash received. Such redemption will be treated as a sale or exchange of the surrendered ARS Common Stock in which gain or loss is recognized equal to the difference between the fair market value of any ATS Common Stock received plus any cash received and the holder's adjusted tax basis in the ARS Common Stock surrendered (with

such gain or loss constituting long-term capital gain or loss if the holding period for the surrendered ARS Common Stock exceeded one year), provided the redemption (i) results in a "complete termination" of the holder's stock interest in ARS under section 302(b)(3) of the Code, (ii) is "substantially disproportionate" with respect to the holder under section 302(b)(2) of the Code, or (iii) is "not essentially equivalent to a dividend" with respect to the holder under section 302(b)(1) of the Code. A distribution to a holder is "not essentially equivalent to a dividend" if it results in a "meaningful reduction" in the holder's stock interest in ARS, but there cannot always be certainty as to when such a "meaningful reduction" has occurred because the applicable test is not based on numerical criteria. Satisfaction of the "complete termination" and "substantially disproportionate" exceptions is dependent upon compliance with the more objective tests set forth in sections 302(b)(3) and 302(b)(2) of the Code, respectively.

In determining whether any of the tests under sections 302(b)(1)-(3) of the Code have been met, the holder must take into account not only stock he actually owns, but also stock he constructively owns within the meaning of section 318 of the Code, and in addition, a redemption that is part of a firm and fixed integrated plan is to be tested under Code sections 302(b)(1)-(3) by taking into account all changes in proportionate stock ownership in ARS that occur as a result of such overall plan. Accordingly, assuming that the Merger is consummated, a holder of ARS Common Stock surrendering shares of ARS Common Stock in the Tower Merger should be treated as subsequently disposing of the balance of his shares of ARS Common Stock in the Merger (or selling or exchanging such shares in a sooner disposition) as part of a firm and fixed integrated plan for a "complete termination" of his interest in ARS or, alternatively, a "substantially disproportionate" reduction or "meaningful reduction" thereof. However, whether such a firm and fixed integrated plan exists is in part a question of fact, and accordingly counsel is unable to conclude with certainty that such a plan would be considered to exist if the Merger is ultimately consummated. If the Merger is ultimately not consummated, the Tower Merger would constitute a pro rata redemption of ARS Common Stock that, absent a holder's firm and fixed integrated plan to otherwise sell or exchange a sufficient amount of his remaining ARS Common Stock, would generally not affect a holder's proportionate ownership of ARS, and accordingly would not qualify for sale or exchange treatment under any of the tests under sections 302(b)(1)-(3) of the Code. Because of the absence of any definitive judicial precedent or regulatory provision, it is not at all clear that a holder's sale of remaining ARS Common Stock into the market, if the Merger is ultimately not consummated, would meet the standard of a firm and fixed integrated plan.

If the redemption is not treated as a sale or exchange to the holder of ARS Common Stock under the tests of sections 302(b)(1)-(3) of the Code, the redemption will be treated as a distribution in the amount of the fair market value of any ATS Common Stock received plus any cash received, which distribution will be taxable as ordinary dividend income to the extent of the holder's share of ARS' current or accumulated earnings and profits for federal income tax purposes. The holder's adjusted tax basis in the redeemed ARS Common Stock will be transferred to the holder's remaining stock holdings in ARS, and if the holder has no actual stock interest in ARS remaining (having only a constructive stock interest), the holder may lose such basis entirely. To the extent that the foregoing amount of the distribution exceeds the holder's share of ARS' current or accumulated earnings and profits, such distribution will be treated first as a return of capital that will be applied against and reduce the adjusted tax basis of the holder's remaining ARS Common Stock. Any remaining amount of the distribution after such basis has been reduced to zero will be taxed as capital gain and will be long-term capital gain if the holding period for the applicable ARS Common Stock exceeds one year. For purposes of determining ARS' current or accumulated earnings and profits for federal income tax purposes, the distribution of shares of ATS Common Stock in the Tower Merger is deemed to be a taxable sale by ARS of the shares of ATS Common Stock so distributed and will, therefore, increase such current earnings and profits to the extent that the value of the ATS Common Stock exceeds ARS' adjusted tax basis therein at the time of distribution. In addition, prior transactions that had the effect of causing ATS to cease to be a member of ARS' consolidated group (i.e., consummation of the Gearon Transaction and the transactions contemplated by the ATS Stock Purchase Agreement), also had the effect of triggering any previously deferred intercompany gains arising from transactions between ATS (or one of its subsidiaries) and certain members of the ARS consolidated group (including ATS and its subsidiaries). Such gains will increase ARS' current earnings and profits for federal income tax purposes. See "Unaudited Pro

Forma Condensed Consolidated Financial Statements of American Tower Systems" for ARS' estimate of the tax payable by ATS as a result of gain likely to result as a consequence of such transactions.

Whether or not the tests of sections 302(b)(1)-(3) of the Code are satisfied in respect of ARS Common Stock surrendered in the Tower Merger, the holder's basis in any ATS Common Stock received will equal its fair market value on the date of the Tower Merger, and the holder's holding period therein will commence on the following day.

Amounts treated as long-term capital gain are subject to taxation at varying rates, depending among other things on the holding period of the property disposed of and the tax status of the holder.

Backup Withholding. Under the federal income tax backup withholding rules, unless an exemption applies, the Exchange Agent will be required to withhold, and will withhold, 31% of certain payments to which a holder of ARS Common Stock or other payee is entitled pursuant to the Merger (or the Tower Merger) and related transactions, unless the holder or other payee provides a tax identification number (social security number in the case of any individual, or employer identification number in the case of other ARS stockholders) and certifies under penalties of perjury that such number is correct. Each holder of ARS Common Stock, and, if applicable, each other payee, should complete and sign the substitute Form W-9 which will be included as part of the letter of transmittal to be returned to the Exchange Agent in order to provide the information and certification necessary to avoid backup withholding, unless an applicable exemption exists and is proved in a manner satisfactory to the Exchange Agent. Certain holders (including, among others, corporations) are not subject to these backup withholding requirements. Any amounts withheld will be allowed as a credit against the holder's federal income tax liability for such year.

HOLDERS OF ARS COMMON STOCK SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE MERGER AND TOWER MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FEDERAL, STATE, LOCAL AND FOREIGN IN OTHER TAX LAWS.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF ATC MERGER

The following discussion summarizes certain federal income tax consequences of the ATC Merger, including certain consequences to holders of ATC Common Stock and ATC Preferred Stock who are citizens or residents of the United States and who hold their shares as capital assets. It does not discuss all aspects of federal income taxation that may be relevant to a particular holder of ATC Common Stock of ATC Preferred Stock in light of the holder's personal circumstances or special federal income tax treatment (such as foreign persons, insurance companies, regulated investment companies, dealers in securities, certain retirement plans, financial institutions, tax exempt organizations, persons subject to the alternative minimum tax, persons that have a functional currency other than the U.S. dollar, persons who have received ATC Common Stock or ATC Preferred Stock in connection with the performance of services or upon exercise of options received in connection with the performance of services, or persons who hold ATC Common Stock or ATC Preferred Stock as part of a straddle, hedging transaction or conversion transaction). In addition, this summary does not address any aspects of state, local, foreign or other tax laws that may be relevant to holders of ATC Common Stock or ATC Preferred Stock.

It is the policy of the IRS not to rule directly on the tax status of transactions such as the ATC Merger, and no such ruling will be sought. The obligations of ATS and ATC to effect the ATC Merger are each conditioned upon receipt by each from its counsel of an opinion dated as of the effective time of the ATC Merger, in form and substance reasonably satisfactory to it, regarding certain federal income tax consequences of the ATC Merger. Such opinions are required to be collectively substantially to the effect that for federal income tax purposes the ATC Merger constitutes a reorganization within the meaning of section 368 of the Code, that no gain or loss will be recognized by ATS or ATC as a result of the ATC Merger and that no gain or loss will be recognized by United States holders of ATC Common Stock as a result of the ATC Merger, except that gain or loss will be recognized in respect of cash received in lieu of a fractional share of ATS Common Stock. In rendering their opinions, counsel will rely upon, and assume the factual accuracy of, representations of ATS,

ATC, and certain holders of ATC Common Stock, including a representation that there is no plan or intent on the part of the holders of ATC Common Stock receiving ATS Common Stock to engage in a sale or other disposition of such stock that would result in the reduction of the ownership of shares of ATS Common Stock received by the holders of ATC Common Stock in the ATC Merger to a number of shares having a value as of the Effective Time less than 50% of the aggregate fair market value of all the outstanding shares of ATC Common Stock and ATC Preferred Stock at such time. Such opinions are not binding on the IRS and would not, in any event, prevent the IRS from challenging the tax-free nature of the ATC Merger under the Code.

The following discussion is a general summary of the material United States federal income tax consequences of the ATC Merger and assumes that the ATC Merger will qualify as a tax-free reorganization within the meaning of section 368 of the Code. Sullivan & Worcester, tax counsel to ATS, has rendered its opinion (a copy of which has been filed as an exhibit to the Registration Statement) that the discussion contained in this section describes the material federal income tax consequences of the ATC Merger. The discussion is based upon the Code, regulations proposed or promulgated thereunder, judicial precedent relating thereto, and current rulings and administrative practice of the IRS, in each case as in effect as of the date hereof, all of which are subject to change at any time, possibly with retroactive effect.

Tax Consequences to ATS and ATC. No gain or loss will be recognized for federal income tax purposes by ATS or ATC as a consequence of the ATC Merger.

Tax Consequences to Holders of ATC Common Stock. Except to the extent of cash received in lieu of fractional shares (discussed below), no gain or loss will be recognized by a holder of ATC Common Stock who receives ATS Common Stock pursuant to the ATC Merger. Except to the extent of tax basis allocable to cash received in lieu of fractional shares (discussed below), the tax basis of the ATS Common Stock received by a holder of ATC Common Stock will be the same as the aggregate tax basis of the ATC Common Stock surrendered therefor. The holding period of the ATS Common Stock received will include the holding period of the ATC Common Stock surrendered therefor.

Cash received by a holder of ATC Common Stock in lieu of a fractional share interest in ATS Common Stock will be treated as received in exchange for such fractional share interest, and gain or loss will be recognized for federal income tax purposes, measured by the difference between the amount of cash received and the portion of the basis of the ATC Common Stock allocable to such fractional share interest (measured as though such fractional share interest were actually issued and allocated tax basis pursuant to the above allocation). Such gain or loss would be capital gain or loss, and will be long-term if such share of ATC Common Stock had been held for more than one year at the effective time of the ATC Merger. Amounts treated as long-term capital gain are subject to taxation of varying rates, depending among other things on the holding period of the property disposed of and the tax status of the holder.

Notwithstanding the above, because ATC is a "United States real property holding corporation" as defined in section 897 of the Code, certain U.S. flow-through entities such as partnerships, trusts, and estates may have a tax withholding liability under Section 1445 of the Code in respect of the gain realized on their ATC Common Stock in the ATC Merger that is allocable to such flow-through entity's foreign partners or beneficiaries.

Tax Consequences to Holders of ATC Preferred Stock. The treatment accorded to the exchange of ATC Preferred Stock for cash pursuant to the ATC Merger can only be determined on the basis of the particular facts of each holder of ATC Preferred Stock. In general, a holder of ATC Preferred Stock will recognize gain (but not loss) measured by the difference between the amount of cash received by the holder for its ATC Preferred Stock pursuant to the ATC Merger and such holder's adjusted tax basis in the ATC Preferred Stock surrendered. Such recognized gain will be capital gain if the exchange is "not essentially equivalent to a dividend" with respect to the holder under section 302(b)(1) of the Code, and will be taxed as a dividend distribution otherwise to the extent of such holder's share of ATC's earnings and profits for federal income tax purposes. In determining whether or not the exchange is "not essentially equivalent to a dividend" each holder's ownership of ATS Common Stock following the ATC Merger, as well as any options to acquire any ATS Common Stock, must be

taken into account. A holder of ATS Preferred Stock must also take into account for these purposes ATS Common Stock that is considered to be owned by such holder by reason of the constructive ownership rules set forth in section 318 of the Code.

If a holder of ATC Preferred Stock owns (actually or constructively) only an insubstantial percentage of the outstanding ATS Common Stock following the ATC Merger, it is probable that the exchange of the ATC Preferred Stock for cash pursuant to the ATC Merger will be considered "not essentially equivalent to a dividend," and hence that the recognized gain from such disposition will constitute capital gain. Such capital gain will constitute long-term capital gain if the holder's holding period in the ATC Preferred Stock surrendered exceeds one year. Amounts treated as long-term capital gain are subject to taxation at varying rates, depending among other things on the holding period of the property disposed of and the tax status of the holder.

Backup and FIRPTA Withholding. Under the Code, a holder of ATC Common Stock or ATC Preferred Stock may be subject, under certain circumstances, to back-up withholding at a 31% rate with respect to the amount of cash received pursuant to the ATC Merger unless such holder provides to the exchange agent proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the back-up withholding rules to be described in more detail in the exchange transmittal documents. In addition, because ATC is a "United States real property holding corporation" as defined in section 897 of the Code, the total consideration otherwise issuable to a holder of ATC Common Stock or ATC Preferred Stock pursuant to the ATC Merger will be subject to withholding of 10% of such total amount, unless prior to the effective time of the ATC Merger and pursuant to instructions to be mailed to holders of ATC Common Stock and ATC Preferred Stock prior to such effective time, such holder certifies to ATS under penalties of perjury that the holder is a citizen or resident of the United States, a domestic corporation, a domestic partnership, or other United States person as defined in Code section 7701(a)(30), and provides such other customary information as may be required in connection with such certification. Amounts withheld under the foregoing withholding rules are not an additional tax and may be refunded or credited against the holder's federal income tax liability, provided that the required information is furnished to the IRS.

HOLDERS OF ATC COMMON STOCK OR ATC PREFERRED STOCK SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ATC MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

* * *

THE FOREGOING TWO SECTIONS ARE A SUMMARY DESCRIPTION OF MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER, THE TOWER MERGER, THE ATC MERGER AND RELATED TRANSACTIONS, WITHOUT CONSIDERATION OF THE PARTICULAR FACTS AND CIRCUMSTANCES OF ANY HOLDER OF ARS COMMON STOCK OR ATS COMMON STOCK. IN ADDITION, IT DOES NOT ADDRESS THE STATE, LOCAL OR FOREIGN TAX ASPECTS OF THE MERGER, THE TOWER MERGER, THE ATC MERGER AND RELATED TRANSACTIONS. THE DISCUSSION IS BASED ON CURRENTLY EXISTING PROVISIONS OF THE CODE, EXISTING AND PROPOSED TREASURY REGULATIONS THEREUNDER AND CURRENT ADMINISTRATIVE RULINGS AND COURT DECISIONS. ALL OF THE FOREGOING ARE SUBJECT TO CHANGE AND ANY SUCH CHANGE COULD AFFECT THE CONTINUING VALIDITY OF THE DISCUSSION.

EXCHANGE PROCEDURES

As soon as reasonably practicable after the Effective Time (and the Tower Merger Effective Time, as applicable), an exchange agent (the "Exchange Agent") selected by CBS and not reasonably disapproved of by ARS, will mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time evidenced outstanding shares of ARS Common Stock (the "Certificates") (i) a letter of transmittal and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration

(or the Tower Merger Consideration) to which such holder is entitled. Such letter of transmittal and instructions will be available at the Closing for holders of ARS Common Stock. The amount of the cash to be paid to the holder of Certificates shall be in the form of a wire transfer of immediately available funds if so requested by any holder entitled to receive not less than $500,000 in cash, and the cost of such wire transfers shall be borne by ARS.

Upon surrender of an ARS Certificate for cancellation to the Exchange Agent, together with the letter of transmittal, duly executed, and such other documents as ARS or the Exchange Agent may reasonably request, the holder of such ARS Certificate will be entitled to receive in exchange therefor, the Merger Consideration (or the Tower Merger Consideration) that such holder has the right to receive (in each case less the amount of any required withholding taxes, if any), and the Certificate so surrendered shall forthwith be canceled. Until surrendered, each Certificate will, at any time after the consummation of the Merger, represent only the right to receive the Merger Consideration (or the Tower Merger Consideration) with respect to the shares of ARS Common Stock formerly represented thereby.

HOLDERS OF ARS COMMON STOCK SHOULD SEND CERTIFICATES TO THE EXCHANGE AGENT ONLY AFTER THEY RECEIVE, AND IN ACCORDANCE WITH THE INSTRUCTIONS ACCOMPANYING, THE LETTER OF TRANSMITTAL.

No dividends or other distributions declared after the Effective Time on ATS Common Stock will be paid with respect to any shares of ATS Common Stock represented by a Certificate until such Certificate is surrendered for exchange in accordance with the procedures described above.

REASONS FOR THE TOWER SEPARATION

The Tower Separation has been designed to separate American Radio's interests in the communications site business from its interests in the radio broadcasting business. Management had concluded that the continued combination of the radio broadcasting business and the communications site business was not, in the long run, in the best interests of the ARS common stockholders. Among the factors leading to such conclusion was that such businesses are in management's judgment fundamentally different and require different management skills. Management's experience in talking to investors and industry analysts confirmed its judgment that the market place had difficulty in evaluating the ARS Common Stock given the disparity in the development stages and potential of ARS' two businesses. Management believes and the ARS Board has concluded that the separation of ARS' communications site business through the distribution of ATS Common Stock to the holders of shares of ARS Common Stock will enable such stockholders to realize a greater value, in the long run, than if such business had been offered for sale at this time, whether as part of the radio broadcasting business or separately. Such belief was based on two groups of factors: (i) factors affecting the industry, including that the communications site business was a new one as far as the market place was concerned, that there were no publicly traded communications site companies, and that the amount of information publicly available about such industry was limited, together with the ARS Board's knowledge as to the prices at which companies in the industry were being bought and sold; and (ii) factors affecting ATS, including that ATS was in the very early stages of development, that ATS was engaged in a major acquisition program only a portion of which had been completed, that ATS had not had the opportunity to consolidate its acquisitions and to begin to reap the benefits of such acquisition program, and that ATS' construction activities had been relatively minimal (compared to its projected program) and therefore the benefits of such program were in the future.

The communications site business has grown substantially in recent years and, as a result, the joint valuation and operation of these businesses has, in management's opinion, become less desirable. ARS' management believed that, because of the relative size of ATS' business compared to ARS' business on a consolidated basis, the value of ATS had been largely overlooked by the investment community. The separation of the communications site business from its radio broadcasting business will, the ARS Board believes, enable the market to focus on the individual strengths of ATS and more accurately evaluate ATS' performance compared to other companies in that business. By allowing the market to establish a separate valuation for ATS, the Tower

Separation should, in management's opinion, result in an increase in the long-term value of the ARS current investment in ATS. The Tower Separation will also give the ARS common stockholders and other potential investors the opportunity to continue to retain an interest in the communications site business. As a separate, publicly traded company, ATS will also have increased flexibility to raise capital and effect acquisitions by issuing its own securities.

Finally, the separation of the communications site business from the radio broadcasting business will permit management of ATS to focus on the development and expansion of its business in a manner best suited to that business and its market, without concern for the objectives of, or competitive effect of such expansion on, ARS' radio broadcasting business. Management will be able to concentrate its efforts on responding to the operational characteristics and competitive dynamics of the communications site business, an industry which is undergoing dramatic change and expansion. ATS' management will be able to tailor its business strategies and capital investments to the specific requirements of that industry. Further, as an independent, publicly traded company, ATS will be able to design more effective incentive compensation programs for its management and employees by linking their compensation to the performance of ATS' business, as reflected in the stock market's evaluation of the ATS Common Stock, thereby enhancing ATS' ability to attract, motivate and retain high quality employees.

TOWER MERGER

If the Merger has not been consummated on or prior to May 31, 1998 (as such date may be extended by American Radio with the written consent of CBS, such consent not to be unreasonably withheld, delayed or conditioned), on June 1, 1998 (or the date following the date, if any, to which the May 31, 1998 has been so extended), pursuant to the Merger Agreement and the Tower Merger Agreement, the ARS Board shall, in its sole discretion, elect to consummate or irrevocably abandon the Tower Merger. If consummated, the Tower Merger will involve the merger of ATS Merger Corporation, a Delaware corporation and a wholly-owned subsidiary ARS ("ATS Mergercorp"), with and into ARS which will be the surviving corporation. Pursuant to the Tower Merger Agreement, a copy of which is included as Exhibit D as part of Appendix II, each share of ARS Common Stock issued and outstanding immediately prior to the Tower Merger (the "Tower Merger Effective Time") will be converted into the right to receive:

(a) one share of ATS Common Stock, with (i) each share of American Class A Common being converted into the right to receive one share of ATS Class A Common Stock, (ii) each share of American Class B Common being converted into the right to receive one share of ATS Class B Common Stock, and (iii) each share of American Class C Common being converted into the right to receive one share of ATS Class C Common Stock (collectively, the "Tower Merger Tower Consideration"); and

(b) a fraction (the "American Conversion Fraction") of a share of ARS Common Stock of the same class as the class of ARS Common Stock being converted, (i) the numerator of which is the difference between (A) the denominator and (B) the value (as described above) of one share of ATS Class A Common Stock immediately prior to the Tower Merger Effective Time, and (ii) the denominator of which is the value (as described above) of one share of American Class A Common immediately prior to the Tower Merger Effective Time (collectively with the Tower Merger Tower Consideration, the "Tower Merger Consideration").

No certificates in respect of fractional shares of ARS Common Stock shall be issued in the Tower Merger, fractional shares otherwise so issuable shall be satisfied in cash as provided in the Tower Merger Agreement, and the certificates that immediately prior to the Tower Merger Effective Time represent outstanding shares of ARS Common Stock shall be deemed, without any action of the holders thereof, to represent (i) the number of shares of ARS Common Stock the holder thereof has the right to receive pursuant to paragraph (b) above, together with cash in lieu of fractional shares as provided in the Tower Merger Agreement and (ii) the Tower Merger Tower Consideration.

CERTIFICATE OF INCORPORATION AND BY-LAWS

The Certificate of Incorporation of ARS, as in effect immediately prior to the Effective Time, will be amended as of the Effective Time as read in its entirety as set forth in Exhibit A to the Merger Agreement and, as so amended, such Certificate of Incorporation, together with the certificates of designation for the ARS Cumulative Preferred Stock and the ARS Convertible Preferred Stock, will be the Certificate of Incorporation of the surviving corporation in the Merger until thereafter changed or amended as provided therein or by applicable law. Such amendment will not be deemed to affect in any manner the Certificate of Designation of (i) the ARS Cumulative Preferred Stock or (ii) the ARS Convertible Preferred Stock. The by-laws of ARS in effect at the Effective Time will be the by-laws of the surviving corporation in the Merger until amended in accordance with Applicable law and the organic documents of ARS.

The ATS Restated Certificate and the ATS by-laws are identical in all material respects to those of ARS except as follows:

(i) the authorized number of shares of preferred stock and common stock are greater in the case of ATS and there will be no preferred stock of ATS outstanding upon consummation of the Tower Separation (unless authorized and issued subsequent to the date hereof by the ATS Board);

(ii) dividends and other distributions of securities of Persons other than ATS (including its subsidiaries) can be made in the form of different classes of securities of such Persons in a manner designed to preserve the voting rights of the ATS common stockholders; such distributions are permitted by the ARS Restated Certificate of Incorporation only in the context of a merger or consolidation;

(iii) the ATS Class C Common Stock can be converted into ATS Class A Common Stock with the consent of the ATS Board; no such provision is contained in the ARS Restated Certificate of Incorporation;

(iv) the definition of "Transferred" in the ATS Restated Certificate of Incorporation has been clarified to provide that such term does not include the granting of a proxy or the entering into of a voting agreement, whether revocable or irrevocable, and whether generally or with respect to a specific issue or issues; such had been the intent of the provisions of the ARS Restated Certificate of Incorporation; and

(v) the provisions of the ATS Restated Certificate of Incorporation with respect to class voting by the ATS common stockholders has been clarified to provide that there is no such class vote, notwithstanding the provisions of Delaware law, with respect to increases or decreases in the authorized number of shares of any class; such had been the intent of the provisions of the ARS Restated Certificate of Incorporation.

In addition, in order to satisfy a condition to the consummation of the ATC Merger, if it is consummated, the ATS Restated Certificate will be amended to (a) prohibit future issuances of ATS Class B Common Stock (except upon exercise of then outstanding options and pursuant to stock dividends or stock splits), (b) limit transfers of ATS Class B Common Stock to a more narrow group than is provided in the ARS Restated Certificate of Incorporation, (c) limit Mr. Dodge's voting power to 49.99% (less the voting power represented by the shares of Class B Common Stock acquired by the Stoner purchasers pursuant to the ATS Stock Purchase Agreement and still owned by them), (d) provide for automatic conversion of the ATS Class B Common Stock to ATS Class A Common Stock should Mr. Dodge's aggregate voting power fall below either (i) 50% of his initial aggregate voting power (immediately after consummation of the ATC Merger) or (ii) 20% of the aggregate voting power of all shares of ATS Common Stock at the time outstanding, and (e) require consent of the holders of a majority of ATS Class A Common Stock for amendments adversely affecting the ATS Class A Common Stock.

DIRECTORS AND OFFICERS

From and after the Effective Time, until successors are duly elected or appointed and qualified, or upon their earlier resignation or removal, in accordance with applicable law and the organic documents of CBS Sub and ARS, as applicable, (a) the directors of CBS Sub at the Effective Time will be the directors of the surviving corporation, and (b) the officers of ARS at the Effective Time will be the officers of the surviving corporation, except that as explained elsewhere herein, Messrs. Dodge, Box, Winn and certain other ARS officers who will become ATS officers will resign from their positions with ARS.

ARS-ATS SEPARATION AGREEMENT

The Merger Agreement requires that American Radio and American Tower Systems enter into an agreement (the "ARS-ATS Separation Agreement") to provide for (i) the sharing of various liabilities and obligations, including without limitation those relating to the taxes payable by American Radio as a consequence of the Tower Separation, (ii) certain adjustments based on American Radio's working capital and indebtedness as of the Effective Time of the Merger, and (iii) the leasing of space to American Radio on certain of American Tower Systems' towers. The following is a brief summary of the material provisions of the Merger Agreement, a copy of which is attached as Appendix II to this Information Statement/Prospectus and is incorporated by reference herein, which are to be contained in the ARS-ATS Separation Agreement. This summary is qualified in its entirety by reference to the full and complete text of the Merger Agreement. Capitalized terms used in this Section describing the provisions of the Merger Agreement which are not otherwise defined in this Information Statement/Prospectus shall have the meaning prescribed therefor in the Merger Agreement.

Sharing of Tax and Other Consequences. With respect to the terms and conditions of the Tower Separation, including the sharing of the tax consequences thereof, the ARS-ATS Separation Agreement provides as follows:

(a) American Tower Systems is obligated to indemnify American Radio and its Subsidiaries (other than the Tower Subsidiaries, collectively the "ATS Group") harmless from and against any liabilities (other than income 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 American Tower Systems except certain leases listed in the Merger Agreement, (ii) liabilities (A) in connection with the distribution of the Tower Stock Consideration as part of the Tower Merger or the Merger, (B) relating to or arising from any agreement, arrangement or understanding (other than the Tower Documentation) entered into by American Radio, ATS or any member of the American Tower Group (x) for the benefit of any member of the American Tower Group, (y) in contemplation of the Tower Separation, or (z) with respect to the sale, assignment, transfer or other disposition of shares of ATS Common Stock, (C) relating to or arising from any untrue statement or alleged untrue statements of a material fact contained in this Information Statement/Prospectus, 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 required to be filed in connection with the Merger, or in any document filed or required to be filed by American or any member of the American Tower 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 American Tower Group) which is contained in or expressly consistent with the Filed American SEC Documents or the American Form 10-Q for the nine months ended September 30, 1997 filed by American Radio with the Commission under the Exchange Act, 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 Tower Separation, as the case may be, and (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.

(b) American Radio is obligated to indemnify the ATS Group harmless from and against any liabilities (other than income tax liabilities) to which the ATS Group may be or become subject that relate to or arise from 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 Merger.

(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) American 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 sale or transfer of assets to the American Tower Group pursuant to Section 6.17(f) of the Merger 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), the Merger, the Tower Merger, the Tower Separation, any other disposition of stock of ATS contemplated or permitted by the Merger Agreement, or the merger of ATS with any other Person as the case may be, including without limitation any Taxes on any gain to any member of the American Tax Group arising under Section 311 of the Code, any Taxes on any deferred gain to any member of the American Tax Group triggered as a result of or upon any such event, any gain attributable to any excess loss account triggered upon any such event, any Taxes arising as a result of the election or other transactions contemplated by clause 6.17(c)(xii) of the Merger Agreement, 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, and gain on the conversion of ARS Convertible Preferred Stock into ATS Common Stock, and 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.

(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 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 ATS-ARS Separation Agreement.

(f) On the earlier to occur of the Merger or the Tower Merger, certain employees of American Radio (the "ATS Employees") are to be offered full-time employment by ATS or one of its Subsidiaries. If the Tower Separation occurs prior to the Closing Date, such employees shall continue to offer management services to American Radio and ATS is obligated to make such ATS Employees available to ARS to provide such services in order to enable ARS to fulfill its obligations under Section 6.10(i) of the Merger Agreement (i.e., conduct its business in the ordinary and usual course of business and consistent with past practice). For a period of eighteen (18) months following the consummation of the Tower Separation, members of the ATS Group shall not 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 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.

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 Section 6.17 of the Merger Agreement attached hereto as Appendix II.

The foregoing is a description of the rights and obligations of ARS and ATS in the event the Merger is consummated. Although the ARS-ATS Separation Agreement will be effective and operational upon consummation of the Tower Merger, in the event the Merger were not subsequently consummated, the ARS Board has reserved the right to alter the terms of that agreement to provide for a sharing of the rights and obligations in a manner that may be more or less favorable to ATS. Because the ARS Board believes that the Merger will be consummated, it has not made any determination of what the rights and obligations of ARS and ATS should be in the event it were not.

CLOSING DATE ADJUSTMENTS

The Merger Agreement also contains provisions (that are to be included in the ARS-ATS Separation Agreement) relating to adjustments of the amount required to be paid by CBS in the 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; they will not, in any event, affect the Merger Consideration payable to the holders of ARS Common Stock. With respect to such adjustments, the Merger Agreement provides, among other things, for an adjustment as follows:

(a) Subject to paragraph (c) below, if Closing Working Capital is less than (i) $60,000,000 in the event the Closing Date is on or prior to March 31, 1998 or (ii) $70,000,000 in the event the Closing Date is after March 31, 1998 (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 will be excluded, (iii) accruals for taxes will be included except that (A) tax liabilities which ATS is obligated to indemnify American Radio and its Subsidiaries (other than the American Tower Group) pursuant to the provisions of the Tower Documentation, and 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 shall not be taken into account, (B) Tax benefits arising from the exercise or cancellation of options between the date of the Original Merger Agreement and the Effective Time shall not be taken into account, and (C) accruals for taxes relating to acquisitions, exchanges or dispositions will be determined in accordance with ARS' 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 Merger Agreement terminated or canceled prior to the Effective Time or for which the holder has elected to receive an option to acquire ATS 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 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 ARS Common Stock issuable upon conversion of the American Convertible Preferred Stock or (B) decreased (if the number of shares of ARS Common Stock 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 ARS Common Stock 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 will be limited to $3,300,000, and (vii) amounts owed by American Tower to American pursuant to Section 9.3(c) shall be excluded from Current Assets and liabilities with respect to such amounts shall be excluded from Liabilities.

(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 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 American Convertible Preferred Stock) minus cash.

(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 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) 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 set forth above and the allocation of the costs of dispute resolution, and the Accounting Firm is not to make any other determination.

(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 the Tower Entity, CBS will cause the Post-Closing American Group to afford the Tower Entity and any accountants, counsel or financial advisors retained by the Tower Entity 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 Section 6.18 of the Merger Agreement shall be taken into account in the calculation of Tax liability pursuant to Section 6.17(c) of the Merger 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 for purposes of Section 6.17(c) of the Merger Agreement.

See Section 6.18 of the Merger Agreement for a complete description of the Closing Date adjustments.

LEASE ARRANGEMENTS

In connection with the Tower Separation, CBS and ARS will agree on the definitive documentation ("Tower Leases") to be executed by ARS and ATS 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 Merger Agreement. Subject to certain exceptions, 14 of such 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 prior to the Tower Separtion. Each of the Tower Leases contains or will contain standard and customary terms and conditions and CBS and ARS specifically agree to the inclusion of the following in each of the Tower Leases: (a) except for 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 will use 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 Lease that is not so extended (except with respect to the Land Lease for KBAY (FM) (formerly KUFX (FM)), Gilroy, California 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), ARS, ATS and CBS will negotiate in good faith to agree upon definitive documentation to provide CBS 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 Effective Time; 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 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 (KBAY (FM) (formerly KUFX (FM)), Gilroy, California and WNFT (AM), Boston, Massachusetts which such payments will begin at the Effective Time, with respect to CBS, and will begin on January 1, 1998 as between ARS and ATS). Notwithstanding the foregoing, CBS acknowledges that Tower Lease payments at the full "market price" indicated on Exhibit B to the Merger Agreement by ARS to ATS may commence upon such leases becoming the property of ATS and will continue until the Effective Time; (d) all expenses for taxes, insurance, maintenance and utilities in respect of each Tower shall be paid by ATS; and (e) ATS will assume the obligation and responsibility for complying with all applicable law with respect to the Towers.

REPRESENTATIONS AND WARRANTIES

The Merger Agreement contains certain customary representations and warranties relating to, among other things: (a) each of CBS' and ARS' organization and similar corporate matters; (b) ARS' capital structure; (c) the authorization, execution, delivery, performance and enforceability of the Merger Agreement with respect to CBS and ARS; (d) the financial statements and certain other documents filed by ARS with the Commission and the accuracy of the information contained therein; (e) the absence of undisclosed material litigation relating to ARS; (f) the absence of material adverse changes with respect to the business of ARS; (g) certain tax and employee benefit matters with respect to ARS; (h) the holding of FCC licenses and other governmental and private authorizations by CBS and ARS; (i) certain environmental and tax matters with respect to ARS; (j) the conduct by ARS of its business in the ordinary and usual course; (k) the absence of litigation or similar proceedings of CBS and ARS; and (l) that CBS will have sufficient funds to consummate the Merger. The Merger Agreement provides that the representations and warranties of the parties do not survive consummation of the Merger.

CERTAIN OTHER COVENANTS

The Merger Agreement contains certain customary covenants and agreements, including, without limitation, the following:

Certain Efforts; FCC and Antitrust Requirements. Pursuant to the Merger Agreement, each of ARS and CBS have agreed to use best efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Merger and the Tower Separation, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, anything which could impede or impair the consummation of the Merger or the Tower Separation, including, in all cases, without limitation, using its best efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of the Merger Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Merger by all such applicable Authorities, each of which is required to be obtained or become final in order to satisfy the condition applicable to it set forth in the Merger Agreement, (ii) to obtain all necessary or appropriate waivers, consents and approvals, (iii) to effect all necessary registrations, filings and submissions, (iv) to defend any suit, action or proceeding, whether judicial or administrative, challenging the Merger or any of the transactions contemplated by the Merger Agreement, including seeking to lift any injunction or other legal bar to the Merger (and, in such case, to proceed with the Merger as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in the Merger Agreement, including without limitation the securing of all authorizations, consents, waivers, modifications, orders and approvals set forth in the Merger Agreement relating to the FCC and the HSR Act.

ARS and CBS agree to use their best efforts to take such steps as may be necessary (i) diligently to prosecute the Applications and to prepare and file any further Applications or amendments as may be necessary to obtain the consent to the transfer of control to CBS of the licensees that will hold the FCC licenses for the ARS Brokered Stations that are expected to be acquired by ARS and (ii) to obtain the FCC Consents, including

action by CBS, at its sole cost and expense (except as provided elsewhere in the Merger Agreement), to satisfy or cause to be removed all Divestiture Conditions, if any. The failure by ARS or CBS to use its best efforts to timely file or diligently prosecute its portion of any Application or, in the case of CBS, the failure to use its best efforts to make any Required Divestiture or otherwise satisfy or cause to be removed all Divestiture Conditions on or before the Termination Date, shall be a material breach by ARS or CBS, as the case may be, of the Merger Agreement. ARS agrees that any delay in prosecuting the Applications or obtaining the FCC Consents resulting from CBS' good faith negotiations, subject to Applicable Law, with the FCC, Antitrust Division or FTC with respect to the imposition of a Divestiture Condition shall not constitute a failure by CBS to use its best efforts diligently to prosecute the Applications or obtain the FCC Consents and so long as such negotiations do not interfere with satisfaction of all conditions to Closing prior to the Termination Date. If reconsideration or judicial review is sought with respect to any FCC Consent, ARS and CBS shall (promptly and with all due efforts) oppose such efforts to obtain reconsideration or judicial review.

Each of ARS and CBS has agreed to file all applications required under the HSR Act on a timely basis and to (i) use its best efforts to comply as expeditiously as possible with all lawful requests of the FTC or the Antitrust Division for additional information and documents and (ii) not extend any waiting period under the HSR Act or enter into any agreement with the FTC or the Antitrust Division not to consummate the transactions contemplated by the Merger Agreement, except with the prior written consent of the other; provided, however, that nothing shall limit the ability of CBS to extend the 20-day waiting period under the HSR Act following substantial compliance with any request for additional information that may be forthcoming, if such extension is reasonably necessary to allow the continuation of good faith negotiations intended to remove any objection to the transaction that the FTC or Antitrust Division may have asserted, and if such extension will expire not less than 30 days prior to the Termination Date.

Anything in the Merger Agreement, including without limitation Section 6.2(b), to the contrary notwithstanding, CBS is obligated to obtain the FCC Consents and clearances under the HSR Act and the grant of any waivers in connection therewith prior to the Termination Date unless the failure to obtain such FCC Consents, clearances and waivers is primarily the result of one or more Uncontrollable Events. For purposes of the Merger Agreement, the term "Uncontrollable Events" shall mean (i) acts or omissions on the part of ARS or any of its Subsidiaries in conducting its respective operations other than those relating to the number of ARS FCC Licenses or amount of revenues in a particular market, (ii) an unremedied or unwaived material breach by ARS of its obligations under the Merger Agreement, or (iii) any change in or enactment of Applicable Law by Congress and signed by the President and which (A) has the effect of decreasing the number of radio licenses which a Person may own nationally or locally or (B) materially and adversely relates to the concentration of radio licenses which a Person may own in a market, and as a result of the change or enactment referred to in either clause (A) or (B) above, CBS' performance of its obligations under the Merger Agreement would have a Material Adverse Effect on CBS' radio and television broadcasting business. CBS is obligated to file with the FCC, within sufficient time to permit timely grant of the Applications, applications for consent to assign or transfer, pursuant to trust arrangements satisfying the FCC's local multiple ownership rules and policies, such radio broadcast stations as CBS may designate, so that the radio broadcast stations of CBS and ARS not designated for such trust arrangements may be held by the Surviving Corporation (i.e., ARS) in compliance with the FCC's local multiple ownership rules and policies. CBS is obligated, to the extent necessary to obtain grant of the trust applications, thereafter promptly to file or cause to be filed any further applications (including applications to assign radio broadcast stations to third party purchasers for value) that may be required by the FCC. Notwithstanding the two preceding sentences, with regard to stations located in the San Jose market, the obligations of CBS to submit trust or sale applications shall be excused for such stations to the extent and for the duration of the period that CBS is unable to identify the stations to be placed in trust or sold because of the failure of ARS to notify CBS of the resolution of the Antitrust Division impediment impacting the ARS transactions pending in the San Jose market.

If CBS or any of its Affiliates receives an administrative or other order or notification relating to any violation or claimed violation of the rules and regulations of the FCC, or of any other Authority (including without limitation seeking or relating to a Divestiture Condition), that could affect CBS' ability to consummate

the transactions contemplated hereby, or if CBS or any of its Affiliates should become aware of any fact relating to the qualifications of CBS or any of its Affiliates that reasonably could be expected to cause the FCC to withhold its consent to the assignment of the ARS FCC Licenses, CBS is required to promptly notify ARS thereof and use its best efforts, and take such steps as are necessary, in order to satisfy or remove the Divestiture Condition to enable the Closing to occur prior to the Termination Date. CBS has covenanted and agreed to keep ARS fully informed as to all matters concerning all Required Divestitures and promptly to notify ARS in writing of any and all significant developments relating thereto and ARS has agreed to do likewise with CBS.

CBS has acknowledged and agreed that certain of the ARS Stations and ARS Brokered Stations may file or have pending applications for renewal of their licenses during the time that an application for the FCC Consents is pending before the FCC. To the extent any such application for renewal may be filed or remain pending, CBS has agreed to amend the transferee's portion of any application for the FCC Consents and, as may be required, to amend any license renewal applications for all of the ARS Stations or ARS Brokered Stations, to confirm CBS' intention to consummate the Merger Agreement during the pendency of such license renewal application, and to agree to assume the consequences associated with succeeding to the place of ARS in such license renewal applications. The making of this statement shall not be deemed to limit or waive any other rights that CBS may otherwise have under the Merger Agreement.

CBS and ARS will cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Merger that are required or permitted to be filed on or before the Closing Date.

Subject to Applicable Laws relating to the exchange of information, ARS and CBS have the right to review in advance, and to the extent practicable each will consult the other with respect to, all the information relating to ARS or CBS, as the case may be, and any of their respective Subsidiaries, that appear in any filing made with, or written materials submitted to, any Authority and/or other Person in connection with the Merger and the other transactions contemplated by the Merger Agreement. In exercising the foregoing right, each of ARS and CBS shall act reasonably and as promptly as practicable.

Conduct of Business. ARS has agreed that, during the period from September 19, 1997, until the Closing Date or earlier termination of the Merger Agreement, except as contemplated by the Merger Agreement, unless CBS shall otherwise consent in writing, ARS will and will cause its Subsidiaries, to:

(i) conduct their respective businesses in the ordinary and usual course of business and consistent with past practice;

(ii) not (A) amend or propose to amend their respective Organic Documents, (B) split, combine or reclassify (whether by stock dividend or otherwise) their outstanding capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of, or in substitution for shares of its capital stock, or (C) declare, set aside or pay any dividend or distribution payable in cash, stock, property or otherwise, except for (x) the payment of dividends or the making of distributions by a direct or indirect wholly owned Subsidiary of ARS and (y) the payment of dividends on shares of the ARS Preferred Stock in accordance with their terms;

(iii) not issue, sell, pledge or dispose of, or agree to issue, sell, pledge or dispose of, any shares of ARS Stock, Convertible Securities or Option Securities, except that ARS may issue shares of ARS Common Stock upon conversion of Convertible Securities and exercise of Option Securities outstanding on the date of the Original Merger Agreement and in accordance with their then existing terms, including any adjustment to the conversion price of Convertible Securities as a result of the Tower Separation;

(iv) not (A) incur or become contingently liable with respect to any indebtedness other than (x) short-term borrowings not to exceed $25 million in the aggregate outstanding at any one time, (y) borrowings to finance pending acquisitions of certain radio stations and, pursuant to agreements in effect on the date of the Original Merger Agreement and (z) borrowings not to exceed $120 million to finance or acquire any

shares of its capital stock, Convertible Securities or Option Securities, except pursuant to the conversion or exercise thereof, as the case may be, or except to the extent pursuant to the conversion or exercise thereof, as the case may be, or except to the extent required by the then existing terms thereof, (C) sell, lease, license, pledge, dispose of or encumber any properties or assets or sell any businesses other than pursuant to agreements in effect on the date of the Original Merger Agreement or Liens arising in accordance with the provisions of indebtedness in effect on such date and in accordance with their then existing terms, or (D) make any loans, advances or capital contributions to, or investments in, any other Person, other than to any direct or indirect wholly owned Subsidiary of ARS (other than the Tower Subsidiaries) and, except as provided in clause (z) above, or to officers and employees of ARS or any of its Subsidiaries for travel, business or relocation expenses in the ordinary course of business;

(v) use all reasonable efforts to preserve intact their respective business organizations and goodwill, keep available the services of their respective present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely impact the transactions contemplated by the Merger Agreement;

(vi) confer on a regular and frequent basis with one or more representatives of CBS to report material operational matters and the general status of ongoing operations;

(vii) not adopt, enter into, amend or terminate any employment, severance, special pay arrangement with respect to termination of employment or other similar arrangements or agreements with any directors, officers or key employees;

(viii) maintain with financially responsible insurance companies insurance on their respective tangible assets and their respective businesses in such amounts and against such risks and losses as are consistent with past practice;

(ix) not make any Tax election that could reasonably be likely to have a Material Adverse Effect on ARS or settle or compromise any material income Tax liability;

(x) except in the ordinary course of business or except as would not reasonably be likely to have a Material Adverse Effect on ARS, not modify, amend or terminate any Material Agreement to which ARS or any Subsidiary is a party or waive, release or assign any material rights or claims thereunder;

(xi) not make any material change to its accounting methods, principles or practices, except as may be required by GAAP;

(xii) not acquire or agree to acquire (x) by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any Person or other business organization or division thereof or (y) any assets that, individually or in the aggregate, are material to ARS and its Subsidiaries taken as a whole, in each case, other than pursuant to agreements in effect on the date the Original Merger Agreement was signed (CBS has agreed not to unreasonably withhold, delay or condition a consent to any matters described in this paragraph);

(xiii) subject to certain exceptions, (a) not grant to any executive officer or other key employee of ARS or any of its Subsidiaries any increase in compensation, except for normal increases in the ordinary course of business consistent with past practice or as required under Benefit Arrangements in effect as of June 30, 1997, (b) not grant to any such executive officer any increase in severance or termination pay, except as was required under any Benefit Arrangements in effect as of June 30, 1997, or (c) not adopt or amend any Plan or Benefit Arrangement (including change any actuarial or other assumption used to calculate funding obligations with respect to any Plan, or change the manner in which contributions to any Plan are made or the basis on which such contributions are determined) and (d) except in the ordinary course, not enter into, amend in any material respect or terminate any Governmental Authorization (except as would not be reasonably likely to have a Material Adverse Effect on ARS), material Private Authorization or Contract; and

(xiv) not authorize or enter into any agreement that would violate any of the foregoing.

Anything in this subsection to the contrary notwithstanding, the provisions of this subsection, other than clause (ii), will not apply to ATS or any of its Subsidiaries.

CBS has agreed that, during the period from September 19, 1997, until the Closing Date or earlier termination of the Merger Agreement, except as otherwise contemplated by the Merger Agreement or as has been publicly disclosed prior to the date of the Merger Agreement, unless ARS shall otherwise agree in writing, with respect to CBS's media business, CBS will and will cause its Subsidiaries, to:

(i) conduct their respective businesses in the ordinary and usual course of business and consistent with past practice, which includes the acquisition of other radio broadcasting stations;

(ii) not amend or propose to amend its Organic Documents in any manner materially adverse to holders of the ARS Preferred Stock;

(iii) use all best efforts to preserve intact their respective business organizations and goodwill, keep available the services of their respective present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely affect the transactions contemplated by the Merger Agreement; and

(iv) not authorize or enter into any agreement that would violate any of the foregoing.

Notwithstanding the foregoing covenants, the Merger Agreement provides that nothing contained therein shall give to (a) ARS, directly or indirectly, rights to control or direct CBS' operations prior to the Effective Time, or (b) CBS, directly or indirectly, rights to control or direct ARS' operations prior to the Effective Time. The Merger Agreement further provides that prior to the Effective Time, consistent with the terms and conditions of the Merger Agreement, (a) CBS shall exercise, complete control and supervision of its operations, and (b) ARS shall exercise complete control and supervision of its operations.

Meetings of Stockholders. ARS has received the written consent of the holders of shares of ARS Common Stock representing a majority of the votes entitled to be cast with respect to the approval and adoption of the Original Merger Agreement, the Merger Agreement and the Tower Merger Agreement and the approval of the transactions contemplated thereby. Accordingly, no special meeting of the ARS common stockholders is required in connection with either the Merger or the Tower Merger. Nevertheless, if for any reason such consent is not effective with respect to either the Merger or the Tower Merger, ARS has agreed to call and hold a special meeting of the ARS common stockholders. Approval of the CBS stockholders of the Merger Agreement and the transactions contemplated thereby is not required under Applicable Law. CBS, as the sole stockholder of CBS Sub, has approved and adopted the Merger Agreement and approved the transactions contemplated thereby.

Indemnification. Directors', Officers' and Employees' Indemnification and Insurance. The Organic Documents of the Surviving Corporation will contain provisions no less favorable with respect to indemnification than are set forth in the Organic Documents of ARS, as in effect on the date of the Original Merger Agreement, which provisions will not be amended, repealed or otherwise modified for a period of six (6) years from the Effective Time in any manner that would affect adversely the rights thereunder of individuals who at any time prior to the Effective Time were directors, officers or employees of ARS or any of its Subsidiaries, unless such modification is required by Applicable Law.

From and after the Effective Time, CBS will indemnify, defend and hold harmless the present and former officers, directors and employees of ARS or any of its Subsidiaries (collectively, the "Indemnified Parties") against all losses, expenses, claims, damages, liabilities or amounts that are paid in settlement of, or otherwise in connection with any claim, action, suit, proceeding or investigation (as used in this paragraph, a "claim"), based in whole or in part on the fact that the Indemnified Party (or the Person controlled by the Indemnified Party) is or was a director, officer or employee of ARS or any of its Subsidiaries and arising out of actions or omissions occurring at or prior to the Effective Time whether asserted or claimed prior to, at or after the Effective Time, in each case to the fullest extent permitted under the DCL (and will pay any expenses, as incurred, in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted

under the DCL). Without limiting the foregoing, in the event any such claim is brought against any of the Indemnified Parties, (i) such Indemnified Parties may retain counsel (including local counsel) satisfactory to them and which will be reasonably satisfactory to CBS and they will pay all reasonable fees and expenses of such counsel for such Indemnified Parties; and CBS will use its best efforts to assist in the defense of any such claim; provided, however, that CBS will not be liable for any settlement effected without its written consent, which consent will not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, nothing contained in this paragraph shall be deemed to grant any right to any Indemnified Party which is not permitted to be granted to an officer, director or employee of CBS under the DCL, assuming for such purposes that CBS's Organic Documents provided for the maximum indemnification permitted by the DCL.

CBS will cause to be maintained for a period of not less than six (6) years from the Effective Time ARS' current directors' and officers' insurance and indemnification policy to the extent that is provides coverage for events occurring prior to the Effective Time ("D&O Insurance") for all Persons who are directors and officers of ARS on the date of the Merger Agreement, so long as the annual premium therefor would not be in excess of 200% of the last annual premium therefor paid prior to the date of the Original Merger Agreement (the "Maximum Premium"); provided, however, that if the annual premiums of such insurance coverage exceed such amount, CBS will only be obligated to obtain the greatest coverage available under such policy for a cost not exceeding such amount, provided further, however, that CBS may, in lieu of maintaining such existing D&O Insurance as provided above, cause coverage to be provided under any policy maintained for the benefit of CBS or any of its Subsidiaries, so long as the terms thereof are no less advantageous to the intended beneficiaries thereof than the existing D&O Insurance. If the existing D&O Insurance expires, is terminated or canceled during such six-year period, CBS will use its best efforts to cause to be obtained as much D&O Insurance as can be obtained for the remainder of such period for an annualized premium not in excess of the Maximum Premium, on terms and conditions no less advantageous to the covered Persons than the existing D&O Insurance. ARS represented to CBS that the Maximum Premium is not greater than $500,000.

In the event CBS or CBS Sub or any or their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then and in each such case, proper provisions will be made so that the successors and assigns of CBS or CBS Sub, as the case may be, will assume the obligations set forth in this subsection.

The foregoing provisions are intended to be for the benefit of, and will be enforceable by, the Indemnified Parties, their heirs and personal representatives and will be binding on CBS, CBS Sub and their respective successors and assigns.

Employee Benefits. CBS is obligated to maintain, for a period of one (1) year following the Effective Time, employee benefits plans and programs (other than equity incentive arrangements) for ARS officers and employees which are no less favorable in the aggregate than those generally available pursuant to existing employee benefit plans and programs, except that CBS has the right to determine the types and levels of specific benefits to be so provided.

Solicitation of Employees. CBS has agreed, in the event the Merger Agreement is terminated, that for a period of eighteen (18) months following such termination, it will not solicit or actively seek to hire any key employees (including without limitation any station manager, sales manager, program manager or any individual senior to any of such individuals) who during such period is employed by ARS or any of its Subsidiaries, whether or not such individual would commit breach of such individual's employment agreement or contract in leaving such employment; provided, however, that the foregoing shall not prevent the solicitation of any such key employee who (i) initiates employment discussions with CBS, (ii) in not employed by ARS or any of its Subsidiaries on the date CBS first solicits such employee, or (iii) is solicited through general advertisement or on-going and ordinary course hiring practices at CBS' broadcasting stations that do not have access to any of the evaluation material furnished by ARS to CBS in connection with its offer to merge with ARS.

American Radio Name. All right, title and interest to the name "American Radio" and all related goodwill trademarks, service marks, logos and the like are to be transferred, without expense, from ARS to ATS immediately prior to the Closing and, thereafter, CBS will cause all of its Subsidiaries to cease using such name as soon as practicable and, in any event, within six (6) months.

ARS Options. All ARS Options outstanding immediately prior to the Effective Time, except as provided otherwise in Section 6.8 of the Merger Agreement, will be canceled by ARS and will be converted into the right to receive, for each share of ARS Common Stock subject to such option: the Merger Consideration, or, if the Tower Merger Effective Time shall have occurred, the cash that the Optionholder would have received pursuant to the Merger and shares of ATS Common Stock that the Optionholder would have received pursuant to the Tower Merger, in each case with respect to each share of the ARS Common Stock subject to an unexpired ARS Option of the Optionholder had such ARS Option been exercised immediately prior to the Tower Merger Effective Time, in all cases reduced by an amount of cash (and, to the extent necessary, Tower Common Stock) equal to the exercise price per share of ARS Common Stock subject to such ARS Option. Except as provided in the preceding sentence, no other consideration will be paid by ARS to an option holder in respect of his or her canceled ARS Options. If the Merger is not consummated, the cancellation of the ARS Options shall be rescinded and the holders shall continue to hold such ARS Options upon their original terms and conditions. At the election of any option holder who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation Section 1.280G-1), Section 6.8(b) of the Merger Agreement will be inoperative with respect to such ARS Options as he or she may specify to the extent that the acceleration, vesting cancellation and cash-out of ARS Options at the Effective Time as provided in the Merger Agreement would constitute an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code). Any option holder who makes such election shall forfeit the ARS Options which are subject to such election and shall receive no consideration therefor.

ATS Employees (which includes, among others, Messrs. Box, Dodge, Eisenstein and Winn) who hold ARS Options to purchase an aggregate of 710,000 shares of 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) will be given the opportunity to convert their ARS Options into ATS Options, such conversion to be effectuated at the time of the Tower Separation 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. Messrs. Box, Dodge, Eisenstein and Winn have advised ARS of the extent to which they intend to exercise their respective rights to exchange ARS Options for ATS Options; based on such advice (which they have the right to change at any time prior to the effectiveness of the Tower Separation, such individuals will hold ATS Options as follows (assuming a $54.00 and $10.00 per share value for the ARS Common Stock and ATS Common Stock, respectively): Mr. Box: 540,000 shares of ATS Class A Common Stock at 5.05 per share; Mr. Dodge: an aggregate of 1,566,000 shares of ATS Class B Common Stock at prices ranging between $1.83 and $5.23 per share; Mr. Eisenstein: 216,000 shares of ATS Class B Common Stock at $4.40 per share; and Mr. Winn: 1,468,422 shares of ATS Class B Common Stock and an aggregate of 43,578 shares of ATS Class A Common Stock at prices ranging between $1.18 and $5.23 per share.

ARS will use its best efforts (including best efforts to obtain any consents of employees or directors of ARS or any of its subsidiaries (each, an "Optionholder"), if required) to cause the cancelation of all of the ARS Options immediately prior to the Effective Time.

Notwithstanding the foregoing paragraphs, in the event that any amount payable under the foregoing provisions to Optionholders in respect of his ARS Options would fail to be deductible by ARS (or any successor thereto) solely by reason of (S)162(m) of the Code (after taking into account all amounts paid or reasonably expected to be payable to the Optionholder in the same taxable year in which the payments under this subsection are made to the Optionholder and which are not otherwise exempt from Code (S)162(m) in determining whether any amount payable to the Optionholder will fail to be deductible thereunder), then, with respect to such portion of the Optionholder's ARS Options the cancellation and cash-out of which would be nondeductible under said (S)162(m) (the "(S)162(m) Options"), such (S)162(m) Options will be canceled in accordance with the foregoing

provisions, but the payments of the excess of the aggregate Merger Consideration over the aggregate exercise price of each Optionholder's (S)162(m) Options that the Optionholder would have received in connection with the Tower Separation and other cash consideration contemplated in respect of the Optionholder's (S)162(m) Options will be made to the Optionholder on the 110th day following the Effective Time. ARS will use its best efforts to obtain the written consent of each Optionholder affected by this provision.

All amounts payable to an Optionholder pursuant to the foregoing provisions will be reduced by any applicable withholding taxes.

Notwithstanding anything to the contrary in the Merger Agreement, ARS will have the right in its sole and absolute discretion, to accelerate, on such terms and conditions as it shall determine, in whole or in part, the vesting of any or all of the ARS Options outstanding on the date hereof so that such ARS Options are exercisable in full prior to the Effective Date.

To the extent that Tower Employees elect to convert their ARS Options into options to acquire ATS Common Stock, ARS is obligated to contribute (without the payment of any amount or the issuance of any securities by ATS) to the capital of ATS at the earlier to occur of the Tower Merger Effective Time and the Effective Time a number of shares of ATS Common Stock equal to the excess, if any, of (i) the number of shares of ATS Common Stock owned by ARS immediately prior to the Tower Merger Effective Time or the Effective Time, as the case may be, over (ii) the number of shares of ATS Common Stock required to be delivered (x) to the holders of shares of ARS Common Stock, (y) to holders of ARS Options pursuant to the provisions of Section 6.8(a) of the Merger Agreement, and (z) upon conversion of the ARS Convertible Preferred Stock.

Information Statement/Registration Statements. ARS is obligated to, and to cause ATS to, prepare and file with the Commission an information statement and a registration statement on Form S-4 complying with the applicable rules and regulations of the Commission and the DGCL, to correct promptly any false or misleading information therein, and take all steps necessary to file with and have cleared by the Commission any amendment or supplement thereto so as to correct it and cause the same to be disseminated to the ARS common stockholders to the extent required by Applicable Law. Such registration statement is required to cover the registration under the Securities Act of the shares of Tower Common Stock to be delivered as the Tower Stock Consideration or Tower Merger Consideration to the holders of shares of ARS Common Stock and to holders of ARS Options at the Effective Time or the Tower Merger Effective Time, as the case may be. This Information Statement/Prospectus is being furnished pursuant to such undertaking by ARS.

ATS is also required to file with, and cause to be declared effective by, the Commission prior to the Effective Time, (i) a registration statement on Form S-8 to register under the Securities Act the shares of Tower Common Stock subject to all ARS Options which have been converted into ATS Options, and (ii) a registration statement to permit the delivery of shares of Tower Common Stock by ARS upon conversion of the ARS Convertible Preferred Stock following the Effective Time and to maintain, on customary terms, the effectiveness of such registration statement under the Securities Act until such time as ATS shall deliver to ARS an opinion of legal counsel reasonably satisfactory to ARS and CBS that such registration statement is no longer required to permit such delivery in accordance with the Securities Act.

Affiliate Agreements. ARS is obligated to use its best efforts to cause each principal executive officer, each director and each other person who is an "affiliate" of ARS for purposes of Rule 145 under the Securities Act at the time each of the Merger Agreement and the Tower Merger Agreement was approved by written consents of the ARS common stockholders to deliver to ATS, on or prior to the earlier of Effective Time and the Tower Merger Effective Time, a written agreement, reasonably satisfactory in form, scope and substance to ARS and CBS, to the effect that such person will not offer to sell, assign, transfer or otherwise dispose of any shares of ATS Common Stock issued in the Merger or the Tower Merger, as the case may be, except, in each case, pursuant to an effective registration statement or in compliance with Rule 145, or in a transaction which, in the opinion of legal counsel reasonably satisfactory to ARS and CBS, is exempt from the registration requirements of the Securities Act.

Certain Other Covenants. Both CBS and ARS have also agreed, among other things: (a) to consult with each other prior to issuing any press release or public statement; and (b) that CBS and its representatives be granted access to the management, accounts, books, records, contracts, and other materials, as well as to the directors, officers, employees and independent accountants, of ARS. ARS has agreed, to the extent permitted by its debt instruments and by the ARS Cumulative Preferred Stock, to pay dividends on the ARS Cumulative Preferred Stock in the form of cash.

No Material Delay. ARS has agreed that it will not, and will not permit any of its Subsidiaries to, take any action or enter into any agreement, plan or arrangement to take any action that could reasonably be expected to materially delay the date of the Effective Time (it being provided that any delay in excess of fifteen (15) business days which would arise as a result of any such action shall be deemed "material" for purposes of such provision).

CONDITIONS TO THE MERGER

Joint Conditions. The obligations of ARS, CBS and CBS Sub to consummate the Merger are 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 Required Vote shall have been obtained;

(b) The FCC shall have issued the FCC Order approving the applications for transfer of control of ARS' FCC Licenses in connection with the transactions contemplated herein, and the FCC Order shall have been obtained without the imposition of conditions that would have a Material Adverse Effect on CBS' television and radio broadcasting business; provided that without triggering CBS' right to approve such conditions or restrictions, the FCC Order (i) may condition consummation of the Merger on CBS complying with the numerical limits on local multiple radio ownership imposed by 47 C.F.R. (S)73.3555(a) by affording CBS a period of at least six (6) months following the Effective Time within which to comply with such rule through the use of divestiture trusts on terms and conditions required by the FCC, provided further, however, that to the extent that the FCC authority for such divestiture trusts provides for a period of less than six (6) months, (A) ARS has the right to postpone the Effective Time (and, to the extent necessary, the Termination Date), so that CBS is afforded the six (6) month divestiture period, whether before or after the Effective Time and (B) if ARS exercises such right, CBS' right to approve such condition will not be triggered, and (ii) may grant CBS temporary, rather than permanent, waivers of the One-to-a-Market Rule, so long as such temporary waivers shall remain in effect until at least six (6) months following the effective date of FCC action concluding the ongoing rulemaking proceeding with respect to such Rule, all as set forth in Section 7.1(b) of the Merger Agreement and described under "--Regulatory Matters" below;

(c) 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 restraints, enjoins or otherwise prohibits consummation of the Merger; and

(d) The waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated.

CBS Conditions. The obligations of CBS and CBS Sub to consummate the Merger are also subject to the satisfaction of the following additional conditions, any or all of which may be waived, in whole or in part, to the extent permitted by Applicable Law:

(a) ARS shall have furnished CBS with an opinion, dated the Closing Date, of Dow, Lohnes & Albertson, PLLC, FCC counsel for ARS, substantially in the form attached to the Merger Agreement as Exhibit C;

(b) (i) The representations and warranties of ARS contained in the Merger Agreement (other than those relating to capital stock, voting requirements and capitalization of ATS and certain related matters) shall be true and correct as of the date of the Original Merger Agreement and as of the Closing Date as though made on and as of such date except (x) to the extent such representations and warranties 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 ARS; provided, however, that for the purposes 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 (ii) the representations and warranties relating to capital stock, voting requirements and capitalization of ATS and certain related matters shall be true and correct in all material respects as of the date of the Original Merger Agreement and as of the Closing Date;

(c) ARS shall have performed in all material respects all obligations to be performed by it under the Merger Agreement at or prior to the Closing Date; and

(d) Between the date of the Original Merger Agreement and the Closing Date, except as contemplated by the Merger Agreement, including without limitation the Tower Separation, and except as set forth in Section 4.3 of the American Disclosure Schedule, there shall not have occurred and be continuing any Material Adverse Change in ARS.

ARS Conditions. The obligations of ARS to consummate the Merger are also subject to the satisfaction of the following additional 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 CBS contained in the Merger Agreement shall be true and correct as of the date of the Original Merger Agreement and as of the Closing Date as though made on and as of such date except (i) to the extent such representations and warranties speak as of an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date) and (ii) 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 CBS; provided, however, that for the purposes of this clause (ii), 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) CBS shall have performed in all material respects all obligations to be performed by it under the Merger Agreement at or prior to the Closing Date.

TERMINATION

Termination Events. The Merger Agreement may be terminated at any time prior to the Closing Date, whether before or after approval by the stockholders of ARS:

(a) by mutual consent of CBS, CBS Sub and ARS;

(b) by either ARS or CBS if any Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law that shall have become final and nonappealable and that restraints, enjoins or otherwise prohibits consummation of the Merger, unless the party seeking such restraint, injunction or prohibition or any Affiliate thereof was the terminating party;

(c) by either ARS or CBS if the Merger shall not have been consummated by the Termination Date for any reason; provided, however, that the right to terminate the Merger Agreement under this provisions shall not be available to any party whose action or failure to act (or the action of failure to act of any Affiliate) has been a principal cause of or resulted in the failure of the Merger to occur on or before such date and such action or failure to act constitutes a breach of the Merger Agreement;

(d) by either ARS or CBS of the Required Vote shall not have been obtained;

(e) by ARS in the event (i) ARS is not in material breach of the Merger Agreement and none of its representations or warranties shall have been or become and continue to be untrue in any manner that would cause the condition in Section 7.2(b) (i.e., paragraph (b) under "--Conditions to the Merger--CBS Conditions" above) not to be satisfied, and (ii) CBS is in material breach of the Merger Agreement or any of its representations or warranties shall have been or become and continue to be untrue in any manner that

would cause the condition in Section 7.3(a) (i.e., paragraph (c) under "--Conditions to the Merger--ARS Conditions" above) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Merger by or beyond the Termination Date; or

(f) by CBS in the event (i) CBS is not in material breach of the Merger Agreement and none of its representations or warranties shall have been or become and continue to be untrue in any manner that would cause the condition in Section 7.3(a) (i.e., paragraph (c) under "--Conditions to the Merger--ARS Conditions" above) not to be satisfied, and (ii) ARS is in material breach of the Merger Agreement or any of its representations or warranties shall have become and continue to be untrue in any manner that would cause the condition in Section 7.2(b) (i.e., paragraph (b) under "--Conditions to the Merger--CBS Conditions" above) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Merger by or beyond the Termination Date.

"Termination Date" means December 31, 1998 or such other date may from time to time be extended pursuant to the provisions of Section 7.1(b) (i.e., paragraph (b) under "--Conditions to the Merger--Joint Conditions" above) or by mutual agreement of the parties. The right of ARS or CBS to terminate the Merger Agreement as described above shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives, whether prior to or after the execution of the Merger Agreement.

Effect of Termination. Except as specifically provided in the Merger Agreement, in the event of the termination of the Merger Agreement as described above, or in the event the Merger shall not have become effective prior to the end of business on the day prior to the Termination Date, the Merger Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective stockholders, officers or directors, to the other; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in the Merger Agreement. The Merger Agreement provides that in the event the Merger Agreement is terminated by any party pursuant to the provisions of paragraph (d) under "--Termination Events" above, then ARS shall pay to CBS a fee equal to $35.0 million, together with the reasonable and reasonably documented out-of-pocket fees and expenses incurred or paid by or behalf of CBS in connection with the Merger or the consummation of the transactions contemplated by the Merger Agreement, including all fees and expenses of its counsel, commercial banks, investment banking firms, accountants, experts and consultants in an aggregate amount not to exceed $5.0 million.

AMENDMENT

The Merger Agreement may be amended from time to time by the parties at any time prior to the Closing Date but only by an instrument in writing signed by the parties and, after receipt of the Required Vote, subject, in the case of ARS, to Applicable Law.

WAIVER

At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, CBS or ARS 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, subject, however, to the above under "--Termination--Termination Events", waive any inaccuracies in the representations and warranties of the other contained within the Merger Agreement or in any document delivered pursuant to the Merger Agreement, and waive compliance by the other with any of the agreements, covenants, conditions or other provision contained within the Merger Agreement. Any such extension or waiver will be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

INTEREST OF CERTAIN PERSONS IN THE MERGER

In reviewing the recommendation of the ARS Board with respect to the Merger, ARS stockholders should be aware that certain members of ARS' management and the ARS Board have certain interests in the Merger that may present them with actual or potential conflicts of interest.

ARS Stock Options. The directors and officers who are or will become ATS Employees, including without limitation Messrs. Box, Dodge, Eisenstein and Winn, will be entitled to convert their ARS Options into options to purchase ATS Common Stock, as described under "--Certain Other Covenants--ARS Options" above. See "Principal Stockholders of American Tower Systems" for information with respect to ARS Options held by the directors and executive officers of ARS who will become directors and executive officers of ATS.

Indemnification. The directors and officers of ARS will be indemnified by CBS and CBS is obligated, subject to certain conditions, to provide insurance for such directors and officers as described under "--Certain Other Covenants--Indemnification" above.

Benefit Arrangements. The officers of ARS who will remain with it (which does not include Messrs. Dodge, Box and Winn) will receive the benefit of the arrangements described under "--Certain Other Covenants--Employee Benefits". In addition, ARS' three Chief Co-Operating Officers (Messrs. Bouloukos, Gehron and Pearlman) may be granted severance arrangements, for which no definite agreements have been reached.

ATS Stock Purchase Agreement. Certain officers and directors (or their affiliates, family members or trusts for the benefit of family members) of ARS entered into the ATS Stock Purchase Agreement pursuant to which they purchased shares of ATS Common Stock at $10.00 per share, which had been determined by the Special Committee of the ARS Board to be "fair" from a financial point of view to ARS common stockholders. See""-- ATS Stock Purchase Agreement" below.

REGULATORY MATTERS

The receipt of certain federal and state governmental or regulatory approvals is required in order to consummate the Merger, including the approval of the FCC, and the expiration or termination of the waiting period under the HSR Act. ARS and CBS have agreed in the Merger Agreement to use best efforts to obtain such approvals or waivers, but there can be no assurance as to when or if such approvals or waivers will be obtained.

FCC Approvals. On October 24, 1997, ARS and CBS filed an application (the "Transfer Application") with the FCC requesting the FCC's consent to transfer control of the subsidiaries of ARS holding the FCC licenses for each of the ARS broadcast Stations, from the holders of ARS Common Stock to CBS. As a result of the transfer and giving effect to the Recent Transactions, the Transfer Application demonstrates that CBS and its subsidiaries would have attributable interests that would (a) exceed the numerical limits on local multiple radio station ownership (the "Multiple Ownership Limit") in the Boston, Baltimore and San Francisco/San Jose markets, and (b) violate the limits on common ownership of television and radio stations serving the same market (the "One-to-a-Market Rule") in Boston, Baltimore, Pittsburgh and San Francisco/San Jose. CBS has requested temporary waivers of any obligation to divest itself of stations as follows: (a) with respect to the Multiple Ownership Limit, CBS has indicated that it would divest the necessary number of stations in the appropriate markets prior to the consummation of the Merger Agreement, or, if divestiture could not be completed in a timely manner, it would place certain stations in insulated trusts to comply with the Multiple Ownership Limit; and (b) with respect to the One-to-a-Market Rule, CBS has requested that the FCC issue temporary waivers of such Rule to permit CBS to retain all of its radio and television stations which would otherwise be in violation of such Rule until at least six (6) months following the effective date of final FCC action concluding the ongoing rulemaking proceeding in MM Docket Nos. 91-221, 87-8 (FCC 94-322) or a successor rulemaking proceeding pending at the time of the grant of the FCC Order, that considers the One-to-a-Market Rule.

The Merger Agreement provides, among other things, that, as a condition of the obligation of the parties to consummate the Merger, the FCC shall have issued the FCC Order approving the applications for transfer of control of the ARS FCC Licenses, and that the FCC Order shall have been obtained without the imposition of conditions that would have a Material Adverse Effect on CBS' television and radio broadcasting business. However, without triggering CBS' right to approve such conditions or restrictions, the FCC Order (i) may condition consummation of the Merger on CBS complying with the Multiple Ownership Limitation by affording CBS a period of at least six (6) months following the Effective Time within which to comply with such rule

through the use of divestiture trusts on terms and conditions required by the FCC, provided that to the extent that the FCC authority for such divestiture trusts provides for a period of less than six (6) months, (x) ARS has the right to postpone the Effective Time (and, to the extent necessary, the Termination Date), so that CBS is afforded the six (6) month divestiture period, whether before or after the Effective Time and (y) if ARS exercises such right, CBS' right to approve such condition shall not be triggered, and (ii) may grant CBS temporary, rather than permanent, waivers of the One-to-a-Market Rule, so long as such temporary waivers shall remain in effect until at least six (6) months following the effective date of FCC action concluding the ongoing rulemaking proceeding in MM Docket Nos. 91-221, 87-8 (FCC 94-322), or a successor rulemaking proceeding pending at the time of the grant of the FCC Order, that considers the One-to-a-Market Rule. "FCC Order" is defined in the Merger Agreement to mean an action by the FCC approving the transfer of the ARS FCC Licenses with respect to which, except as may be waived in writing by CBS in its sole discretion, (i) no timely request for stay, petition for reconsideration or appeal or sua sponte action of the FCC with comparable effect is pending, or (ii) if any of the foregoing is pending, in the judgment of CBS it lacks any substantial merit or is contrary to established FCC precedent, or (iii) if it were to be so granted, it would not have a Material Adverse Effect on CBS' televisions and radio broadcasting business and as to which the thirty (30) day time period specified in 47 U.S.C. (S)405(a) for initiating a petition for reconsideration of the grant of the FCC Order has expired.

CBS is obligated under the terms of the Merger Agreement to obtain the required FCC Consents except as described above under "--Certain Other Covenants--Certain Efforts; FCC and Antitrust Requirements" above.

On August 13, 1997, a petition to deny alleging multiple ownership violations, assertion of excessive control by American Radio, and lack of candor with respect to radio stations in the West Palm Beach market was filed against American Radio's FCC application to acquire WTPX(FM), Jupiter, Florida, submitted in FCC File No. BALH-970703GM (the "WTPX(FM) Application"). On September 16, 1997, American Radio and the current FCC licensee of WTPX(FM) jointly requested the dismissal of the WTPX(FM) Application. The FCC granted the request without prejudice to whatever further actions, if any, the Commission may deem appropriate with respect to the matters raised in the petition, and dismissed the petition as moot. American Radio is reviewing the alleged course of conduct to ensure compliance with the Communications Act and FCC rules. In December 1997, an objection was lodged at the FCC against the license renewal application of WAAF(FM), Worcester, Massachusetts, claiming that the station aired allegedly indecent programming. American Radio is investigating the allegations.

On November 3, 1997, the FCC issued a public notice accepting the Transfer Application for filing. Pursuant to the Communications Act and the FCC's rules, interested third parties had until December 3, 1997 to file petitions to deny the Transfer Application, and thereafter may file informal objections until the Transfer Application is granted. On October 27, 1997, a letter was filed alleging improprieties in CBS' employment practices at WLIF (FM) in Baltimore, Maryland and objecting to the grant of the application for FCC consent to the transfer of control of the subsidiaries holding ARS' FCC licenses. CBS opposed the letter on November 10, 1997, and the opposing party thereafter filed an undated reply. By letter dated January 22, 1998, the FCC's staff dismissed this letter on procedural grounds, and the allegations set forth therein were otherwise denied. On December 3, 1997, an objection was filed against the merger application alleging that KMJ(AM), Fresno, California had broadcast advertisements that were false and deceptive and defamed a local business. A similar objection to the KMJ(AM) renewal application was filed November 3, 1997, by the same parties. On December 18, 1997, ARS filed a consolidated opposition to both pleadings, and, on January 7, 1998, the petitioners filed a consolidated reply to both pleadings. A letter opposing the Merger was filed with the FCC, on behalf of a former ATS employee, but the FCC has notified the complainant that, in light of procedural deficiencies, the letter will not be considered in connection with the FCC's review of the merger application. In addition, a former American Radio consulting engineer wrote to the FCC complaining about a debt he claims is owed to him by American Radio stations in Fresno. The FCC has sent a letter to the engineer stating that his claim is a private dispute that is not relevant to the Merger.

On December 24, 1997, applications were filed with the FCC seeking authority to place certain stations in insulated trusts so as to permit CBS to achieve compliance with the Multiple Ownership Limit at the time of

consummation of the Merger Agreement (the "Trust Applications"). The Trust Applications were amended at the request of the FCC's staff on January 28, 1998.

In evaluating any opposition to the Transfer Application or the Trust Applications, the FCC will determine on the basis of the petitions or informal responses, objections that may be filed by ARS and/or CBS, and such other facts as it may officially notice, whether there are substantial and material issues of fact that will require an evidentiary hearing to resolve. In the absence of issues requiring an evidentiary hearing, and upon a finding that a grant of the Transfer Application (and the associated waivers noted above) and the Trust Applications would serve the public interest, convenience and necessity, the FCC, or the FCC's staff acting by delegated authority, will grant the Transfer Application and the Trust Applications. In the unlikely event that there are any issues of fact which cannot be resolved without an evidentiary hearing, the FCC must designate the Transfer Application or the Trust Applications for such a hearing, and the consummation of the Merger could be jeopardized due to the length of time ordinarily required to complete such proceedings.

Within thirty (30) days following FCC public notice of a grant of the Transfer Application or the Trust Applications, parties in interest may file a petition for reconsideration requesting that the FCC (or the FCC's staff in the case of a staff grant, which, nonetheless, is unlikely in the case of a transfer of control or assignment involving an unusual waiver request), reconsider its action. Alternatively, in the case of a staff grant, parties in interest may within the same thirty-day period file an "Application for Review" requesting that the FCC review and set aside the staff grant. In the event of a staff grant, a party in interest could take both actions, by first filing a petition for reconsideration with the staff and later, within thirty (30) days following public notice of denial of that petition, filing an Application for Review. In the case of a staff grant, the FCC may also review the staff action on its own motion within forty (40) days following public notice of the staff's action. The FCC may review any of its own actions on its own motion within thirty (30) days following public notice of the action.

Within thirty (30) days of public notice of an action by the FCC (i) granting the Transfer Application or the Trust Applications, (ii) denying a petition for reconsideration of such a grant or (iii) denying an Application for Review of a staff grant, parties in interest may appeal the FCC's action to the U.S. Court of Appeals for the District of Columbia Circuit.

In the event that the Transfer Application or the Trust Applications should be denied or the requested waivers in the Transfer Application not granted by the FCC or its staff, ARS and CBS would have the same rights to seek reconsideration or file an appeal as set forth above with respect to adverse parties.

If the FCC does not, on its own motion, or upon a request by an interested party for reconsideration or review, review a staff grant or its own action within the time periods set forth above, an action by the FCC or its staff granting the Transfer Application and the Trust Applications would become final. The Merger Agreement provides that the parties are not obligated to consummate the Merger upon the issuance of an FCC grant of the Transfer Application, until such grant has become final.

When the FCC considers a proposed transfer of control of an FCC licensee that holds multiple FCC licenses, some of which licenses are subject to pending renewal applications, the FCC's recently adopted policy provides that so long as there are no unresolved issues pertaining to the qualifications of the transferor or the transferee and so long as the transferee is willing to substitute itself as the renewal applicant, the FCC will grant a transfer application for a licensee holding applications for one or several of the licensee's stations. This new policy should permit the parties to consummate the Merger (assuming satisfaction or waiver of all other conditions and the FCC's grant of the Transfer Application) during those periods when renewal applications are pending for one or more of ARS' stations. CBS has acknowledged and agreed that certain of the ARS Stations and ARS Brokered Stations may file or have pending applications for renewal of license during the time that an application for the FCC Consents is pending before the FCC. To the extent any such application for renewal may be filed or remain pending, CBS has agreed to amend the transferee's portion of any application for the FCC Consents and, as may be required, to amend any license renewal applications for the ARS Stations or ARS Brokered Stations, to confirm CBS' intention to consummate the Merger Agreement during the pendency of such license renewal

application, and to agree to assume the consequences associated with succeeding to the place of ARS in such license renewal applications. The making of this statement shall not be deemed to limit or waive any other rights that CBS may otherwise have under the Merger Agreement.

Antitrust. Under the HSR Act and the rules promulgated thereunder, the Merger may not be consummated until notifications have been given and certain information has been furnished to the Antitrust Division of the United States Department of Justice (the "Antitrust Division") and the Federal Trade Commission (the "FTC") and the FTC and specified waiting period requirements have been satisfied. ARS and CBS intend to file in due course with the Antitrust Division and the FTC a Notification and Report Form with respect to the Merger.

The Antitrust Division and the FTC determine between themselves which agency is to review a proposed transaction. The Antitrust Division or the FTC, as the case may be, may then issue a formal request for additional information (the "Second Request"). Under the HSR Act, if a Second Request is issued, the waiting period then would be extended and would expire at 11:59 p.m., on the twentieth calendar day after the date of substantial compliance by both parties with such Second Request. Only one extension of the waiting period pursuant to a request for additional information is authorized by the HSR Act. Thereafter, such waiting period may be extended only by court order or with the consent of the parties. In practice, complying with a request for additional information or material can take a significant amount of time. In addition, if the Antitrust Division or the FTC raises substantive issues in connection with a proposed transaction, the parties frequently engage in negotiations with the relevant governmental agency concerning possible means of addressing those issues and may agree to delay consummation of the transaction while such negotiations continue.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as the Merger. In light of the continuing consolidation occurring in the radio broadcasting industry, the Antitrust Division and the FTC may be expected to give increased attention to the Merger. Moreover, divestures required to comply with the Multiple Ownership Limit may not necessarily be sufficient to meet the requirements of the Antitrust Division and the FTC. At any time before or after the consummation of the Merger, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the Merger or seeking the divesture of substantial assets of ARS or CBS.

In addition, state antitrust authorities may also bring legal action under the antitrust laws. Such action could include seeking to enjoin the consummation of the Merger or seeking divestiture of certain assets of ARS or CBS. No state authorities have indicated that they will undertake an investigation of the Merger. Private parties may also seek to take legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the Merger on antitrust grounds will not be made or, if such a challenge is made, what the result of such challenge may be.

OTHER CONSENTS

Consummation of the Merger will require the consent of the lenders under the ARS Credit Agreement. ARS believes that such consent will be obtained. The consent of the holders of ARS' other debt is not required for consummation of the Merger. ARS does not anticipate any problem in CBS obtaining the necessary consents. Holders of the requisite majority of the ARS Cumulative Preferred Stock have consented to the Tower Separation, whether pursuant to the Merger or the Tower Merger, on terms satisfactory to CBS. Consummation of the Tower Merger will also require the consent of the banks under ARS' Credit Agreements. CBS has no obligation to assist ARS in obtaining such consent and there can be no assurance that such consent will be obtained.

ATS STOCK PURCHASE AGREEMENT

ATS recently consummated the transactions contemplated by the ATS Stock Purchase Agreement, dated as of January 8, 1998, with certain officers and directors of ARS (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: Mr. Dodge: 4,000,000 (Class B); Mr. Box: 450,000 (Class A); Mr. Buckley: 300,000 (Class A); each of Messrs. Eisenstein and Steven J. Moskowitz: 25,000 (Class A); Mr. 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 and Kellar are directors of ARS, and Mr. Chavkin, a director of ARS and ATS, is an affiliate of Chase Equity Associates. See "Principal Stockholders of American Radio" in Appendix I. Mr. Moskowitz is a newly recruited Vice President of ATS, responsible for 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 due on the earlier of the consummation of the Merger or, in the event the Merger Agreement is terminated, December 31, 2000. The notes bear interest at the six-month London Interbank Rate, 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 obligor and will be due and payable, at the option of American Tower Systems, in the event of certain defaults as described therein.

The ARS Board appointed a special committee (the "Special Committee") consisting of Messrs. Duncan, Peebler and Primis, with Mr. Peebler acting as chairman, to determine the fairness to ARS from a financial point of view of the terms and conditions of the ATS Stock Purchase Agreement. None of the members of the Special Committee was a party to the ATS 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 ATS 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 ATS 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 ATS Stock Purchase Agreement, the Special Committee approved the ATS Stock Purchase as fair to and in the best interests of ARS.

Pursuant to an Engagement Letter, dated November 20, 1997, ARS has 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 has agreed to pay to ARS immediately following the Effective Time all such fees and expenses which ARS has incurred to Merrill Lynch.

APPRAISAL RIGHTS

Certain holders of ARS Common Stock immediately prior to the Effective Time have the right to dissent from the Merger and demand and perfect appraisal rights in accordance with the conditions established by Section 262 of the DGCL ("Section 262"). The ARS stockholders who have executed the consent pursuant to which the Merger Agreement was approved and adopted have, in effect, waived their appraisal rights with respect to their shares of ARS Common Stock. No such appraisal rights are applicable to the Tower Merger.

SECTION 262 IS REPRINTED IN ITS ENTIRETY AS APPENDIX IV TO THIS INFORMATION STATEMENT/PROSPECTUS. THE FOLLOWING DISCUSSION IS NOT A COMPLETE STATEMENT OF THE LAW RELATING TO APPRAISAL RIGHTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO APPENDIX IV. THIS DISCUSSION AND APPENDIX III SHOULD BE REVIEWED CAREFULLY BY ANY HOLDER WHO WISHES TO EXERCISE STATUTORY APPRAISAL RIGHTS OR WHO WISHES TO PRESERVE THE RIGHT TO DO SO, AS FAILURE TO COMPLY WITH THE

PROCEDURES SET FORTH HEREIN OR THEREIN WILL RESULT IN THE LOSS OF APPRAISAL RIGHTS. A PERSON HAVING A BENEFICIAL INTEREST IN SHARES OF ARS COMMON STOCK HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BROKER OR NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW THE STEPS SUMMARIZED BELOW PROPERLY AND IN A TIMELY MANNER TO PERFECT APPRAISAL RIGHTS.

A holder of record of shares of ARS Common Stock who makes the demand described below with respect to such shares, who continuously is the record holder of such shares through the Effective Time, who otherwise complies with the statutory requirements of Section 262 and who neither votes in favor of the Merger Agreement nor consents thereto in writing may be entitled to an appraisal by the Delaware Court of Chancery (the "Delaware Court") of the fair value of his or her shares of stock. All references in this summary of appraisal rights to a "stockholder" is to the record holder of shares of ARS Common Stock.

Under Section 262, where a merger has been approved by written consent pursuant to the provisions of Section 228 of the DGCL, as in the case of adoption of the Merger by the ARS common stockholders, each constituent corporation must notify each of the holders of its stock for which appraisal rights are available, either before the Effective Time or within ten days thereafter, that such appraisal rights are available and include in each such notice a copy of Section 262. This Information Statement/Prospectus shall constitute such notice to the record holders of ARS Common Stock.

Holders of ARS Common Stock immediately prior to the Effective Time who desire to exercise their appraisal rights must not vote in favor of the Merger Agreement or the Merger and must deliver a separate written demand for appraisal to ARS within twenty (20) days after the date this Information Statement/Prospectus is first mailed to common stockholders of American Radio. A demand for appraisal must be executed by or on behalf of the stockholder of record fully and correctly, as his, hers or its name appears on his, hers or its stock certificates and must state that such person intends to demand appraisal of his, hers or its shares of ARS Common Stock issued and outstanding immediately prior to the Effective Time. A person having beneficial interests in shares of ARS Common Stock that are held of record in the name of another person, such as a broker, fiduciary or other nominee, must act promptly to cause the record holder to follow the steps summarized herein properly and in a timely manner to perfect whatever appraisal rights are available. If the shares of ARS Common Stock are owned of record by a person other than the beneficial owner, including a broker, fiduciary (such as a trustee, guardian or custodian) or other nominee, such demand must be executed by or for the record owner. If the shares of ARS Common Stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, such demand must be executed by or for all joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner and expressly disclose the fact that, in exercising the demand, such person is acting as agent for the record owner.

A record owner, such as a broker, fiduciary or other nominee, who holds shares of ARS Common Stock as a nominee for others, may exercise appraisal rights with respect to the shares held for all or less than all beneficial owners of shares as to which such person is the record owner. In such case, the written demand must set forth the number of shares covered by such demand. Where the number of shares is not expressly stated, the demand will be presumed to cover all shares of ARS Common Stock outstanding in the name of such record owner. Former stockholders who held their shares of ARS Common Stock in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

A stockholder who elects to exercise appraisal rights, if available, should mail or deliver his or her written demand to: American Radio Systems Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116, Attention: Secretary.

The written demand for appraisal should specify the stockholder's name and mailing address, the number of shares of ARS Common Stock owned, and that the stockholder is thereby demanding appraisal of his or her

shares. Within ten (10) days after the Effective Time, the Surviving Corporation must provide notice of the Effective Time to all stockholders who have complied with Section 262.

Within one hundred and twenty (120) days after the Effective Time, but not thereafter, either the Surviving Corporation or any former holders of ARS Common Stock who has complied with the required conditions of Section 262 may file a petition in the Delaware Court, with a copy served on the Surviving Corporation in the case of a petition filed by a stockholder, demanding a determination of the fair value of the shares of all dissenting stockholders. The Surviving Corporation is under no obligation to and has no present intention to file such a petition. Accordingly, ARS stockholders immediately prior to the Effective Time who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262. Within one hundred and twenty (120) days after the Effective Time, any former ARS stockholder who has theretofore complied with the applicable provisions of Section 262 will be entitled, upon written request, to receive from the Surviving Corporation a statement setting forth the aggregate number of shares of ARS Common Stock not voting in favor of the Merger Agreement and with respect to which demands for appraisal were received by ARS and the number of holders of such shares. Such statement must be mailed within 10 days after the written request therefor has been received by the Surviving Corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is timely filed and assuming appraisal rights are available by a former ARS stockholder and a copy thereof is served on the surviving corporation, the surviving corporation will then be obligated within 20 days to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all former stockholders who have demanded appraisals of their shares and with whom agreements as to the value of their shares have not been reached. After such notice to such former stockholders as required by the Delaware Court prepared to conduct a hearing on such is empowered to conduct a hearing on such petition. At the hearing on such petition, the Delaware Court will determine which stockholders, if any, are entitled to appraisal rights. The Delaware Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Delaware Court may dismiss the proceedings as to such stockholder. Where proceedings are not dismissed, the Delaware Court will appraise the shares of ARS Common Stock owned by such stockholders, determining the fair value of such shares exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. Former holders of ARS Common Stock considering seeking appraisal should be aware that the fair value of their shares of ARS Common Stock as determined by Section 262 could be more than, the same as or less than the consideration they would receive pursuant to the Merger if they did not seek appraisal of their shares of ARS Common Stock and that the investment banking opinions as to the fairness from a financial point of view are not necessarily opinions as to the fair value under Section 262. In determining fair value, the Delaware Court is to take into account all relevant factors. In Weinberger v. UOP Inc., the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered, and that "fair price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that in making this determination of fair value the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts ascertainable as of the date of the Merger that throw light on future prospects of the merged corporation. In Weinberger, the Delaware Supreme Court stated that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the Merger and not the product of speculation, may be considered." Section 262, however, provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the Merger." In addition, Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy.

The Delaware Court will also determine the amount of interest, if any, to be paid upon the amounts to be received by persons whose shares of ARS Common Stock have been appraised. The cost of the appraisal proceeding may be determined by the Delaware Court and taxed against the parties as the Delaware Court deems equitable in the circumstances. Upon application of a dissenting stockholder of ARS, the Delaware Court may order that all or a portion of the expenses incurred by any dissenting stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, be charged pro rata against the value of all shares of stock entitled to appraisal.

Any holder of shares of ARS Common Stock who has duly demanded appraisal in compliance with Section 262 will not, after the Effective Time, be entitled to vote for any purpose any shares subject to such demand or to receive payment of dividends or other distributions on such shares, except for dividends or distributions payable to stockholders of record at a date prior to the Effective Time.

If no petition for appraisal is filed with the Delaware Court within one hundred and twenty (120) days after the Effective Time, stockholders' rights to appraisal shall cease. Any stockholder may withdraw such stockholder's demand for appraisal by delivering to the Surviving Corporation a written withdrawal of his or her demand for appraisal and acceptance of the Merger, except that (i) any such attempt to withdraw made more than 60 days after the Effective Time will require written approval of the Surviving Corporation and (ii) no appraisal proceeding in the Delaware Court will be dismissed as to any stockholder without the approval of the Delaware Court, which may be conditioned upon such terms as the Delaware Court deems just. If any former stockholder who demands appraisal of his, hers, or its shares of ARS Common Stock under Section 262 fails to perfect, or effectively withdraw or losses his, hers or its right to appraisal as provided by the DGCL, the shares of ARS Common Stock of such stockholders will be converted into the right to receive the consideration of the Merger (without interest).

If the Tower Merger Effective Time shall not have occurred and the Delaware Court of Chancery (the "Court") conducts an appraisal proceeding pursuant to Section 262 of the DCL relating to an obligation to pay the appraised value per share of ARS Common Stock ("Appraised Total Value") to the holders of the Dissenting Shares, American Tower shall promptly pay to American Radio the portion of the Appraised Total Value attributable to the Tower Stock Consideration (the "Tower Stock Payment") and American Radio shall contribute (without the payment of any other amount or the issuance of any securities by American Tower) to the capital of American Tower such shares of Tower Common Stock owned by American Radio that the holders of the Dissenting Shares would have been entitled to receive had they not exercised their appraisal rights. The Tower Stock Payment shall be determined pursuant to the following provisions:

(i) American Radio shall request the Court to determine in writing the Tower Stock Payment. If the Court shall make such determination the Tower Stock Payment shall be the amount so determined; and

(ii) If the Court shall not make such determination within a thirty (30) day period following such request (at which time such request shall be withdrawn) (the "Determination Deadline"), American Radio, ATS and CBS shall submit to an arbitrator (the "Arbitrator") for review and resolution the determination of the Tower Stock Payment. The Arbitrator shall be a nationally recognized investment banking firm which shall be agreed upon by American Radio, CBS and ATS in writing. The Arbitrator shall be requested to render a decision resolving the amount of the Tower Stock Payment within thirty (30) days following the date of its selection. If the parties cannot agree on the firm to be selected as Arbitrator within fifteen (15) days following the Determination Deadline, then American Radio and CBS, on the one hand, and ATS, on the other hand, shall each choose one such firm within ten (10) days following the expiration of such fifteen (15) day period to review, resolve and agree on the determination of the Tower Stock Payment, which determination, once agreed to in writing by both such firms, shall be final, conclusive and binding on the parties. If such two firms cannot agree on the amount of the Tower Stock Payment within thirty (30) days following the date on which the second of such firms is selected, then such two firms shall promptly select a third such firm to make such determination, which determination shall be made by such third firm within thirty (30) days of the date on which such third firm is selected. The determination of such third firm of the

amount of the Tower Stock Payment shall be final, conclusive and binding on the parties. The cost of any such arbitration (including the fees of the Arbitrator and any other firm selected hereunder) shall be borne 50% by American Radio and 50% by ATS. ATS shall promptly pay to American Radio the amount of the Tower Stock Payment once such amount is determined in accordance with this clause (ii).

FAILURE TO FOLLOW THE STEPS REQUIRED BY SECTION 262 FOR PERFECTING APPRAISAL RIGHTS MAY RESULT IN THE LOSS OF SUCH RIGHTS (IN WHICH EVENT A FORMER STOCKHOLDER OF ARS COMMON STOCK WILL BE ENTITLED TO RECEIVE THE MERGER CONSIDERATION FOR EACH SHARE OF ARS COMMON STOCK ISSUED AND OUTSTANDING IMMEDIATELY PRIOR TO THE EFFECTIVE TIME OWNED BY HIM, HER OR IT).

EXPENSES

Each of the parties will pay its own fees and expenses, except that the Merger Agreement provides that (a) ATS is obligated to indemnify and hold harmless ARS with respect to certain liabilities, and (b) the Merger Agreement provides for an adjustment (the cost or benefit of which is borne or inures to the benefit of ATS) based on the working capital and aggregate debt of ARS at the Closing Date. See "The Merger and Tower Separation--ARS-ATS Separation Agreement". The Merger Agreement also provides that in the event the Merger Agreement is terminated by any party pursuant to the provisions of paragraph (d) under "--Termination--Termination Events" above, then ARS shall pay to CBS a fee equal to $35.0 million, together with the reasonable and reasonably documented out-of-pocket fees and expenses incurred or paid by or on behalf of CBS in connection with the Merger or the consummation of the transactions contemplated by the Merger Agreement, including all fees and expenses of its counsel, commercial banks, investment banking firms, accountants, experts and consultants in an aggregate amount not to exceed $5.0 million. Estimated fees and expenses of ARS in connection with the Merger and related transactions (including the Tower Separation and assuming the consummation thereof) are as follows (in millions):

Financial advisory fees and expenses	$ 7.5
Consent solicitation fees and expenses	2.3
Legal and accounting fees and expenses	2.3
Printing and mailing to stockholders	0.4
SEC fees	0.4
Bonus and severance arrangements payable to officers and employees	1.1
Miscellaneous	0.3
Total Fees and Expenses	$14.3

Promptly following the Effective Time, 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 Section 6.17(c)(iv) of the Merger 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 American Tower Group following the date of the Original Merger Agreement (x) for the benefit of any member of the American Tower Group, (y) in contemplation of the Tower Separation or (z) in connection with the sale, assignment, transfer or other disposition of shares of ATS Common Stock, including without limitation such costs and expenses incurred by ARS to Merrill Lynch 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.

DESCRIPTION OF AMERICAN TOWER SYSTEMS CAPITAL STOCK

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") 200,000,000 shares of ATS Class A Common Stock, $.01 par value per share, 50,000,000 shares of ATS Class B Common Stock, $.01 par value per share, and 10,000,000 shares of ATS Class C Common Stock, $.01 par value per share. The outstanding shares of ATS Common Stock (there being no Preferred Stock outstanding) as of February 1, 1998 were as follows: ATS Class A Common Stock--36,351,265; ATS Class B Common Stock--9,320,576; and ATS Class C Common Stock--3,295,518. The Restated Certificate of Incorporation of ATS is identical to the Restated Certificate of Incorporation of ARS. Accordingly, the rights of the holders of ATS Common Stock are identical to the respective rights of the holders of the ARS Common Stock.

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 Tower Separation 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.

COMMON STOCK

Dividends. Holders of record of shares of ATS 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 ATS Common Stock, however, unless simultaneously the same dividend is declared or paid on each share of the other classes of ATS 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 ATS Common Stock. In the case of any dividend payable in shares of ATS Common Stock, holders of each class of ATS Common Stock are entitled to receive the same percentage dividend (payable in shares of that class) as the holders of each other class.

Voting Rights. Except as otherwise required by law and in the election of directors, holders of shares of ATS Class A Common Stock and ATS 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 ATS Class A Common Stock entitled to one vote and each share of ATS Class B Common Stock entitled to ten votes. The holders of the ATS Class A Common Stock, voting as a separate class, have the right to elect two independent directors. The ATS Class C Common Stock is nonvoting except as otherwise required by the DGCL.

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 ATS Class A Common Stock and ATS 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 ATS Common Stock, indemnification of directors, exoneration of directors for certain acts, and such super-majority provision.

Conversion Provisions. Shares of ATS Class B Common Stock and, except as hereinafter noted, ATS Class C Common Stock are convertible, at any time at the option of the holder, on a share for share basis into shares of ATS Class A Common Stock. The present owner of ATS 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 ATS Class B Common Stock automatically convert into shares of ATS 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.

It is a condition of consummation of the ATC Merger Agreement that the ATS Restated Certificate be amended to (i) limit the aggregate voting power of Steven B. Dodge (and his Controlled Entities as to be defined therein) to 49.99% of the aggregate voting power of all shares of capital stock entitled to vote generally from the election of directors (less the voting power represented by the shares of ATS Class B Common Stock acquired by the Stoner purchasers pursuant to the ATS Stock Purchase Agreement and owned by them at such time), (ii) prohibit future issuances of ATS Class B Common Stock (except upon exercise of then outstanding options and pursuant to stock dividends or stock splits), (iii) limit transfers of ATS Class B Common Stock to a more narrow group than is provided in the ATS Restated Certificate, (iv) provide for automatic conversion of the ATS Class B Common Stock to ATS 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 ATS Common Stock at the time outstanding, and (v) require consent of the holders of a majority of ATS Class A Common Stock for amendments adversely affecting the ATS Class A Common Stock.

Liquidation Rights. Upon liquidation, dissolution or winding-up of ATS, the holders of each class of ATS 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 ATS Common Stock are not entitled to preemptive or subscription rights. The shares of ATS 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 ATS Common Stock must be identical to that received by holders of the other class of ATS Common Stock, except that in any such transaction in which shares of ATS 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 ATS Common Stock. No class of ATS Common Stock may be subdivided, consolidated, reclassified or otherwise changed unless, concurrently, the other classes of ATS 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 the Tower Loan Agreement from paying cash dividends on its capital stock (including Preferred Stock) except that, beginning on April 15, 2000, Tower Operating Subsidiary may pay cash dividends if (a) no Default exists or would be created thereby under the Tower Loan Agreement, and (b) (ii) the ratio of Total Debt to Annualized Operating Cash Flow is less than 4.0 after giving effect to certain payments required under the Tower Loan Agreement out of the proceeds of any equity offering, and (c) then only to the extent that Restricted Payments do not exceed (i)(x) 50% of Excess Cash Flow for the preceding calendar year minus (y) any portion thereof used to invested in Unrestricted Subsidiaries, or (ii) (x) 50% of the net proceeds of any equity offering minus (y) any portion thereof used to invested in Unrestricted Subsidiaries (as each such term is defined in the Tower Loan Agreement). Comparable restrictions are imposed on the ability

of ATSLP to make distributions to its partners. Since American Tower Systems has no other assets other than its ownership of all of the capital stock of the Tower Operating Subsidiary, its ability to pay dividends to its stockholders in the foreseeable future is restricted.

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 Tower Separation and the ATS Stock Purchase Agreement were approved by the ATS Board.

LISTING OF CLASS A COMMON STOCK

There has been no trading market for the ATS Class A Common Stock, and there can be no assurances as to the establishment or continuity of any such market. However, it is expected that a "when-issued" trading market may develop on or about the consummation of the Merger. ATS intends to seek a Nasdaq listing for the ATS Class A Common Stock. While ATS believes it currently meets the financial listing criteria for Nasdaq listing, no application has been filed, any such listing is subject to the distribution of the relevant exchange and there can be no assurance that a Nasdaq or other listing will be obtained. If a listing is not obtained, the ATS stock would trade in the over-the-counter market which is generally less liquid.

Prices at which the ATS Class A Common Stock may trade after the Merger cannot be predicted. Prices at which trading in shares of ATS Class A Common Stock occurs may fluctuate significantly. See "Risk Factors--Risk Factors Relating to American Tower Systems--No Prior Market for ATS Common Stock". The prices at which the ATS Class A Common Stock trades will be determined by the marketplace and may be influenced by many factors, including, among others, quarter to quarter variations in the actual or anticipated financial results of ATS or other companies in the communications site industry or the markets served by ATS. These and other factors may adversely affect the market price of the ATS Class A Common Stock.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the ATS 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 ATS Pro Forma Transactions and the Merger, there will be an aggregate of approximately 80.0 million shares of ATS Common Stock outstanding. All of such shares, other than an aggregate of 5,333,333 shares issued in connection with the Gearon Transaction, will be freely transferable without restriction or future registration under 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 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. Person who are affiliates of ATS will be permitted to sell their ATS Common Stock received pursuant to the 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.

In general, under Rule 144 as currently in effect, any person (or persons whose shares are aggregated) who has beneficially owned restricted shares of ATS 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 ATS Class A Common Stock (approximately 362,000 shares immediately after the Merger and prior to the consummation of the ATC Merger, approximately 660,000 shares thereafter) or the average weekly public trading volume of the ATS 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 ATS 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 12.6 million shares of ATS Common Stock will be outstanding immediately following the consummation of the ATS Pro Forma Transactions and the Merger. Shares of ATS Common Stock issued upon exercise of such options will be registered on Form S-8 under the Securities Act and will, therefore, be freely transferable under the securities laws. American Tower Systems has entered into agreements to register shares of ATS Common Stock under the Securities Act issued pursuant to the ATS Stock Purchase Agreement, the ATC Merger and the Gearon Transaction and shares held by certain affiliates of ATS.

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

VALIDITY OF THE SHARES

The validity of the ATS Common Stock to be issued in the Merger will be passed upon by Sullivan & Worcester LLP, Boston, Massachusetts. Norman A. Bikales, a member of the firm of Sullivan & Worcester LLP, is the owner of 9,000 shares of ARS Class A Common Stock and 41,490 shares of ARS Class B Common Stock and has an option to purchase 20,000 shares of ATS Class A Common Stock at $10.00 per share. Mr. Bikales and/or associates of that firm serve as secretary or assistant secretaries of American Radio and certain of its subsidiaries.

EXPERTS

The following financial statements incorporated by reference or included herein in this Information Statement/Prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports, which are incorporated by reference or included herein, and have been so incorporated or 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 of American Radio Systems Corporation as of December 31, 1995 and 1996 and for each of the three years in the period ended December 31, 1996 and the related financial statement schedule (incorporated by reference from American Radio Systems Corporation's Annual Report on Form 10-K for the year ended December 31, 1996);

(2) The consolidated financial statements of American Tower Systems Corporation as of December 31, 1996 and September 30, 1997, for the nine months ended September 30, 1997, for the year ended December 31, 1996 and for the period July 17, 1995 (Incorporation) to December 31, 1995;

(3) The consolidated financial statements of EZ Communications, Inc. as of December 31, 1996 and for the year then ended and the related financial statement schedule (incorporated by reference from EZ Communication's Annual Report on Form 10-K for the year ended December 31, 1996);

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

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

(6) The financial statements of Gearon & Co., Inc as of December 31, 1996 and September 30, 1997 and for the year ended December 31, 1996 and the nine months ended September 30, 1997.

The combined financial statements of CBC of Baltimore, Inc. (d/b/a WOCT-FM) and WWMX-FM, Inc. (wholly-owned subsidiaries of Capitol Broadcasting Company, Inc.) as of December 31, 1995 and 1996 and for the years then ended, incorporated in this Information Statement/Prospectus by reference to American Radio's Current Report on Form 8-K/A (Amendment No. 1) dated April 17, 1997, have been so incorporated in reliance on the reports of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements and schedule of EZ Communications, Inc. as of and for the two years in the period ended December 31, 1995 have been audited by Ernst & Young LLP, independent auditors, as stated in their report incorporated by reference in this Information Statement/Prospectus and have been so included in reliance upon the report of such firm as experts in accounting and auditing.

The combined financial statements of net assets of MicroNet, Inc. and Affiliates to be sold to ATS as of December 31, 1996 and for the year then ended have been audited by Pressman Ciocca Smith LLP, independent certified public accountants, as stated in their report appearing in this Information Statement/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 year ended December 31, 1996 have been audited by Rooney, Ida, Nolt & Ahern, independent auditors, as stated in their report appearing in this Information Statement/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, 1996 and for the year then ended have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon appearing elsewhere in this Registration Statement 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, 1996 and 1995, and for each of the years in the two year period ended December 31, 1996, the period from October 15, 1994 to December 31, 1994 (Successor) and the period from January 1, 1994 to October 14, 1994 (Predecessor), have been included herein and in this Information Statement/Prospectus in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants appearing elsewhere herein, and upon the authority of such firm as experts in accounting and auditing.

DEFINITION CROSS REFERENCE SHEET

Set forth below is a list of certain defined terms used in this Information Statement/Prospectus and the page on which such terms are defined. Terms designated with I, II, III, IV and V are found on the pages indicated in Appendix I, Appendix II, Appendix III, Appendix IV and Appendix V, respectively.

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors ofAmerican 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 September 30, 1997 and December 31, 1996 and the related consolidated statements of operations, stockholder's equity and cash flows for the nine months ended September 30, 1997, the year ended December 31, 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 audits 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 September 30, 1997 and December 31, 1996, and the results of their operations and their cash flows for the nine months ended September 30, 1997, the year ended December 31, 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
November 7, 1997

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 1997 AND DECEMBER 31, 1996

	1997	1996
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,294,934	$ 2,373,360
Accounts receivable, net of allowance for doubtful accounts of $80,000 in 1997 and $47,000 in 1996	1,560,144	236,990
Prepaid and other current assets	269,402	79,657
Deferred income taxes	440,522	
Total current assets	4,565,002	2,690,007
PROPERTY AND EQUIPMENT, net	43,941,330	19,709,523
UNALLOCATED PURCHASE PRICE, net	52,438,342	12,954,959
OTHER INTANGIBLE ASSETS, net	7,379,837	1,336,361
INVESTMENT IN AFFILIATE	322,243	325,000
NOTE RECEIVABLE	259,542	
DEPOSITS AND OTHER LONG-TERM ASSETS	2,433,382	101,803
TOTAL	$111,339,678	$37,117,653
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 108,457	$ 117,362
Accounts payable	1,617,891	1,058,822
Accrued expenses	2,022,596	715,322
Accrued interest	452,825	
Unearned income	1,051,262	252,789
Total current liabilities	5,253,031	2,144,295
LONG-TERM DEBT	54,094,507	4,417,896
DEFERRED INCOME TAXES	1,084,052	279,218
OTHER LONG-TERM LIABILITIES	28,500	18,950
Total long-term liabilities	55,207,059	4,716,064
MINORITY INTEREST IN SUBSIDIARIES	774,317	528,928
COMMITMENTS AND CONTINGENCIES (Note 5)		
STOCKHOLDER'S EQUITY:		
Common stock, $.01 par value, 3,000 shares authorized, issued and outstanding in 1997 and 1996	30	30
Additional paid-in capital	51,403,212	30,318,420
Accumulated deficit	(1,297,971)	(590,084)
Total stockholder's equity	50,105,271	29,728,366
TOTAL	$111,339,678	$37,117,653

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996 (UNAUDITED), YEAR ENDED DECEMBER 31, 1996 AND PERIOD FROM JULY 17, 1995 (INCORPORATION) TO DECEMBER 31, 1995

	NINE MONTHS ENDED SEPTEMBER 30,		PERIOD ENDED DECEMBER 31,	
	1997	1996	1996	1995
		(UNAUDITED)		
REVENUES:				
Tower revenues (includes revenue from related parties of $255,000 and $70,000 in 1997 and 1996)	$ 4,802,508	$1,056,862	$1,803,854	$ 162,933
Sublease revenues	702,194	295,582	468,356	
Management fees	621,004	361,669	466,851	
Consulting revenues	1,436,083			
Other	340,042	143,555	157,817	186
Total operating revenues	7,901,831	1,857,668	2,896,878	163,119
OPERATING EXPENSES:				
Operating expenses excluding depreciation and amortization and corporate general and administrative expenses	3,588,340	1,066,402	1,362,284	59,417
Depreciation and amortization	2,706,119	613,293	989,936	57,428
Corporate general and administrative expense	919,010	505,711	830,248	230,109
Total operating expenses	7,213,469	2,185,406	3,182,468	346,954
INCOME (LOSS) FROM OPERATIONS	688,362	(327,738)	(285,590)	(183,835)
OTHER INCOME (EXPENSE):				
Interest income	96,991	18,508	36,204	
Interest expense	(1,318,334)			
Gain (loss) on sale of assets, net	(2,757)			
Minority interest in net earnings of subsidiary	(221,188)	(75,812)	(184,897)	
TOTAL OTHER EXPENSE	(1,445,288)	(57,304)	(148,693)	
LOSS BEFORE BENEFIT (PROVISION) FOR INCOME TAXES	(756,926)	(385,042)	(434,283)	(183,835)
BENEFIT (PROVISION) FOR INCOME TAXES	49,039	(69,308)	(45,390)	73,424
NET LOSS	$ (707,887)	$ (454,350)	$ (479,673)	$(110,411)
PRO FORMA LOSS PER SHARE	$ (0.02)		$ (0.01)	
PRO FORMA OUTSTANDING SHARES	36,042,046		36,042,046	

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

NINE MONTHS ENDED SEPTEMBER 30, 1997, YEAR ENDED DECEMBER 31, 1996 AND PERIOD FROM JULY 17, 1995 (INCORPORATION) TO DECEMBER 31, 1995

	COMMON STOCK		ADDITIONAL		
	OUTSTANDING SHARES	AMOUNT	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
Issuance of common stock to parent	10				
Contributions from parent:					
Cash			$ 242,215		$ 242,215
Non-cash			3,816,445		3,816,445
Cash transfers to parent			(179,426)		(179,426)
Net loss				$ (110,411)	(110,411)
BALANCE, DECEMBER 31, 1995	10		3,879,234	(110,411)	3,768,823
Issuance of common stock to parent	2,990	$30	(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	3,000	30	30,318,420	(590,084)	29,728,366
Cash contributions from parent			25,959,792		25,959,792
Transfers to parent:					
Cash			(4,150,000)		(4,150,000)
Non-cash			(725,000)		(725,000)
Net loss				(707,887)	(707,887)
BALANCE, SEPTEMBER 30, 1997	3,000	$30	$51,403,212	$(1,297,971)	$50,105,271

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996 (UNAUDITED),
YEAR ENDED DECEMBER 31, 1996 AND PERIOD FROM JULY 17, 1995
(INCORPORATION) TO DECEMBER 31, 1995

	NINE MONTHS ENDED SEPTEMBER 30,		PERIOD ENDED DECEMBER 31,	
	1997	1996	1996	1995
		(UNAUDITED)		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (707,887)	$ (454,350)	$ (479,673)	$ (110,411)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:				
Depreciation and amortization	2,706,119	613,293	989,936	57,428
Minority interest in net earnings of subsidiary	221,188	75,812	184,897	
Amortization of deferred financing costs	120,187			
Deferred income taxes	364,312	223,325	108,715	
Changes in assets and liabilities, net of acquisitions:				
Accounts receivable	(1,345,336)	(99,156)	(199,823)	(37,167)
Prepaid and other current assets	(47,084)	(94,647)	(226,814)	(54,499)
Accounts payable and accrued expenses	1,817,334	715,659	1,833,073	93,860
Other long-term liabilities	(10,450)		18,950	
Cash provided by (used in) operating activities	3,118,383	979,936	2,229,261	(50,789)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for purchase of property and equipment and intangible assets	(8,925,939)			
Payments for tower related acquisitions	(62,803,880)			
Advances of notes receivable	(259,542)			
Deposits and other long-term assets	(2,328,822)			
Cash used for investing activities	(74,318,183)			
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings under credit facility	50,000,000		2,500,000	
Borrowings under other notes payable		11,550	231,115	
Repayments of other notes payable	(332,294)	(4,119)	(106,697)	
Contributions from parent	25,959,792	1,911,418	2,548,557	242,215
Cash transfers to parent	(4,150,000)	(1,232,127)	(4,866,226)	(179,426)
Distributions to minority interest	(314,370)	(104,790)	(174,650)	
Additions to deferred financing costs	(41,754)			
Cash provided by financing activities	71,121,374	581,932	132,099	62,789
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(78,426)	1,561,868	2,361,360	12,000
CASH AND CASH				

EQUIVALENTS, BEGINNING OF PERIOD	2,373,360	12,000	12,000	
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,294,934	$ 1,573,868	$ 2,373,360	$ 12,000

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 IS UNAUDITED)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Corporate Structure--American Tower Systems Corporation and subsidiaries (formerly American Tower Systems Holding Corporation) (collectively, ATS or the Company) is a wholly-owned subsidiary of American Radio Systems Corporation (ARS or the Parent). American Tower Systems (Delaware), Inc. (ATSI) is a wholly-owned subsidiary of the Company which holds substantially all the operating assets and liabilities of the business.

ATSI 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 communications related businesses, such as paging companies, cellular telephone providers, fixed microwave transmission companies, specialized mobile radio companies, and television and radio broadcasters. As of September 30, 1997, the Company owned and/or operated approximately 370 wireless communication sites, principally in the Northeast and Mid-Atlantic regions, Florida and California.

In September 1997, ARS entered into a merger agreement (the Merger Agreement) with a subsidiary of CBS Corporation (formerly Westinghouse Electric Corporation) (CBS), pursuant to which a subsidiary of CBS will merge with and into ARS, each holder of ARS common stock at the effective time of the merger will receive $44.00 per share in cash, and ARS will become a subsidiary of CBS (the Merger). As part to the Merger, ARS will distribute all of its outstanding shares of ATS common stock owned by ARS to the holders of record of ARS common stock at or about the time of the Merger (the Tower Separation). As a result of the Tower Separation, ATS will cease to be a subsidiary of, or otherwise be affiliated with ARS, and will thereafter operate as an independent publicly held company. ARS and ATS will enter into certain agreements pursuant to the Merger Agreement providing for, among other things, the orderly separation of ARS and ATS, the transfer of lease obligations to ATS of leased space on certain towers owned or leased by ARS to ATS, and the allocation of certain tax liabilities between ARS and ATS. The Tower Separation will result in a taxable gain to ARS, of which approximately $20.0 million will be borne by ARS and the remaining obligation (currently estimated at approximately $66.6 million) will be required to be paid by ATS pursuant to provisions of the Merger Agreement. The estimated tax liability shown in the preceding sentence is based on an assumed fair market value of the ATS Common Stock of $10.00 per share, which is the price at which shares were issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. This liability is expected to be paid with borrowings under ATS' loan agreement. (See Note 12).

To facilitate the Tower Separation, the Company's common stock will be divided into three classes, A, B, and C, consistent with the capital structure of ARS. Each holder of ARS stock will receive a share of ATS stock with the same designation and rights and privileges as the related ARS share. (See Note 12).

Prior to the Tower Separation, ARS intends to increase its overall investment in ATS to approximately $150.0 million, contribute tower properties with a net book value of approximately $4.2 million and ATS intends to sell shares of common stock for an aggregate purchase price of approximately $80.0 million to certain of the stockholders of ARS, of which approximately $50.0 million will be issued in exchange for promissory notes, secured by ARS Common Stock. In addition, following the Merger, ATS will assume ARS' lease obligation with respect to ARS' corporate headquarters in Boston, Massachusetts and certain senior executives of ARS will become employees of ATS. Future lease payments required under the lease agreement assumed aggregate approximately $1.6 million through July 2006. (See Note 12).

The Merger has been approved by the stockholders of ARS who hold sufficient voting power to approve such action. Consummation of the Merger is subject to, among other things, the expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act)

and the approval by the Federal Communications Commission (FCC) of the transfer of control of ARS' FCC licenses with respect to its radio stations to CBS. Subject to the satisfaction of such conditions, the Merger is expected to be consummated in the spring of 1998.

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 financial statements.

Through September 30, 1997, 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.

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.

Revenue Recognition--Tower and sublease revenues are recognized when earned. Escalation clauses and other incentives present in lease agreements are recognized on a straight-line basis over the term of the leases. Management fee revenues are recognized when earned. Consulting 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 Intangible Assets--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

$258,000 and $120,000 of interest was capitalized for the nine months ended September 30, 1997 and the year ended December 31, 1996, respectively. 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 $2,025,000 at September 30, 1997 and $356,000 at December 31, 1996. 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 results of operations, liquidity or financial position. Other intangible assets consist principally of a noncompetition agreement, deferred financing costs and deferred acquisition costs and are being amortized over their estimated useful lives, generally five years. (See Note 3).

Note Receivable--In connection with an acquisition described in Note 11, the Company agreed to advance the sellers an amount not to exceed $1,400,000 of which an aggregate of approximately $260,000 was advanced. The advance bore interest at 8.5%, was unsecured, and was due in full at the earlier of the consummation of the acquisition or June 30, 2000. The note was repaid upon consummation of the acquisition in October 1997.

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. ATS files as part of a consolidated filing group with ARS; there are no significant differences between the tax provision or benefit recorded and the amounts measured on a separate return basis. (See Note 7).

Pro forma Loss Per Share--The pro forma loss per share for the nine months ended September 30, 1997 and the year ended December 31, 1996 has been computed using the number of ATS shares expected to be distributed to ARS shareholders as part of the Tower Separation. (See Note 12).

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 September 30, 1997, 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).

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 September 30, 1997 and December 31, 1996. 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 $15,000 to settle these agreements at September 30, 1997. (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 $10,800 and $6,000 for the nine months ended September 30, 1997 and the year ended December 31, 1996, respectively. The

Company's contributions for the nine months ended September 30, 1996 and for the period from Incorporation to December 31, 1995 were not material.

Unaudited Interim Financial Information--In the opinion of management, the financial statements and related footnote disclosures for the unaudited 1996 period 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, 1997 and 1996 are not necessarily indicative of results that would be expected for a full year.

Recent Accounting Pronouncements--In February 1997, the Financial Accounting Standards Board (FASB) released Statement of Financial Accounting Standards (FAS) No. 128, "Earnings Per Share" which ATS will adopt in the fourth quarter of 1997.

In June 1997, the FASB released FAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" (FAS 131). This pronouncement will be effective in 1998. FAS 131 established standards for reporting information about the operating segments in its annual report and interim reports. ATS will adopt this statement in the first quarter of 1998.

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

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
Land and improvements	$ 6,054,675	$ 4,081,011
Towers and buildings	32,717,305	11,473,259
Technical equipment	81,378	53,124
Transmitter equipment	151,954	13,550
Office equipment, furniture, fixtures and other equipment	811,438	317,025
Construction in progress-tower properties	5,636,007	4,276,410
Total	45,452,757	20,214,379
Less accumulated depreciation and amortization	(1,511,427)	(504,856)
Property and equipment, net	$43,941,330	$19,709,523

3. OTHER INTANGIBLE ASSETS

Other intangible assets consisted of the following:

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
Non-compete agreement	$5,530,000	
Deferred financing costs	1,297,227	$1,255,474
Deferred acquisition costs	917,208	93,965
Total	7,744,435	1,349,439
Less accumulated amortization	(364,598)	(13,078)
Other intangible assets, net	$7,379,837	$1,336,361

4. FINANCING ARRANGEMENTS

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

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
Loan Agreement	$52,500,000	$2,500,000
Note payable--other	1,490,207	1,557,701
Other obligations	212,757	477,557
Total	54,202,964	4,535,258
Less current portion	(108,457)	(117,362)
Long-term debt	$54,094,507	$4,417,896

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; 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 are referred to as the Loan Agreements.

The Loan Agreement provides ATSI with a $250.0 million loan commitment based on ATSI maintaining certain operational ratios, and an additional $150.0 million loan at the discretion of ATSI. 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 (5.72% as of September 30, 1997 and 5.78% as of December 31, 1996) 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 the Company's financial leverage. Under certain circumstances, the Company may request that rates be fixed or capped. For the nine months ended September 30, 1997 and year ended December 31, 1996 the weighted average interest rate of the Loan Agreements was 7.23% and 8.75%, respectively.

There was $37.5 million, and $67.5 million available under the Loan Agreements at September 30, 1997 and December 31, 1996, respectively. ATSI pays quarterly commitment fees ranging from .375% to .50%, based on ATSI's financial leverage and the aggregate unused portion of the aggregated commitment. Commitment fees paid related to the Loan Agreements aggregated approximately $196,000, and $24,000 for the nine months ended September 30, 1997 and year ended December 31, 1996, respectively.

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 ATSI under the Loan Agreement are collateralized by a first priority security interest in substantially all of the assets of ATSI. ATS has pledged all of its stock to the banks as security for ATSI's obligations under the Loan Agreement. The Loan Agreement is expected to be amended to provide for the Tower Separation.

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.

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, 1996. As of September 30, 1997, 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 a cap agreement, 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%. 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 corporation, at either the Floating Rate (as defined in the note agreement), the Federal Home Loan Bank of Boston rate plus 2.35% or the Treasury Fixed Rate plus 3%. As of September 30, 1997 and December 31, 1996, the effective interest rate on borrowings under this note was 8.02%. The note is payable in equal monthly principal payments with interest through 2008.

Other Obligations--In connection with various acquisitions, the Company has assumed certain long-term obligations of the acquired entities. These obligations bear interest at rates ranging from 9% to 10% and are payable in various monthly installments through 2007. Substantially all of these obligations were repaid during 1997, with the remaining unpaid obligation bearing interest at 9% and payable in monthly installments through 2007.

Future principal payments required under the Company's financing arrangements at September 30, 1997 are approximately:

Period Ending:	
Three months ending December 31, 1997	$ 26,000
Year ending December 31, 1998	110,000
Year ending December 31, 1999	119,000
Year ending December 31, 2000	128,000
Year ending December 31, 2001	137,000
Year ending December 31, 2002	148,000
Thereafter	53,535,000
Total	$54,203,000

5. COMMITMENTS AND CONTINGENCIES

Lease Obligations--The Company leases space for its existing offices in Florida and Virginia and 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.

Future minimum rental payments under noncancelable leases in effect at September 30, 1997 are approximately as follows:

Period Ending:	
Three months ending December 31, 1997	$ 398,000
Year ending December 31, 1998	1,557,000
Year ending December 31, 1999	1,450,000
Year ending December 31, 2000	1,248,000
Year ending December 31, 2001	908,000
Year ending December 31, 2002	603,000
Thereafter	5,595,000
Total	$11,759,000

Aggregate rent expense under operating leases for the nine months ended September 30, 1997 and 1996, and the years ended December 31, 1996 and 1995 approximated $945,000, $78,000, $420,000, and $5,000, respectively.

Customer Leases--As described in Note 1, the Company leases space on its various tower properties (both owned and managed) to customers. Leases are typically for set periods of time, although some leases are cancellable 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 September 30, 1997 are approximately as follows:

Period Ending:	
Three months ending December 31, 1997	$ 3,277,000
Year ending December 31, 1998	8,257,000
Year ending December 31, 1999	7,288,000
Year ending December 31, 2000	6,515,000
Year ending December 31, 2001	5,492,000
Year ending December 31, 2002	3,399,000
Thereafter	11,157,000
Total	$45,385,000

See Notes 9, 11 and 12 for information with respect to acquisition and related commitments.

Litigation--ATS 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 consolidated financial position, the results of operations or liquidity.

6. RELATED PARTY TRANSACTIONS

The Company received revenues of approximately $255,000 and $70,000 from ARS for tower rentals at Company-owned sites for the nine months ended September 30, 1997 and the year ended December 31, 1996, respectively.

ARS has contributed all of the Company's capitalization and had funded, through December 1996, substantially all of the acquisitions described in Note 9.

During January 1996, ARS contributed a tract of undeveloped land of approximately two acres to the Company. The transfer was recorded at ARS' 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' 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' 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' 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 and contributions from parent balance 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' 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 income tax benefit (provision) was comprised of the following:

	NINE MONTHS ENDED SEPTEMBER 30,		PERIOD ENDED DECEMBER 31,	
	1997	1996	1996	1995
Current:				
Federal	$ 319,922	$ 130,914	$ 53,907	$ 62,503
State	93,429	23,103	9,418	10,921
Deferred:				
Federal	(310,196)	(182,738)	(92,547)	
State	(54,116)	(40,587)	(16,168)	
Income tax benefit (provision)	$ 49,039	$ (69,308)	$ (45,390)	$ 73,424

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

	NINE MONTHS ENDED SEPTEMBER 30,		PERIOD ENDED DECEMBER 31,	
	1997	1996	1996	1995
Statutory tax rate	(34)%	(34)%	(34)%	(34)%
State taxes, net of federal benefit	(6)	(6)	(6)	(6)
Nondeductible intangible amortization	34	58	57	
Other			1	
Effective tax rate	(6)%	18 %	18 %	(40)%

Significant components of the Company's deferred tax assets and liabilities were composed of the following:

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
Assets:		
Allowances for financial reporting purposes which are currently nondeductible	$ 440,522	
Net operating loss carryforwards		$ 2,071
Valuation allowances		(2,071)
Liabilities:		
Property and equipment and intangible assets	(939,661)	(168,125)
Partnership investments		(77,648)
Long-term rental agreements	(144,391)	(33,445)
Net deferred tax liabilities	$(643,530)	$(279,218)

8. STOCKHOLDER'S EQUITY

Stock Option Plan--ATSI 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. These options are expected to be converted into options to acquire stock of ATS, as part of the Tower Separation. 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 different from fair value.

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

	OPTIONS	EXERCISE PRICE PER SHARE	NUMBER CURRENTLY EXERCISABLE	WEIGHTED AVERAGE REMAINING LIFE (YEARS)
Granted during 1996 and outstanding at December 31, 1996	550,000	$5.00	160,000	8.91
Granted	167,000	$7.50-$8.00		9.47
Cancelled	(40,000)	$5.00		
Outstanding as of September 30, 1997	677,000		160,000	9.09

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 cost for the Company's stock option plan been determined based on the fair value of the grant date for awards in 1996 and 1997 consistent with the provisions of SFAS 123, the Company's net loss would have been approximately $882,000 for the nine months ended September 30, 1997 and approximately $568,000 for the year ended December 31, 1996.

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 6.53% and expected lives of 5 years. In accordance with the provisions of SFAS 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.

In November 1997, ATS instituted the 1997 Stock Option Plan which provides for the granting of options to employees to acquire up to 10,000,000 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 12, to limit future grants to Class A Common Stock.

9. ACQUISITIONS

1997 Acquisitions--

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.

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 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 corporation 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 corporation 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 following schedule summarizes the above-described 1996 acquisitions:

	SKYLINE	BDS/ BRIDAN	NEEDHAM	HAMPTON	STONINGTON	TOTAL
Cash paid by Parent.....	$2,453,761	$1,906,629	$3,843,559	$1,368,791	$1,008,712	$10,581,452
Stock issued by Parent..	773,505	7,379,807				8,153,312
Liabilities assumed.....	519,637	100,000	1,600,000			2,219,637
Purchase price of net assets acquired.....	$3,746,903	$9,386,436	$5,443,559	$1,368,791	$1,008,712	$20,954,401

The acquisitions consummated during 1996 and 1997 have been accounted for by the purchase method of accounting. The purchase price has been 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 statement 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.

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,
	1997	1996	1996
Net revenues.....	$12,877,000	$ 9,875,000	$13,530,000
Loss from operations.....	(983,000)	(2,827,000)	(3,744,000)
Net loss.....	(4,077,000)	(6,743,000)	(9,266,000)

10. SUPPLEMENTAL CASH FLOW INFORMATION

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

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,
	1997	1996	1996
Supplemental cash flow information:			
Cash paid during the period for interest (including amounts capitalized)	$1,002,387	$ 51,267	$ 90,539
Cash paid during the period for income taxes	67,616		
Noncash investing and financing activities:			
Property and equipment transferred from (to) Parent	(725,000)	6,524,518	11,103,352
Land transferred to Parent			(1,100,000)
Deferred financing costs paid by Parent			1,255,474
Investment in affiliate paid by Parent			325,000
Details of acquisitions financed by Parent:			
Purchase price of net assets acquired		18,576,298	20,954,401
Liabilities assumed		(2,219,637)	(2,219,637)
Stock issued by Parent		(8,153,312)	(8,153,312)
Cash paid by Parent		8,203,949	10,581,452
Less: cash acquired		(1,600,000)	(1,600,000)
Net cash paid by Parent for acquisitions		$ 6,603,949	$ 8,981,452

11. SUBSEQUENT EVENTS

Pending Transactions:

In October 1997, the Company entered into an agreement to acquire the outstanding stock of a company operating in Florida (OPM-USA-INC. or OPM) for a maximum purchase price of approximately $105.0 million. By December 31, 1997 such company is expected to own approximately ninety towers. The final purchase price is contingent upon the actual number of towers that have been built, and sites permitted and the actual cashflows generated from those towers. The Company has also agreed to provide financing to the seller on identified sites which are in various stages of receiving site permits to enable the seller to construct additional towers; the aggregate amount of such financing cannot exceed $37.0 million. (See Note 12).

In October 1997, the Company entered into an agreement to acquire a communications site with six towers in Tucson, Arizona for approximately $12.0 million. (See Note 12).

Consummation of these transactions is conditioned on various matters, including, in the case of the OPM transaction, the expiration or earlier termination of the HSR Act waiting period. Subject to the satisfaction of such conditions, the acquisitions are expected to be consummated in the first quarter of 1998.

The Company is also pursuing the acquisitions of tower properties and tower businesses in new and existing locations, although there are no definitive purchase agreements with respect thereto. (See Note 12).

Consummated Transactions:

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 $0.65 million to the sellers on an unsecured basis, of which approximately $0.26 million had been advanced through September 30, 1997 and was re-paid 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.

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

Authorized Shares:

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.

Consummated Transactions:

In November 1997, the Company entered into an agreement to acquire all of the outstanding stock of a company based in Atlanta, Georgia for an aggregate purchase price of approximately $80.0 million consisting of approximately $32.0 million in cash and assumed liabilities and the issuance of approximately 5.3 million shares of ATS Class A common stock. The company acquired is engaged in site acquisition, development, construction and facility management of wireless network communication facilities on behalf of its customers and owns or has under construction approximately 40 tower sites. Consummation of the transaction occurred in January 1998. Following consummation, the Company granted options to acquire up to 1,200,000 shares of Class A Common Stock at an exercise price of $13 to employees of the acquired company.

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 which will be the surviving corporation. Pursuant to the merger, ATS expects to issue an aggregate of approximately 31.1 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. ATC currently owns and operates approximately 775 communications towers located in 31 states primarily in the Western, Eastern and Southern United States. Consummation of the transaction is subject to, among other things, the expiration or earlier termination of the HSR Act waiting period, and is expected to occur in the spring of 1998.

In January 1998, ATS consummated the acquisition of OPM, a company which owned approximately 90 towers at the time of acquisition. 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 purchase of a communications site with six towers in Tucson, Arizona for approximately $12.0 million.

In January 1998, ARS transferred to ATS 14 of the 16 communications sites currently used by ARS and various third parties, and ARS and ATS entered into leases or subleases of space on the towers transferred. The remaining two communications sites will be transferred and leases entered into following acquisition by ARS of the sites from third parties.

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

Pending Transactions:

In January 1998, ATS entered into an agreement to purchase 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. Consummation of the transaction, which is subject to certain conditions, including receipt of FCC approvals and the expiration or earlier termination of the HSR Act waiting period, is expected to occur in the first half of 1998.

ATS Stock Purchase Agreement:

On January 22, 1998, ATS consummated a 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 Merger or, in the event the Merger Agreement is terminated, December 31, 2000. The notes bear interest at the six-month London Interbank Rate, 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 obligor and will be due and payable, at the option of the Company, in the event of certain defaults as described herein.

Tower Separation:

Based on the $10.00 per share price paid pursuant to the ATS Stock Purchase Agreement, the Tower Separation will result in a taxable gain to ARS, of which approximately $20.0 million will be borne by ARS and the remaining obligation (currently estimated at approximately $66.6 million) will be required to be paid by ATS pursuant to provisions of the Merger Agreement. This liability is expected to be paid with borrowings under ATS' loan agreement. The estimated tax liability shown in the preceding sentence is based on an assumed fair market value of the ATS Common Stock of $10.00 per share, which is the price at which shares were issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. Such estimated tax liability would increase or decrease by approximately $14.8 million for each $1.00 per share increase or decrease in the fair market value of the ATS Common Stock.

The Merger Agreement also provides for closing date balance sheet adjustments based upon the working capital and specified debt levels (including the liquidation preference of the ARS Cumulative Preferred Stock) of ARS at the effective time of the Merger which may result in payments to be made by either ARS or ATS to the other party following the closing date of the Merger. ATS will benefit from or bear the cost of such adjustments. Since the amounts of working capital and debt are dependent upon future operations and events, including without limitation cash flow from operations, capital expenditures, and expenses of the Merger and the Tower Separation, neither ARS nor ATS is able to state with any degree of certainty what payments, if any, will be owed following the closing date by either ARS or ATS to the other party. However, based on certain assumptions, ARS has estimated that the payment, if any, required to be paid or to be received by ATS will not be material as a result of those provisions.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying combined statement of net assets of MicroNet, Inc. and affiliates to be sold to American Tower Systems, Inc. (the "Company") as of December 31, 1996, and the related combined statements of income and cash flows derived from those assets 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 provides 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 to be sold to American Tower Systems, Inc. as of December 31, 1996, and the results of operations related to those assets, and cash flows generated from those assets for the year ended December 31, 1996, 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 to be 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 statement of income derived from the net assets to be sold.

Pressman Ciocca Smith LLP

/S/ PRESSMAN CIOCCA SMITH LLP

Hatboro, Pennsylvania
November 3, 1997

MICRONET, INC. AND AFFILIATES

COMBINED STATEMENTS OF NET ASSETS TO BE SOLD

DECEMBER 31, 1996 AND SEPTEMBER 30, 1997

	DECEMBER 31, 1996	SEPTEMBER 30, 1997 (UNAUDITED)
ASSETS		
Current Assets		
Prepaid expenses	$ 301,942	$ 218,927
Total Current Assets	301,942	218,927
Property and Equipment	39,564,758	40,541,672
Less accumulated depreciation	(22,486,975)	(24,537,837)
	17,077,783	16,003,835
Goodwill, net of amortization	4,120,276	3,734,000
Intangible Assets, net of amortization	902,227	717,272
Other Assets	183,087	167,341
	$ 22,585,315	$ 20,841,375
LIABILITIES AND NET ASSETS TO BE SOLD		
Current Liabilities		
Customer service prepayments	$ 459,638	$ 447,910
Total Current Liabilities	459,638	447,910
Commitments and Contingencies		
Net Assets To Be Sold	22,125,677	20,393,465
	$ 22,585,315	$ 20,841,375

See accompanying notes.

MICRONET, INC. AND AFFILIATES

COMBINED STATEMENTS OF INCOME DERIVED FROM NET ASSETS TO BE SOLD

YEAR ENDED DECEMBER 31, 1996, AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997

	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30,	
		1996	1997
		(UNAUDITED)	
Net Revenues	$15,058,305	$10,367,871	$13,476,827
Operating Expenses			
Service	5,955,270	4,366,311	4,802,939
Selling and marketing	488,857	316,721	262,962
General and administrative	3,422,581	2,665,724	2,833,965
Depreciation	3,199,495	2,086,786	2,066,405
Amortization	736,025	546,593	571,231
	13,802,228	9,982,135	10,537,502
Operating Income	1,256,077	385,736	2,939,325
Other Income--Net	42,904	24,395	30,013
Net Income Derived from Net Assets To Be Sold	1,298,981	410,131	2,969,338
Net Assets To Be Sold, Beginning of Period	22,563,349	22,563,349	22,125,677
Distributions To Parent	(1,736,653)	(348,471)	(4,701,550)
Net Assets To Be Sold, End of Period	$22,125,677	$22,625,009	$20,393,465

See accompanying notes.

MICRONET, INC. AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS DERIVED FROM NET ASSETS TO BE SOLD

YEAR ENDED DECEMBER 31, 1996, AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997

	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
		(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income derived from net assets to be sold	$ 1,298,981	$ 410,131	$ 2,969,338
Adjustments to reconcile income derived from net assets to be sold to cash provided by operating activities:			
Depreciation and amortization	3,935,520	2,633,379	2,637,636
Loss (gain) on disposal of property and equipment	(400)	643	12,063
Write off assets to net realizable value	65,313	--	--
Change in assets and liabilities:			
Prepaid expenses	(49,781)	(1,104)	83,015
Other assets	15,396	26,661	15,746
Customer service prepayments	149,642	123,594	(11,728)
CASH PROVIDED BY OPERATING ACTIVITIES	5,414,671	3,193,304	5,706,070
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(3,678,418)	(2,844,833)	(1,004,520)
Proceeds from sale of property	400	--	--
CASH USED FOR INVESTING ACTIVITIES	(3,678,018)	(2,844,833)	(1,004,520)
INCREASE IN CASH AND CASH EQUIVALENTS BEFORE ADJUSTMENT	1,736,653	348,471	4,701,550
ADJUSTMENT FOR NET ASSETS NOT SOLD	(1,736,653)	(348,471)	(4,701,550)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ --	$ --	$ --

See accompanying notes.

MICRONET, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1996 AND SEPTEMBER 30, 1997
(INFORMATION AS OF SEPTEMBER 30, 1997, AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997, IS UNAUDITED)

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 to be sold to American Tower Systems, Inc. ("ATS") are intended to present the assets and liabilities of the Company expected to be transferred 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.

Unaudited Interim Financial Information

The interim financial statements as of September 30, 1997, and for the nine months ended September 30, 1996 and 1997, are unaudited; however, in the opinion of the management of the Company, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the combined financial statements on the same basis as the audited combined financial statements for these interim periods have been made. The results for the interim periods ended September 30, 1996 and 1997, are not necessarily indicative of the results to be obtained for a full fiscal year.

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.

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 September 30, 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 to be 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 September 30, 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).

NOTE C--PROPERTY AND EQUIPMENT

The schedule of property and equipment at December 31, 1996 and September 30, 1997, is as follows:

	DECEMBER 31, 1996	SEPTEMBER 30, 1997 (UNAUDITED)	ESTIMATED USEFUL LIVES IN YEARS
Land	$ 3,027,303	$ 3,027,303	
Building and improvements	1,799,553	1,812,512	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	33,239,792	7-15
Land improvements	188,195	205,537	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
	$ 39,564,758	$ 40,541,672	

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 September 30, 1997, was $1,030,069 and $1,416,345, respectively.

NOTE E--INTANGIBLE ASSETS

A schedule of intangible assets and accumulated amortization at December 31, 1996 and September 30, 1997, is as follows:

	DECEMBER 31, 1996		
DESCRIPTION	AMOUNT	ACCUMULATED AMORTIZATION	NET
FCC licenses	$ 326,163	$ 49,238	$ 276,925
Organization costs and covenants not to compete	1,928,336	1,303,034	625,302
	$ 2,254,499	$ 1,352,272	$ 902,227

	SEPTEMBER 30, 1997 (UNAUDITED)		
DESCRIPTION	AMOUNT	ACCUMULATED AMORTIZATION	NET
FCC licenses	$ 326,163	$ 55,626	$ 270,537
Organization costs and covenants not to compete	1,941,800	1,495,065	446,735
	$ 2,267,963	$ 1,550,691	$ 717,272

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 December 31, 1996:

YEAR ENDING DECEMBER 31,	RELATED PARTY	OTHER
1997	$ 81,874	$ 901,084
1998	68,228	814,674
1999	--	674,389
2000	--	356,820
2001	--	296,001
Thereafter	--	870,036
Total minimum lease payments	$ 150,102	$ 3,913,004

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 $833,215 and $868,154 for the nine months ended September 30, 1996 and 1997, respectively. 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 $61,405 in each of the nine month periods ended September 30, 1996 and 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 amount shown for 1996.

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 $4,074,175 and $6,725,321 for the nine months ended September 30, 1996 and 1997, respectively.

Following is a summary of property held for lease at December 31, 1996 and September 30, 1997:

	DECEMBER 31, 1996	SEPTEMBER 30, 1997 (UNAUDITED)
Tower, head-end equipment and microwave equipment	$ 32,289,707	$ 33,239,792
Less accumulated depreciation	(20,271,612)	(22,329,026)
	$ 12,018,095	$ 10,910,766

Minimum future rentals to be received on non-cancelable leases consisted of the following as of December 31, 1996:

YEAR ENDING DECEMBER 31,	
1997	$ 5,915,803
1998	4,733,229
1999	3,636,045
2000	3,032,860
2001	1,768,802
Thereafter	550,001
	$ 19,636,740

NOTE H--OTHER INCOME (EXPENSE)

The schedules of other income (expense) for the year ended December 31, 1996, and nine months ended September 30, 1996 and 1997 are as follows:

	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1996 (UNAUDITED)	NINE MONTHS ENDED SEPTEMBER 30, 1997 (UNAUDITED)
Interest income	$ 42,504	$ 25,038	$ 42,076
Gain (loss) on disposal of property and equipment	400	(643)	(12,063)
	$ 42,904	$ 24,395	$ 30,013

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 nine months ended September 30, 1996 and 1997, the Company matched $79,735 and $86,144, respectively.

NOTE K--RELATED PARTY TRANSACTIONS

The Company does business and generates revenue with subsidiaries of Tele-Communications, 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 $863,000 and $1,330,000 for the nine months ended September 30, 1996 and 1997, respectively. An additional $69,000 and $74,000 received from TCI was included in customer service prepayments as of December 31, 1996 and September 30, 1997, respectively.

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 nine months ended September 30, 1996 and 1997 were allocated expenses of $108,000, $81,000 and $81,000, 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 party	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 amortization	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.

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 amortization	(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").

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

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
/s/ 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	$(247,095)	$ (798,129)	$(623,055)	$(386,817)

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 (UNAUDITED)	NINE MONTHS ENDED SEPTEMBER 30, 1997 (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.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

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.

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.

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.

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

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 accounts of $1,244 and $10,118 in 1995 and 1996, respectively, and $17,720 (unaudited) 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 payable 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 (expense)	(30,956)	(69,545)	(13,401)	3,000,854
INCOME BEFORE INCOME TAXES	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 (Unaudited)			(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 ACTIVITIES:				
Net income	$ 762,464	$ 793,740	$ 460,255	$ 3,442,011
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	303,197	416,369	202,154	210,983
Provision for doubtful accounts	(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 deposits	9,679	2,946	(400)	457
Deferred revenue	28,628	64,723	5,500	(93,228)
Net cash provided by operating activities	1,182,938	1,237,782	860,149	734,218
CASH FLOWS FROM INVESTING ACTIVITIES:				
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 repeater 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 ACTIVITIES:				
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, BEGINNING 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.

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 improvements	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

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.

7. LONG-TERM LOANS PAYABLE TO SHAREHOLDER AND PARTNER

	DECEMBER 31,		JUNE 30,
	1995	1996	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.

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 sheet of Tucson Communications Company (the "Partnership") as of December 31, 1996, and the related statements of income, partners' deficit, and cash flows for the year 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 audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tucson Communications Company at December 31, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Ernst & Young LLP
San Diego, California
October 24, 1997

TUCSON COMMUNICATIONS COMPANY

BALANCE SHEETS

(IN THOUSANDS)

	DECEMBER 31, 1996	SEPTEMBER 30, 1997 (UNAUDITED)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 389	$ 591
PROPERTY AND EQUIPMENT, net	836	766
OTHER ASSETS	18	17
TOTAL	$ 1,243	$1,374
LIABILITIES AND PARTNERS' DEFICIT		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 180	$ 192
Accrued expenses	18	16
Total current liabilities	198	208
LONG-TERM DEBT	2,065	1,919
OTHER LONG-TERM LIABILITIES	47	22
Total long-term liabilities	2,112	1,941
PARTNERS' DEFICIT	(1,067)	(775)
TOTAL	$ 1,243	$1,374

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY

STATEMENTS OF INCOME

(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,	NINE MONTHS ENDED SEPTEMBER 30,	
	1996	1997	1996
		(UNAUDITED)	
REVENUES:			
Tower revenues, including reimbursed expenses of $116, $91 and $84, respectively	$1,438	$1,201	$1,171
OPERATING EXPENSES:			
Tower operations	287	255	222
Depreciation and amortization	164	123	123
General and administrative	84	88	70
Total operating expenses	535	466	415
INCOME FROM OPERATIONS	903	735	756
OTHER INCOME	19	7	16
INTEREST EXPENSE	(213)	(150)	(161)
NET INCOME	$ 709	$ 592	$ 611

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 (Unaudited)	592
Distributions (Unaudited)	(300)
BALANCE, SEPTEMBER 30, 1997 (Unaudited)	$ (775)

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY

STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997	1996
		(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 709	$ 592	$ 611
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	164	123	123
Changes in assets and liabilities:			
Accrued expenses	12	(2)	11
Other long-term liabilities	(9)	(26)	(8)
Net cash provided by operating activities	876	687	737
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	(12)	(51)	--
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of long-term debt	(183)	(134)	(141)
Distributions	(625)	(300)	(600)
Net cash used in financing activities	(808)	(434)	(741)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	56	202	(4)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	333	389	333
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 389	$ 591	$ 329

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1996 AND
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 1997 (UNAUDITED)

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 seven 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, 1996 and September 30, 1997.

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.

Unaudited Interim Financial Information--The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Article 10 of Regulations S-X. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-month periods ended September 30, 1997 and 1996 are not necessarily indicative of the results that may be expected for the year ended December 31, 1997.

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following (in thousands):

	DECEMBER 31, 1996	SEPTEMBER 30, 1997
		(UNAUDITED)
Land and improvements	$ 591	$ 591
Towers and buildings	1,635	1,635
Technical equipment	1,293	1,310
Construction in progress	12	46
Total	3,531	3,582
Less accumulated depreciation	(2,695)	(2,816)
Property and equipment, net	$ 836	$ 766

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, 1996 are as follows (in thousands):

YEAR ENDING DECEMBER 31:	
1997	$ 1,349
1998	1,362
1999	1,401
2000	1,444
2001	1,489
Thereafter	9,066
Total	$16,111

The amounts for the following customer accounted for greater than 10% of total operating revenues (in thousands):

	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997	1996
		(UNAUDITED)	
Motorola	$442	$ 436	$ 425

3. OTHER ASSETS

Other assets consisted of the following (in thousands):

	DECEMBER 31, 1996	SEPTEMBER 30, 1997
		(UNAUDITED)
Prepaid loan fees	$ 31	$ 31
Less accumulated amortization	(14)	(15)
Deposits	1	1

Other assets.....	$ 18	$ 17

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, 1996, September 30, 1997 and 1996, the interest rates in effect were 9.29%, 9.15% and 9.29%, respectively. 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, 1996 and the nine months ended September 30, 1997 and 1996 was $214,000, $152,000 and $161,000, respectively.

Future principal payments required under the Company's financing agreement at December 31, 1996 are approximately (in thousands):

YEAR ENDING DECEMBER 31:	
1997	$ 180
1998	197
1999	216
2000	237
2001	260
Thereafter	1,155
Total	$2,245

5. RELATED PARTY TRANSACTIONS

The Partnership pays an affiliated company for salaries, rent and utilities. During the year ended December 31, 1996 and the nine months ended September 30, 1997 and 1996, the Partnership paid $65,000, $54,000 and $47,000, respectively. In addition, the Partnership pays an affiliate of the general partner on an hourly basis for management services. During the year ended December 31, 1996 and the nine months ended September 30, 1997 and 1996, the Partnership paid $29,000, $26,000 and $20,000, respectively.

6. PENDING TRANSACTION

In October 1997, the Partnership entered into an agreement with American Tower Systems, Inc. to sell substantially all of the assets of the Partnership for approximately $12,000,000.

7. CONTINGENCY

Subsequent to December 31, 1996, 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.

INDEPENDENT AUDITORS' REPORT

The Stockholder
Gearon & Co., Inc.:

We have audited the accompanying balance sheets of Gearon & Co., Inc. (the "Company") as of September 30, 1997 and December 31, 1996, and the related statements of income, changes in stockholder's equity, and cash flows for the nine months ended September 30, 1997 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 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 September 30, 1997 and December 31, 1996, and the results of its operations and its cash flows for the nine months ended September 30, 1997 and for the year ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Atlanta, Georgia
December 12, 1997 (January 22, 1998 as to the second, third and fourth paragraphs of Note 1)

GEARON & CO., INC.

BALANCE SHEETS

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,792,242	$ 813,182
Accounts receivable--trade, net of allowance for doubtful accounts of $216,686 and $129,650 in 1997 and 1996, respectively	4,903,801	7,132,363
Unbilled receivables	3,008,163	515,688
Accounts receivable--other	242,298	6,390
Receivable from related party	--	200,000
Total current assets	9,946,504	8,667,623
PROPERTY AND EQUIPMENT, net	1,871,731	561,028
OTHER ASSETS	141,772	27,530
TOTAL	$11,960,007	$9,256,181
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 916,617	$ 27,587
Accrued expenses	80,007	37,193
Deferred revenue	163,500	2,500
Total current liabilities	1,160,124	67,280
COMMITMENTS AND CONTINGENCIES (Note 3)		
STOCKHOLDER'S EQUITY		
Common stock, no par value, 10,000 shares authorized; 7,500 issued and outstanding	750	750
Retained earnings	10,799,133	9,188,151
Total stockholder's equity	10,799,883	9,188,901
TOTAL	$11,960,007	$9,256,181

See notes to financial statements.

GEARON & CO., INC.

STATEMENTS OF INCOME

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,
	1997	1996	1996
		(UNAUDITED)	
REVENUES:			
Fees and bonuses	$15,980,502	$11,050,147	$15,613,655
Pass-through revenues	2,760,271	3,425,276	5,349,795
Tower rentals	105,623	30,850	53,200
Other	215,546	150,502	467,785
Total revenues	19,061,942	14,656,775	21,484,435
OPERATING EXPENSES:			
Operating expenses	8,739,784	4,720,527	6,644,143
Pass-through expenses	2,760,271	3,425,276	5,349,795
Total operating expenses	11,500,055	8,145,803	11,993,938
GROSS PROFIT	7,561,887	6,510,972	9,490,497
General and administrative expenses	1,532,485	864,021	1,411,569
INCOME FROM OPERATIONS	6,029,402	5,646,951	8,078,928
OTHER INCOME AND EXPENSES, NET	64,521	88,118	94,822
NET INCOME	$ 6,093,923	$ 5,735,069	$ 8,173,750

See notes to financial statements.

GEARON & CO., INC.

STATEMENTS OF STOCKHOLDER'S EQUITY

	COMMON STOCK			
	OUTSTANDING SHARES	AMOUNT	RETAINED EARNINGS	TOTAL
Balance, January 1, 1996.....	7,500	$750	$ 8,783,131	$ 8,783,881
Distributions to stockholder.....			(7,768,730)	(7,768,730)
Net income.....			8,173,750	8,173,750
Balance, December 31, 1996.....	7,500	750	9,188,151	9,188,901
Distributions to stockholder.....			(4,482,941)	(4,482,941)
Net income.....			6,093,923	6,093,923
Balance, September 30, 1997.....	7,500	$750	$10,799,133	$10,799,883

See notes to financial statements.

GEARON & CO., INC.

STATEMENTS OF CASH FLOWS

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,
	1997	1996	1996
		(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 6,093,923	$ 5,735,069	$ 8,173,750
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful accounts	87,036	97,238	129,650
Depreciation	110,527	77,883	103,283
Changes in assets and liabilities;			
Decrease (increase) in accounts receivable trade	2,141,526	501,666	(3,434,228)
Decrease (increase) in unbilled receivables	(2,492,475)	(89,604)	782,867
(Increase) decrease in accounts receivable other	(235,908)	(49,016)	20,307
(Increase) in other assets	(114,242)	(23,278)	(21,748)
Increase (decrease) in accounts payable	889,030	157,958	(35,463)
Increase (decrease) in accrued expenses	42,814	299,133	(25,023)
Increase in deferred revenue	161,000		2,500
Net cash provided by operating activities	6,683,231	6,707,049	5,695,895
CASH FLOWS FROM INVESTING ACTIVITIES;			
Acquisition of property and equipment	(173,788)	(73,894)	(134,910)
Construction of towers	(1,247,442)	(336,242)	(336,242)
Net cash used in investing activities	(1,421,230)	(410,136)	(471,152)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions to stockholder	(4,482,941)	(7,693,726)	(7,768,730)
Repayments from (loans to) related party	200,000	(40,000)	(170,000)
Loan from stockholder	500,000		
Repayment to stockholder	(500,000)		
Net cash used in financing activities	(4,282,941)	(7,733,726)	(7,938,730)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	979,060	(1,436,813)	(2,713,987)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	813,182	3,527,169	3,527,169
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,792,242	$2,090,356	$ 813,182

See notes to financial statements.

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

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 September 30, 1997, the Company owned and operated four communications towers with an additional twenty-seven 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.

Prior to the closing of the merger, the Company awarded a total of 56,338 shares of Class B common stock valued at $5,600,000 (based on the share price paid by ATSI in the merger) to certain key employees, paid cash bonuses totaling approximately $7,667,000 to certain employees, and incurred approximately $580,000 in other merger related expenses.

In addition, pursuant to the Merger Agreement, the Company borrowed a total of $10,000,000 from ATSI in two $5,000,000 installments to fund working capital and merger related expenses. Such borrowing was repaid at closing.

Unaudited Interim Information--In the opinion of management, the financial statements for the unaudited period 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, 1997 are not necessarily indicative of results which would be expected for a full year.

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:

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,
	1997	1996	1996
Customer A	$3,697,000	$3,557,000	$4,773,000
Customer B	5,018,000		
Customer C	3,304,000		
Customer D	1,922,000		
Customer E		3,385,000	4,423,000
Customer F		1,691,000	1,752,000

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.

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 ranging from three to fifteen 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 income. 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 stockholder. 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.

Deferred Revenue--Deferred revenue represents advance payments from a customer which will be applied to future billings upon the attainment of certain billing milestones.

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
Land	$ 25,813	$ --
Leasehold improvements	66,307	60,902
Furniture and fixtures	97,435	81,694
Machinery and equipment	459,347	306,705
Cellular towers leased to unrelated third parties	473,668	336,242
Construction in progress	1,084,203	--
Property and equipment, at cost	2,206,773	785,543
Accumulated depreciation	(335,042)	(224,515)
Property and equipment--net	$1,871,731	$ 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:

1997	$ 70,054
1998	218,899
1999	203,142
2000	187,372
2001	95,299
2002	78,741
Total	$853,507

Aggregate rent expense under all operating leases for the nine months ended September 30, 1997 and 1996 and for the year ended December 31, 1996 approximated $189,000, $35,800 and $50,800, respectively.

Customer Leases--The Company owns communications towers which it leases to third parties. The leases which are noncancelable and expire at various dates through 2002, contain options for the lessees to renew, at their discretion, for five year periods up to a maximum term of twenty-five years.

Future minimum rental receipts expected to be received from customers under noncancelable leases are as follows for the periods ending December 31:

1997	$ 40,557
1998	164,184
1999	166,849
2000	169,592
2001	89,207
2002	12,033
Total	$642,422

Purchase Commitments--At September 30, 1997, the Company had entered into an agreement to acquire land for a communications tower for a purchase price of $100,000.

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.

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 $56,000 and $24,000 for the nine months ended September 30, 1997 and for the year ended December 31, 1996. No contributions were made by the Company for the nine months ended September 30, 1996.

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 sole stockholder and a trust related to the sole 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, 1995 and 1996, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows -- Predecessor for the period from January 1, 1994 to October 14, 1994 -- Successor for the period from October 15, 1994 to December 31, 1994 and the years ended December 31, 1995 and 1996. 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, 1995 and 1996 and the results of their operations and their cash flows -- Predecessor for the period from January 1, 1994 to October 14, 1994 -- Successor for the period from October 15, 1994 to December 31, 1994 and the years ended December 31, 1995 and 1996 in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP

/s/ KPMG PEAT MARWICK LLP

Houston, Texas
January 17, 1997

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

ASSETS

	DECEMBER 31, 1995	DECEMBER 31, 1996	SEPTEMBER 30, 1997 (UNAUDITED)
Current assets:			
Cash and cash equivalents	$ 1,905	$ 92	$ 464
Accounts receivable, net of allowance for doubtful accounts of $30, $104 and $53, respectively	598	816	976
Prepaid expenses and other current assets	682	793	965
Assets held for resale	--	700	--
Total current assets	3,185	2,401	2,405
Land	4,177	5,301	6,124
Rental towers and related fee based assets, net of accumulated depreciation of $1,729, $3,984 and $7,365, respectively	42,056	61,556	105,106
Other assets, net of accumulated amortization of $486, $836 and $1,670, respectively	4,364	6,269	6,563
Total assets	$53,782	$75,527	$120,198

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable	$ 489	$ 720	$ 1,652
Accrued interest payable	539	598	977
Deferred revenues and other current liabilities	1,395	978	1,742
Current portion of long-term debt	1,580	1,075	1,000
Total current liabilities	4,003	3,371	5,371
Long-term debt, less current portion	31,875	49,771	67,817
Other liabilities	541	450	173
Deferred income taxes	6,306	6,337	6,601
Total liabilities	42,725	59,929	79,962
Commitments and contingencies (Note 11)			
Redeemable preferred stock, $.01 par value. Authorized 5,000,000 shares, issued and outstanding, 22,500 shares	3,633	4,000	4,000
Stockholders' equity:			
Common stock, $.01 par value. Authorized 250,000 shares; 67,500, 75,331 and 149,548 shares issued and outstanding, respectively	1	1	2
Additional paid-in capital	7,924	12,051	36,204
Retained earnings (accumulated deficit)	(501)	(454)	30
Total stockholders' equity	7,424	11,598	36,236
Total liabilities and stockholders' equity	$53,782	$75,527	$120,198

See accompanying notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	PREDECESSOR	SUCCESSOR				
	JANUARY 1, 1994 THROUGH OCTOBER 14, 1994	OCTOBER 15, 1994 THROUGH DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
					(UNAUDITED)	
Total revenues	$ 5,218	$1,948	$8,277	$12,366	$ 8,356	$ 14,491
Operating expenses:						
Direct tower costs	1,151	402	1,868	2,849	1,968	2,924
Selling, general and administrative	2,137	380	1,601	2,049	1,485	2,347
Depreciation and amortization	2,106	403	1,908	2,709	1,839	3,369
Total operating expenses	5,394	1,185	5,377	7,607	5,292	8,640
Operating income (loss)	(176)	763	2,900	4,759	3,064	5,851
Interest expense	2,117	576	3,068	3,808	2,630	3,900
Other expenses	93	66	414	150	113	213
Income (loss) before taxes and extraordinary items	(2,386)	121	(582)	801	321	1,738
Income tax (expense) benefit	--	(50)	217	(303)	(121)	(660)
Income (loss) before extraordinary items	(2,386)	71	(365)	498	200	1,078
Extraordinary loss, net of tax benefit of $117, $272 and $395 respectively	--	--	(207)	(451)	--	(594)
Net income (loss)	$ (2,386)	$ 71	$ (572)	$ 47	$ 200	$ 484

See accompanying notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

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

	PREDECESSOR			
	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' DEFICIT
Balances at December 31, 1993	$ --	$ --	$(1,716)	$(1,716)
Net loss	--	--	(2,386)	(2,386)
Balances at October 14, 1994	$ --	$ --	$(4,102)	$(4,102)

	SUCCESSOR			
	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS (ACCUMULATED DEFICIT)	TOTAL STOCKHOLDERS' EQUITY
Beginning balances at October 15, 1994	$--	$ --	$ --	$ --
Sale of 67,500 shares of common stock	1	6,749	--	6,750
Allocation of warrant value to equity	--	675		675
Net income	--	--	71	71
Balances at December 31, 1994	1	7,424	71	7,496
Allocation of warrant value to equity	--	500	--	500
Net loss	--	--	(572)	(572)
Balances at December 31, 1995	1	7,924	(501)	7,424
Common stock issued in connection with acquisition, 6,481 shares	--	4,127	--	4,127
Conversion of warrants to 1,350 shares of common stock	--	--	--	--
Net income	--	--	47	47
Balances at December 31, 1996	1	12,051	(454)	11,598
Conversion of warrants to 24,084 shares of common stock (unaudited)	--	--	--	--
Conversion of warrants with put feature to 12,642 shares of common stock (unaudited)	--	174	--	174
Sale of 36,049 shares of common stock, net of issuance costs (unaudited)	1	22,979	--	22,980
Common stock issued in connection with tower acquisition, 1,442 shares (unaudited)	--	1,000	--	1,000
Net income (unaudited)	--	--	484	484
Balances at September 30, 1997 (unaudited)	$ 2	$36,204	$ 30	$36,236

See accompanying notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	PREDECESSOR	SUCCESSOR				
	JANUARY 1, 1994 THROUGH OCTOBER 14, 1994	OCTOBER 15, 1994 THROUGH DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	1996	NINE MONTHS ENDED SEPTEMBER 30, 1996	1997
					(UNAUDITED)	
Cash flows from operating activities:						
Net income (loss).....	$(2,386)	$ 71	$ (572)	$ 47	$ 200	$ 484
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization.....	2,106	403	1,908	2,709	1,839	3,369
Accretion of discounts.....	--	41	202	808	606	339
Deferred income taxes.....	--	50	(334)	31	121	(132)
Deferred loan costs written-off.....	--	--	324	--	--	990
Increase in accounts receivable, net.....	(47)	(14)	(203)	(218)	(155)	(160)
(Increase)/decrease in prepaid expenses and other current assets.....	(142)	(143)	(109)	(111)	68	(172)
Increase in accounts payable.....	51	23	59	231	479	932
Increase (decrease) in accrued interest payable.....	(81)	380	14	59	102	379
Increase (decrease) in deferred revenues and other.....	235	(469)	332	(417)	(131)	955
Accrual for imputed interest on Predecessor subordinated debt.....	2,000	--	--	--	--	--
Total adjustments....	4,122	271	2,193	3,092	2,929	6,500
Net cash provided by operating activities.....	1,736	342	1,621	3,139	3,129	6,984
Cash flows from investing activities:						
Payment for purchase of towers and related assets.....	(999)	(444)	(7,351)	(14,249)	(6,240)	(46,140)
Proceeds from the sale of land.....	48	--	24	--		--
Purchases of land.....	--	(55)	(500)	(1,124)	--	(921)
Payment for acquisition of predecessor.....	--	(9,692)	--	--	--	--
Net cash used in investing activities..	(951)	(10,191)	(7,827)	(15,373)	(6,240)	(47,061)
Cash flows from financing activities:						
Proceeds from borrowings on long-term debt.....	--	21,000	4,646	39,850	2,365	40,100
Net payments on Predecessor revolving line of credit.....	(440)	--	--	--	--	--
Proceeds from Predecessor expansion loan....	486	--	--	--	--	--
Proceeds from issuance of Successor common stock.....	--	6,750	--	--	--	22,980
Proceeds from issuance of preferred stock....	--	--	4,133	367	368	--
Payments of long-term						

debt	--	--	(1,680)	(28,736)	(1,063)	(21,667)
Payments of deferred loan costs and interest rate cap	--	(496)	(98)	(1,060)	(164)	(964)
Payments of Predecessor long-term debt	(1,116)	(14,699)	--	--	--	--
Payment of Predecessor employment contracts	--	(941)	--	--	--	--
Payment of Predecessor selling costs	--	(744)	--	--	--	--
Net cash provided by (used in) financing activities	(1,070)	10,870	7,001	10,421	1,506	40,449
Net increase (decrease) in cash and cash equivalents	(285)	1,021	795	(1,813)	(1,605)	372
Cash and cash equivalents at beginning of period	374	89	1,110	1,905	1,905	92
Cash and cash equivalents at end of period	$ 89	$ 1,110	$1,905	$ 92	$ 300	$ 464
Supplemental disclosure of cash flow information-- cash paid during the period for interest	$ 197	$ --	$2,915	$ 2,925	$ 1,846	$ 3,032

See accompanying notes to consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Formation and Organization

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.

ATC was created for the purpose of acquiring 100% of the outstanding common stock of Bowen-Smith Holdings, Inc., which was completed in October 1994. This acquisition was accounted for as a purchase. The cost of the acquisition was allocated on the basis of the estimated fair values of the assets acquired and the liabilities assumed. The financial information for the period from January 1, 1994 to October 14, 1994 reflects Bowen-Smith Holdings, Inc.'s historical cost of the assets and liabilities. As a result of the acquisition and different cost basis with respect to the assets and liabilities of the Company, financial information for periods before and after October 15, 1994 is not comparable. For purposes of identification and description, Bowen-Smith Holdings, Inc. is referred to as the "Predecessor" for the period prior to the acquisition; ATC is the "Successor" for the period subsequent to the acquisition.

(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. ATC 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 nine months ended September 30, 1996 and 1997 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 nine-month periods ended September 30, 1997 and 1996 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. Cash equivalents include an interest-bearing money market account with a balance of approximately $1,834,000 at December 31, 1995 and $12,000 at December 31, 1996.

(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 the Predecessor majority stockholder which is 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 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.

(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

In December 1991, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards 107, Disclosure about Fair Value of Financial Instruments. This Statement 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 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

Prior to January 1, 1996, the Company accounted for its stock option plan in accordance with the provisions of Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. 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 also allows entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and future years 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 provisions of SFAS No. 123.

(l) Interest Rate Cap Agreements

The Company is party to a financial instrument to reduce its exposure to fluctuations in interest rates. The purchase price of the interest rate cap agreements is 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.

(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 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 Holding, L.L.C. 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. 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 proforma consolidated results of operations give effect to the above acquisitions as though the 1995 and 1996 acquisitions had occurred on January 1, 1995:

	1995	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Rental revenues	$10,575	$13,565
Operating income	$ 3,737	$ 4,855
Net loss	$(1,492)	$ (346)

During the nine months ended September 30, 1997, the Company acquired in a single transaction 32 tower sites for approximately $11.8 million. In addition, during 1997 the Company acquired 45 tower sites in several unrelated transactions.

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 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:

	DECEMBER 31, 1995	DECEMBER 31, 1996	SEPTEMBER 30, 1997
	(IN THOUSANDS)		
Prepaid land leases	$474	$619	$778
Materials and supplies	52	--	--
Other current assets	156	174	187
	$682	$793	$965

(4) OTHER ASSETS

Other assets consisted of the following:

	DECEMBER 31, 1995	DECEMBER 31, 1996	SEPTEMBER 30, 1997
	(IN THOUSANDS)		
Deferred loan costs, net	$ 145	$1,009	$ 778
Licenses and permits, net	3,366	4,428	4,944
Non-compete costs, net	823	623	573
Other assets	30	209	268
	$4,364	$6,269	$6,563

(5) DEFERRED REVENUES AND OTHER CURRENT LIABILITIES

Deferred revenues and other current liabilities consisted of the following:

	DECEMBER 31, 1995	DECEMBER 31, 1996	SEPTEMBER 30, 1997
	(IN THOUSANDS)		
Deferred revenues	$ 447	$201	$ 886
Deferred compensation contracts	525	300	150
Accrued expenses and other	423	477	706
	$1,395	$978	$1,742

(6) LONG-TERM DEBT

On June 30, 1997, the Company entered into a new senior credit agreement (credit agreement). The credit agreement includes a $100 million revolving line of credit, which included 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 $594,000, 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.

On October 11, 1996, the Company entered into a senior credit facility (credit facility) in connection with the acquisition of the communication towers from Prime as discussed in Note 2.

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 Company had borrowed an additional $2.8 million under the revolving credit facility as of December 31, 1996.

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 portion of the credit facility required principal amortization with quarterly payments totaling $5.6 million in 1999, $7.4 million in 2000 and 2001, $9.3 million in 2002 and $7.3 million in 2003. The revolving credit facility required the maximum amount outstanding to be reduced quarterly beginning in January 1999. The maximum amount allowed to be outstanding under the revolving credit facility in 1999 is $22.4 million, in 2000 is $19.6 million, in 2001 is $15.0 million, in 2002 is $10.4 million, in 2003 is $4.6 million with a final maturity of October 2003. 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 connection 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 connection 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 1996 and 1995 have been reflected as extraordinary losses 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 require (i) a single installment on October 11, 2004 or (ii) immediate payment upon an initial public offering. The subordinated term notes bear interest at 11% payable quarterly commencing January 1997. During 1997 these notes were fully repaid.

Long-term debt consisted of the following:

	DECEMBER 31, 1995	DECEMBER 31, 1996	SEPTEMBER 30, 1997
	(IN THOUSANDS)		
Term note payable, due in quarterly payments beginning in September 1999, interest at a base rate, as defined	$ --	$ --	$63,300
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%	18,480	39,850	--
Seller financing, noninterest bearing secured note payable, due in annual installments commencing December 20, 1996 through December 20, 2000	7,313	6,313	6,313
Senior subordinated note, interest payable in quarterly installments at 12.75% per annum; principal payments due and payable in prescribed amounts beginning on April 1, 2001; original principal reduced by value of stock warrant (see Note 9)	6,000	--	--
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)	3,000	3,000	--
Subordinated notes payable, interest payable in quarterly installments at 11.0% per annum; single installment due October 2004, or immediately upon an initial public offering	--	2,561	--
Noninterest bearing unsecured note payable, maturing in 1999	500	500	500
Noninterest bearing unsecured note payable, due in two installments on July 1, 1995 and January 1, 1996	500	--	--
Note payable, due in quarterly installments commencing January 1, 1995 bearing interest at 10.0%	400	300	--
Other	129	43	43
Discounts associated with noninterest bearing obligations	(2,221)	(1,671)	(1,339)
Discount assigned to stock warrants (see Note 9)	(646)	(50)	--
Total long-term debt	33,455	50,846	68,817
Less current portion	1,580	1,075	1,000
Long-term debt excluding current portion	$31,875	$49,771	$67,817

The Company is a party to a financial instrument in order to reduce its exposure to fluctuations in interest rates. The agreement provides for the third parties to make payments to the Company whenever a defined floating interest rate exceeds 10 percent per annum. No such payments were made in 1995 or 1996. Payments on the interest rate cap agreements are 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 expires in December 1997.

The aggregate annual maturities of long-term debt (not reduced for discount rates on non-interest bearing obligations) as of September 30, 1997 are as follows:

YEAR ENDING DECEMBER 31,	(IN THOUSANDS)
1997	$ 1,000
1998	1,007
1999	2,757
2000	4,134
2001	6,010
Thereafter	55,248
	$70,156

(7) FEDERAL INCOME TAXES

Income tax expense for the successor period ended December 31, 1994, and the years ended December 31, 1995 and 1996 consisted of the following:

	1994	1995	1996
	(IN THOUSANDS)		
Current	$--	$ --	$--
Deferred	50	(217)	303
	$ 50	$(217)	$303

Income tax expense at December 31, 1994, 1995 and 1996 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:

	1994	1995	1996
	(IN THOUSANDS)		
Computed "expected" tax expense (benefit)	$41	$(198)	$272
State taxes	2	29	28
Other	7	(48)	3
Total	$50	$(217)	$303

At December 31, 1996, the Company had net operating loss carryforwards (NOLs) of approximately $9,258,000 for U.S. Federal income tax purposes. The NOLs, if unused, will expire between 2004 and 2008. 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 tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1995 and 1996 are as follows:

	1995	1996
	(IN THOUSANDS)	
Deferred tax assets:		
Operating loss and alternative minimum tax credit carryforward	$1,968	$3,472
Accrued liabilities	400	64
Other	27	72
Deferred tax assets	2,395	3,608
Deferred tax liability - rental towers and related fee based assets, principally due to differences in basis for financial reporting purposes and tax purposes	8,701	9,945
Net deferred tax liability	$6,306	$6,337

There is no valuation allowance at December 31, 1995 and 1996 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 commenced 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. As of December 31, 1995, the Company had received $4,133,000 in cash for the offering. The remaining $367,000 was received in January 1996.

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 September 30, 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 June 1997, the Company completed a private placement offering of common stock with Clear Channel Communications, Inc. whereby the Company raised net proceeds of $23 million. The Company utilized the private placement proceeds in connection with securing the new senior credit agreement described in Note 6.

In conjunction with the purchase of the common stock of the predecessor, the Company issued warrants to the senior subordinated debt holder for 12,642 shares of common stock with an exercise price of $.01 per share. This warrant is immediately exercisable into common stock of the Company. The Company determined this warrant to have an estimated 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 $16,000, $75,000 and $59,000 for the successor period ended December 31, 1994, and 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 can require the Company to purchase the stock warrants beginning in October 2002 (put right). The put amount is defined in the warrant agreement with the senior subordinated lender. At December 31, 1995 and 1996, the accompanying consolidated financial statements include an accrual for $115,000 and $174,000, respectively, related to the put feature of the warrants granted to the senior subordinated lender. These warrants were exercised on June 30, 1997.

A warrant was also issued to one of the previous sellers 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 seller note. 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 shareholder.

(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, 1996, there were 2,981 additional shares available for grant under the Plan. The per share weighted-average value of stock options granted during 1995 and 1996 was $37 and $192, 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 and 6.58% for the 1996 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:

	1995	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Net income(loss)		
As reported	$(572)	$ 47
Pro forma	(579)	(231)

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. 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	5,650	475
Forfeited	(500)	100
Balance at December 31, 1996	6,250	$439

At December 31, 1996, the number of options exercisable was 166 and the weighted-average exercise price of these options was $100 per share. During the first quarter of 1997, the Company granted an additional 250 options at an exercise price of $475.

(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 $112,000, $459,000, $665,000 and $946,000 for the successor period ended December 31, 1994 and the years ending December 31, 1995 and 1996 and the nine months ended September 30, 1997, respectively.

Minimum future lease payments for the years ending December 31, are as follows:

1997	$1,107,000
1998	787,000
1999	677,000
2000	600,000
2001	623,000
Thereafter	2,738,000
Total minimum lease payments	$6,532,000

Related Party Transactions

The Company has entered into consulting agreements with three shareholders. The total management payments under these agreements was approximately $38,000 for the successor period ended December 31, 1994, $300,000 for each of the years ended December 31, 1995 and 1996, respectively, and $225,000 for the nine months ended September 30, 1997, and future minimum payments required by these management agreements are $300,000, $300,000 and $262,500 for the years ended December 31, 1997, 1998 and 1999, respectively.

The Company has entered into a management agreement with a private investment firm which is a significant shareholder of the Company. The Company paid $121,000, $127,000 and $341,000 to this investment firm during the years ended December 31, 1995 and 1996 and the nine months ended September 30, 1997, respectively. In addition, the Company paid the investment firm a financial advisory fee of $600,000 in

connection with the Bowen-Smith Holdings, Inc. acquisition in October 1994. 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 period from October 15 to December 31, 1994 and the years ended December 31, 1995 and 1996, rental expense relating to these land leases totaled $12,500, $33,000 and $35,000, 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 at prices and on terms it considers no less favorable than could have been obtained from other vendors. During the years ended 1995 and 1996 and the nine months ended September 30, 1997, the Company made payments of $304,000, $1,710,000 and $2,124,000, respectively, to this entity.

(12) SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES

The Company had the following noncash financing and investing activities:

	1994	1995	1996
	(IN THOUSANDS)		
Note payable issued for CSX acquisition	$ --	$7,664	$ --
Notes payable issued for tower acquisitions	--	500	2,361
Common stock issued for Prime acquisition	--	--	4,127
Notes payable issued for noncompete agreements	1,000	160	--
Accrued acquisition costs	--	150	--
Accrued debt refinancing costs	--	100	--
Note payable issued in acquisition	3,000	--	--
Note payable to employee trust assumed	500	--	--
Deferred compensation contracts assumed	846	--	--

(13) SUBSEQUENT EVENTS (UNAUDITED)

In December 1997, the Company entered into a Merger Agreement with American Tower Systems Corporation (ATS), which subject to certain significant conditions, will result in the merger of the Company into ATS. The merger is scheduled to be completed during the first half of 1998.

APPENDIX I

BUSINESS OF AMERICAN RADIO

GENERAL

American Radio is a national radio broadcasting company committed to developing and operating clusters of complementary radio stations in major and growing advertising markets. ARS is among the five largest radio groups in the nation owning and/or programming approximately 90 radio stations in 19 markets across the United States. Consistent with its strategy of operating in the top 60 markets, American Radio owns or programs pursuant to LMAs stations in the following markets: Boston/Worcester, Seattle, St. Louis, Baltimore, Cincinnati, Portland, Pittsburgh, Sacramento, Charlotte, Kansas City, Hartford, Austin, Buffalo, Las Vegas, San Jose, West Palm Beach, Rochester, Fresno and Riverside/San Bernardino. American Radio station groups ranked first or second among station operators in radio advertising revenues in 18 of its 19 markets, based on the Duncan Guide.

The following table sets forth certain information regarding ARS and its markets, assuming all of the Recent Transactions had been consummated as of January 1, 1996.

	MARKET RANKING BY REVENUE	ARS REVENUE RANK	NUMBER OF STATIONS	
			FM	AM
Boston(1)	9	2	3	4
Seattle	13	2	4	1
St. Louis	18	1	4	0
Cincinnati	20	2	3	--
Baltimore	21	1	3	2
Portland	22	1	5	1
Pittsburgh	24	2	3	--
Sacramento	25	1	5	2
Charlotte	27	1	5	2
Kansas City	29	2	4	1
Hartford	35	1	3	1
Austin	37	4	3	1
Las Vegas	39	1	4	2
Buffalo	42	2	3	1
San Jose(2)	43	1	4	--
West Palm Beach	49	2	2	--
Rochester	53	1	4	--
Fresno	62	1	5	2
Riverside/San Bernardino/Sun City	64	1	3	--

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(1) Includes one AM station and one FM station in Worcester, MA. This includes stations in a regional market that do not necessarily constitute a "market" under the definition of overlapping principal community contours of the FCC.

(2) Includes one FM station in the Fremont/San Francisco area and one FM station in the Monterey area. This includes stations in a regional market that does not necessarily constitute a "market" under the definition of overlapping principal community contours of the FCC.

RECENT TRANSACTIONS

Since January 1, 1997, American Radio has consummated transactions relating to the acquisition of approximately 50 stations (before giving effect to subsequent exchanges and dispositions) for an aggregate

acquisition price of approximately $1.1 billion. For additional information with respect to recent acquisitions, see the ARS 10-K and the ARS September 1997 10-Q.

Other Transactions. American Radio may, from time to time, pursue the acquisition, exchanges and disposition of other stations, although there are no definitive binding agreements with respect to any such transactions, except as reflected in Recent Transactions. Any such acquisitions, exchanges or dispositions will require the approval of CBS under the provisions of the Merger Agreement as well as that of the FCC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN RADIO

The following unaudited pro forma condensed consolidated financial statements of American Radio consist of an unaudited pro forma balance sheet as of September 30, 1997 and unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 1996 and for the nine months ended September 30, 1997. With respect to acquisitions, the pro forma statements give effect only to the ARS Pro Forma Transactions and the ATS Pro Forma Transactions (as defined in the Notes hereto) based on their significance in relation to all of ARS' acquisitions, including the Recent Transactions. The unaudited pro forma balance sheet and the unaudited pro forma condensed consolidated statements of operations should be read in conjunction with ARS' consolidated financial statements and notes thereto, as well as the consolidated financial statements and notes thereto of EZ and certain businesses that have been or may be acquired, which are incorporated by reference in this Information Statement/Prospectus. For purposes of presenting the unaudited pro forma balance sheet and the unaudited pro forma condensed statements of operations, the pro forma amounts included for EZ do not give effect to acquisitions consummated during 1996 or 1997. See Note 3 to the consolidated financial statements of EZ in the EZ 10-K incorporated herein by reference. The unaudited pro forma condensed consolidated balance sheet and the unaudited pro forma condensed consolidated statements of operations are not necessarily indicative of the financial condition or the results that would have been reported had such events actually occurred on the date specified, nor are they indicative of ARS' future results of operations.

AMERICAN RADIO SYSTEMS CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1997
(IN THOUSANDS)

	HISTORICAL	ADJUSTMENTS FOR ARS AND ATS PRO FORMA TRANSACTIONS(A)	ARS PRO FORMA	ADJUSTMENTS FOR THE TOWER SEPARATION(B)	PRO FORMA
ASSETS					
Cash and cash equivalents	$ 13,822	$ 464	$ 14,286	$ (2,759)	$ 11,527
Accounts receivable, net	84,159	976	85,135	(2,536)	82,599
Other current assets	9,640	965	10,605	(1,675)	8,930
Property and equipment, net	180,657	179,916	360,573	(228,023)	132,550
Restricted cash	34,441		34,441		34,441
Station investment notes	25,756		25,756		25,756
Intangible assets, net	1,592,772	527,794	2,120,566	(587,613)	1,532,953
Deposits and other assets	21,678	(2,000)	19,678	(1,015)	18,663
Total	$1,962,925	$708,115	$2,671,040	$(823,621)	$1,847,419
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities, excluding current portion of long-term debt	$ 47,742	$ 5,371	$ 53,113	$ (10,516)	$ 42,597
Deferred income taxes	203,835	29,657	233,492	(30,741)	202,751
Other long-term liabilities	11,072	173	11,245	(202)	11,043
Long-term debt, including current portion	809,015	266,817	1,009,232	(202,420)	873,412
Minority interest	774	78,200	78,974	(78,974)	0
Cumulative Preferred Stock	215,550		215,550		215,550
Stockholders' equity	674,937	327,897	1,069,434	(500,768)	502,066
Total	$1,962,925	$708,115	$2,671,040	$(823,621)	$1,847,419

See Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet of American Radio.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(a) The ARS Pro Forma Transactions and ATS Pro Forma Transactions will be accounted for under the purchase method of accounting. The following adjustments have been recorded as of September 30, 1997: (i) ARS borrowed approximately $118.8 million, net and used currently outstanding escrow deposits to finance the ATS Pro Forma Transactions; (ii) ARS borrowed approximately $107.6 million, net and used currently outstanding escrow deposits to finance the ARS Pro Forma Transactions relating to American Radio; and (iii) minority interests attributable to the ATS Common Stock issued upon consummation of the Gearon Transaction (valued at $48.0 million) and for cash ($30.2 million) upon consummation of the ATS Stock Purchase Agreement (the remaining proceeds of the ATS Stock Purchase Agreement represent secured notes of $49.4 million and have been recorded as credit to stockholders' equity). The preliminary estimates of fair value of property, plant and equipment and FCC licenses may change upon final appraisal.

(b) The accounts of ATS and its subsidiaries have been eliminated pursuant to the assumed consummation of the Tower Separation. The Tower Separation reflects the recapitalization of ATS prior to the Tower Separation, as if the Tower Separation occurred on September 30, 1997, including: (i) a capital contribution of $98.6 million (including the $118.8 million referred to in clause (i) of (a) above), representing the difference between the aggregate amount invested by ARS in ATS at September 30, 1997 of $51.4 million and the maximum amount ($150.0 million) permitted by the Merger Agreement; (ii) payment of the $49.4 million of secured notes referred to in clause (iii) of note (a) above; and (iii) a tax liability attributed to the Tower Separation of $20.0 million which is the maximum amount required to be borne by ARS pursuant to the provisions of the Merger Agreement. The table above reflects elimination of the intercompany balance through an ARS capital contribution and the incurrence by ATS of external borrowings.

AMERICAN RADIO SYSTEMS CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1996
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	ADJUSTMENTS FOR ARS AND ATS PRO FORMA TRANSACTIONS(A)(B)	ARS PRO FORMA	ADJUSTMENTS FOR THE TOWER SEPARATION(B)	PRO FORMA
Net revenues	$178,019	$203,759	$381,778	$(65,873)	$315,905
Operating expenses	120,004	127,127	247,131	(37,633)	209,498
Net LMA expenses	8,128		8,128		8,128
Depreciation and amortization	17,810	91,371	109,181	(49,906)	59,275
Corporate general and administrative expenses	5,046	1,000	6,046	(830)	5,216
Operating income (loss)	27,031	(15,739)	11,292	22,496	33,788
Other (income) expense:					
Interest expense, net	16,762	47,743	64,505	(9,971)	54,534
(Gains) losses on sale of assets, net	308		308	(149)	159
Total other expense	17,070	47,743	64,813	(10,120)	54,693
Income (loss) before income taxes	9,961	(63,482)	(53,521)	32,616	(20,905)
Provision (benefit) for income taxes(c)	4,826	(23,117)(c)	(18,291)	7,580	(10,711)
Net income (loss)	5,135	(40,365)	(35,230)	25,036	(10,194)
Preferred stock dividends	(4,973)	(22,750)	(27,723)		(27,723)
Net income (loss) applicable to common stockholders	$ 162	$(63,115)	$(62,953)	$ 25,036	$(37,917)
Net income (loss) per common share	$ 0.01		$ (2.26)		$ (1.36)
Weighted average common shares outstanding	20,510	7,383	27,893		27,893

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

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, 1996 gives effect to (i) the EZ Merger, the Hartford Transaction, the HBC Merger (excluding the Omaha stations all of which have been sold), the BayCom Transaction and the Baltimore Transaction (collectively, the "ARS Pro Forma Transactions"); (ii) the ATS Pro Forma Transactions; and (iii) the Tower Separation, as if each of the foregoing had occurred on January 1, 1996. See the Unaudited Pro forma Condensed Consolidated Financial Statements of ATS in the Information Statement for information with respect to the ATS Pro Forma Transactions.

ARS PRO FORMA TRANSACTIONS

EZ Merger: Pursuant to the consummation of the EZ Merger on April 4, 1997, ARS acquired 18 FM and six AM stations in eight markets: Seattle, St. Louis, Pittsburgh, Sacramento, Charlotte, Kansas City, New Orleans and Philadelphia, assumed approximately $222.4 million of long-term debt, paid approximately $108.9 million and issued approximately 8.3 million shares of ARS Class A Common Stock to the EZ stockholders. The foregoing station information does not give effect to the consummation of certain then prospective EZ transactions which were subsequently consummated. The aggregate purchase price was approximately $830.0 million, including goodwill, assumed liabilities and transaction costs.

Baltimore Transaction: In February 1997, ARS acquired WWMX-FM and WOCT-FM serving Baltimore (the "Baltimore Transaction") for approximately $90.0 million. ARS began programming and marketing the stations pursuant to an LMA in November 1996.

HBC Merger: In July 1996, ARS consummated a merger (the "HBC Merger") pursuant to which Henry Broadcasting Company ("HBC") merged into ARS. Pursuant to the HBC Merger, ARS issued an aggregate of 1,879,034 shares of ARS Class A Common Stock valued at $64.0 million, paid approximately $10.4 million in cash, and assumed long-term debt of approximately $37.3 million which was paid in full at closing. As part of a related transaction, ARS acquired certain real estate used in the business of HBC for approximately $2.0 million and obtained a five-year option to acquire certain other real estate for approximately $1.0 million. HBC owned an aggregate of 12 stations, of which nine were included as part of the HBC Merger as follows: KUFO-FM and KUPL-AM in Portland, Oregon, KYMX-FM and KCTC-AM in Sacramento, KGOR-FM and KFAB-AM in Omaha and KSKS-FM, KRNC-FM and KMJ-AM in Fresno.

Hartford Transaction: In May 1996, ARS consummated the acquisition of WTIC-FM and WTIC-AM in Hartford. In August 1995, ARS had entered into a series of transactions (the "Hartford Transaction") with the owner of those stations and certain affiliates, pursuant to which, among other things, ARS agreed to purchase the assets of those stations for approximately $39.0 million, including approximately $1.1 million of working capital and an obligation to make payments aggregating $8.5 million pursuant to a consulting and non-competition agreement with an affiliate of the owner of the stations. Also as part of the Hartford Transaction, ARS paid $1.0 million for a two-year option to purchase for $1.00 the New England Weather Service (which provides weather information to subscribers). ARS exercised its option and consummated the acquisition in the fourth quarter of 1997. Because ARS was prevented under the then current FCC regulations from acquiring these stations, it loaned an aggregate of $35.5 million to the owner of such stations and an affiliate thereof and made a $2.0 million escrow deposit. A portion of the loans was used to finance the acquisition of the stations and the balance was used to satisfy ARS' obligations under the consulting and non-competition agreement. ARS also paid $3.5 million to purchase the tower of one of the stations in October 1995.

BayCom Transaction: In August 1996, ARS acquired KUPL-FM and KKJZ-FM, serving Portland, Oregon, and KSJO-FM and KBAY (FM) (formerly KUFX-FM), serving San Jose (the "BayCom Transaction"), for an aggregate purchase price of approximately $103.0 million.

ATS PRO FORMA TRANSACTIONS

Meridian Transaction: In July 1997, ATS acquired 56 sites and a tower site management business in southern California for an aggregate purchase price of approximately $33.5 million.

Diablo Transaction: In October 1997, ATS acquired 110 sites and a site management business primarily in northern California for an aggregate purchase price of approximately $45.0 million.

Tucson Transaction: In October 1997, ATS entered into an agreement to purchase six towers in Tucson for approximately $12.0 million. Consummation of the transaction, which is subject to certain conditions, is expected to occur in the first quarter of 1998.

MicroNet Transaction: In October 1997, ATS acquired 128 owned or leased tower sites, principally in the Mid-Atlantic region, with the remainder in California and Texas for an aggregate purchase price of approximately $70.25 million. The acquisition also included ATS' video, voice and data transmission business.

Gearon Transaction: In January 1997, ATS acquired (through a merger with American Tower Systems (Delaware), Inc., a wholly-owned subsidiary of ATS) a company engaged primarily in the site acquisition business for unaffiliated third parties that also owns or has under construction approximately 40 tower sites. The merger price of approximately $80.0 million was paid by delivery of 5.3 million shares of ATS Class A Common Stock and approximately $32.0 million in cash and assumed liabilities.

ATC Merger: In December 1997, ATS entered into an agreement to acquire (through the ATC Merger) a company which is a leading independent owner and operator of wireless communications towers with more than 650 towers on approximately 618 sites in 31 states. Pursuant to the ATC Merger, ATS will issue an aggregate of approximately 31.1 million shares of ATS Common Stock (including shares issuable upon exercise of options). Consummation of the ATC Merger, is conditioned on, among other things, the expiration or earlier termination of the waiting period under the HSR Act, and consummation of the Tower Separation and, accordingly is not expected to take place until the spring of this year.

Tower Separation: ARS will distribute all of the ATS Common Stock owned by it to the holders of ARS Common Stock, to the holders of options to acquire ARS Common Stock and to the holders of ARS Convertible Preferred Stock upon conversion of ARS Convertible Preferred Stock, pursuant to either the Merger or the Tower Merger.

(a) To record the results of operations for the ARS Pro Forma Transactions. The results of operations have been adjusted to (i) reverse historical interest expense of $25.9 million and $1.3 million of interest income recorded on the Hartford Transaction station investment notes, (ii) record interest expense of $41.0 million for the year ended December 31, 1996, as a result of approximately $162.8 million of additional debt and the refunding of approximately $72.4 million of existing EZ debt, both bearing interest at an assumed rate of 8.75%, and the assumption of $150.0 million principal amount of notes bearing interest at 9.75%, all to be incurred in connection with the ARS Pro Forma Transactions. Weighted average common shares outstanding have been adjusted to reflect approximately 8.3 million shares issued in the EZ Merger; because the pro forma adjustments result in a loss, approximately 900,000 common equivalent shares have been excluded from pro forma earnings per share as they become anti-dilutive. 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 $0.6 million.

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of $13.4 million for the year ended December 31, 1996 and record depreciation and amortization expense of $42.6 million for the year ended December 31, 1996 based on estimated allocations of purchase prices. Depreciation expense for property, plant and equipment acquired has been determined based on an average life of ten years. Costs of acquired FCC licenses and goodwill for the transactions are amortized over 25 and 40 years, respectively. The preliminary estimates of the fair value of property, plant and equipment, FCC licenses and goodwill may change upon final appraisal.

Corporate general and administrative expenses of the prior owners have 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 ARS. Because ARS maintains a separate corporate headquarters which provides services substantially similar to those represented by these costs, they are not expected to recur following acquisition. After giving effect to an estimated $1.0 million of incremental costs, ARS 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 ARS Pro Forma Transactions for the periods in which they were not owned by ARS for the year ended December 31, 1996.

	EZ MERGER	HARTFORD TRANSACTION	HBC MERGER	BAYCOM TRANSACTION	BALTIMORE TRANSACTION	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues	$105,963	$4,117	$8,371	$ 9,789	$13,253		$141,493
Operating expenses	68,084	2,594	4,762	7,358	8,800		91,598
Depreciation and amortization	9,104	129	374	2,012	1,829	$ 29,222	42,670
Merger costs	10,433					(10,433)	
Corporate general and administrative	3,808		1,913	441	1,943	(7,105)	1,000
Operating income (loss)	14,534	1,394	1,322	(22)	681	(11,684)	6,225
Other (income) expense							
Interest expense, net	20,360		1,395	4,105		16,536	42,396
Other expense (income)	450	7		(22)	104	(539)	
Income (loss) from operations before income taxes	$ (6,276)	$1,387	$ (73)	$(4,105)	$ 577	$(27,681)	$(36,171)

Merger costs of EZ have not been carried forward into the pro forma condensed financial statements as these costs represent direct costs incurred by EZ as a result of the EZ Merger. Such costs consist primarily of professional fees, compensation to employees of EZ and regulatory related costs, including $4.5 million that was paid to settle a license renewal proceeding; satisfactory arrangements with respect to the station involved were a condition precedent to closing.

(b) To record the results of operations for the ATS Pro Forma Transactions. The results of operations have been adjusted to: (i) reverse historical interest expense of $4.2 million; (ii) record interest expense of $11.7 million for the year ended December 31, 1996, as a result of approximately $128.4 million of additional net debt to be incurred in connection with the ATS Pro Forma Transactions and payment of the estimated tax liability attributable to the Tower Separation of approximately $66.6 million (net of the $20.0 million to be borne by ARS pursuant to the provisions of the Merger Agreement), after giving effect to (x) capital contributions by ARS of $146.1 million, representing the difference between the aggregate amount invested by ARS in ATS at January 1, 1996 of $3.9 million and the maximum amount ($150.0 million) permitted by the Merger Agreement, and (y) the proceeds from the issuance of ATS Common Stock pursuant to the ATS Stock Purchase Agreement for an aggregate purchase price of $80.0 million, $79.4 million net of expenses (of which $49.4 million was paid in the form of secured notes and the balance in cash); (iii) and the historical depreciated book value of $4.2 million of an aggregate of 16 towers transferred or to be transferred by American to ATS representing an additional ARS equity investment in ATS. 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 $0.3 million. The estimated tax liability shown in clause (i) preceding is based on an assumed fair market value of the ATS Common Stock of $10.00 per share which is the price at which shares were issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. Such estimated tax liability would increase or decrease by approximately $14.8 million for each $1.00 per share increase or decrease in the fair market value of the ATS Common Stock. No adjustment has been included in the pro forma information with respect to certain adjustment provisions in the Merger Agreement relating to the Working Capital and Debt Amount (each as defined in the Merger Agreement) of ARS at the time of the consummation of the Merger, because ARS estimates that the payment, if any, required by such provisions to be paid or received by ATS will not be material. For information with respect to such adjustments, see "The Merger and Tower Separation--ARS-ATS Separation Agreement--Closing Date Adjustments."

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of $7.7 million for the year ended December 31, 1996 and record depreciation and amortization expense of $48.7 million for the year ended December 31, 1996 based on estimated allocations of purchase prices. Depreciation expense for property, plant and equipment acquired has been determined based on an average life of fifteen years. Costs of acquired intangible assets for the transactions are amortized over 15 years. The preliminary estimates of the fair market value of property, plant and equipment and intangible assets may change upon final appraisal.

Corporate general and administrative expenses of the prior owners have 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 maintains a separate corporate headquarters that provides services substantially similar to those represented by these costs, they are not expected to recur following acquisition. After giving effect to an estimated $2.0 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 for the periods in which they were not owned by ATS for the year ended December 31, 1996.

	MERIDIAN TRANSACTION	DIABLO TRANSACTION	MICRONET TRANSACTION	TUCSON TRANSACTION	GEARON TRANSACTION	ATC MERGER	TRANSFER OF TOWERS	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues.....	$4,498	$7,422	$15,058	$1,438	$21,484	$12,366	$ 710		$ 62,976
Operating expenses.....	3,218	5,922	9,867	371	13,302	2,849	742		36,271
Depreciation and amortization....	416	417	3,936	164	103	2,709	215	$ 40,956	48,916
Corporate general and administrative..		776				2,049		(825)	2,000
Operating income (loss).....	864	307	1,255	903	8,079	4,759	(247)	(40,131)	(24,211)
Other (income) expense.....									
Interest expense, net...	70	81		213		3,808		8,536	12,708
Other expense (income).....		294	(43)	(19)	(95)	150		(287)	
Income (loss) from operations before income taxes.....	$ 794	$ (68)	$ 1,298	$ 709	$ 8,174	$ 801	$(247)	$(48,380)	$(36,919)

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

AMERICAN RADIO SYSTEMS CORPORATION

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 1997
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	ADJUSTMENTS FOR ARS AND ATS PRO FORMA TRANSACTIONS(A)(B)	ARS PRO FORMA	ADJUSTMENTS FOR THE TOWER SEPARATION(B)	PRO FORMA
Net revenues	$260,512	$ 80,295	$340,807	$(65,981)	$274,826
Operating expenses	172,018	45,452	217,470	(33,186)	184,284
Net LMA expenses	1,914		1,914		1,914
Depreciation and amortization	42,974	44,728	87,702	(38,873)	48,829
Merger Expenses	300		300		300
Corporate general and administrative expenses	6,601	500	7,101	(919)	6,182
Operating income (loss)	36,705	(10,385)	26,320	6,997	33,317
Other (income) expense:					
Interest expense, net	38,562	24,385	62,947	(8,218)	54,729
(Gains) losses on sale of assets, net	(455)		(455)	(224)	(679)
Total other expense	38,107	24,385	62,492	(8,442)	54,050
Income (loss) before income taxes	(1,402)	(34,770)	(36,172)	15,439	(20,733)
Provision (benefit) for income taxes(c)	(774)	(12,103)	(12,877)	2,077	(10,800)
Net income (loss)	(628)	(22,667)	(23,295)	13,362	(9,933)
Preferred stock dividends	(22,770)	(1,896)	(24,666)		(24,666)
Loss applicable to common stockholders	$(23,398)	$(24,563)	$(47,961)	$ 13,362	$(34,599)
Loss before extraordinary loss per common share	$ (.88)		$ (1.63)		$ (1.17)
Weighted average common shares outstanding	26,549	2,905	29,454		29,454

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

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

The unaudited pro forma condensed consolidated statement of operations for the nine months ended September 30, 1997 gives effect to (i) the EZ Merger and the Baltimore Transaction; (ii) the ATS Pro Forma Transactions; and (iii) the Tower Separation, as if they had occurred on January 1, 1997.

(a) To record the results of operations for the EZ Merger. The Baltimore Transaction has not been given pro forma effect for any items other than depreciation and amortization, interest expense and income taxes as the revenues and operating expenses are included in the historical numbers pursuant to the pre-existing LMA. The results of operations have been adjusted to record interest expense of $10.1 million for the nine months ended September 30, 1997, as a result of approximately $200.9 million of additional debt and the refunding of approximately $72.4 million of existing EZ debt, both bearing interest at an assumed rate of 8.25%, and the assumption of $150.0 million principal amount of notes bearing interest at 9.75%, incurred in connection with the EZ Merger. Weighted average common shares outstanding have been adjusted to reflect 8.3 million shares issued in the EZ Merger. 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 $0.34 million.

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of $2.5 million for the nine months ended September 30, 1997 and record depreciation and amortization expense of $8.7 million for the nine months ended September 30, 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 ten years. Costs of acquired FCC licenses and goodwill for the transactions are amortized over 25 and 40 years, respectively. The preliminary estimates of the fair value of property, plant and equipment, FCC licenses and goodwill may change upon final appraisal.

Corporate general and administrative expenses of the prior owners have 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 ARS. Because ARS maintains a separate corporate headquarters that provides services substantially similar to those represented by these costs, they are not expected to recur following acquisition. After giving effect to an estimated $0.5 million of incremental costs, ARS 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 ARS Pro Forma Transactions for the periods in which they were not owned or operated by ARS for the nine months ended September 30, 1997.

	EZ MERGER	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues	$22,748		$ 22,748
Operating expenses	16,411		16,411
Depreciation and amortization	2,549	$ 6,173	8,722
Corporate general and administrative	756	(256)	500
Operating income (loss)	3,032	(5,917)	(2,885)
Interest expense, net	5,186	4,883	10,069
Other expense (income)	(88)	88	
Income (loss) from operations before income taxes	$(2,066)	$(10,888)	$(12,954)

(b) To record the results of operations for the ATS Pro Forma Transactions. The results of operations have been adjusted to: (i) reverse historical interest expense of $4.2 million; (ii) record interest expense of $8.2 million for nine months ended September 30, 1997, as a result of approximately $118.8 million of additional net debt to be incurred in connection with the ATS Pro Forma Transactions, and payment of the estimated tax liability attributable to the Tower Separation of approximately $66.6 million (net of $20.0 million to be borne by ARS pursuant to the provisions of the Merger Agreement) after giving effect to (x) capital contributions by ARS of $98.6 million, representing the difference between the aggregate amount invested by ARS in ATS at September 30, 1997 of $51.4 million and the maximum amount ($150.0 million) permitted by the Merger Agreement, and (y) the proceeds from the issuance of ATS Common Stock pursuant to the ATS Stock Purchase Agreement for an aggregate purchase price of $80.0 million, $79.4 million net of expenses (of which $49.4 million was be paid in the form of secured notes and balance in cash); and (iii) the historical depreciated book value of $4.2 million of an aggregate of 16 towers transferred or to be transferred by American to ATS representing an additional ARS equity investment in ATS. 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 estimated tax liability shown in clause (i) preceding is based on an assumed fair market value of the ATS Common Stock of $10.00 per share which is the price at which shares are proposed to be issued pursuant to the consummation of the transactions contemplated by the ATS Stock Purchase Agreement. Such estimated tax liability would increase or decrease by approximately $14.8 million for each $1.00 per share increase or decrease in the fair market value of the ATS Common Stock. No adjustment has been included in the pro forma information with respect to certain adjustment provisions in the Merger Agreement relating to the Working Capital and Debt Amount (each as defined in the Merger Agreement) of ARS at the time of the consummation of the Merger, because ARS estimates that the payment, if any, required by such provisions to be paid or received by ATS will not be material. For information with respect to such adjustments, see "The Merger and Tower Separation--ARS-ATS Separation Agreement--Closing Date Adjustments."

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of $6.8 million for the year ended September 30, 1997 and record depreciation and amortization expense of $36.0 million for the year ended September 30, 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 fifteen years. Costs of acquired intangible assets for the transactions are amortized over 15 years. The preliminary estimates of the fair market value of property, plant and equipment and intangible assets may change upon final appraisal.

Corporate general and administrative expenses of the prior owners have 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 maintains a separate corporate headquarters which provides services substantially similar to those represented by these costs, they are not expected to recur following acquisition. After giving effect to an estimated $1.5 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 for the periods in which they were not owned by ATS for the nine months ended September 30, 1997.

	MERIDIAN TRANSACTION	DIABLO TRANSACTION	MICRONET TRANSACTION	TUCSON TRANSACTION	GEARON TRANSACTION	ATC MERGER	TRANSFER OF TOWERS	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues.....	$2,385	$6,930	$13,477	$1,201	$19,062	$14,491	$ 533		$ 58,079
Operating expenses...	1,730	3,309	7,900	255	12,922	2,924	558		29,598
Depreciation and amortization.....	211	393	2,638	123	111	3,369	162	$ 29,160	36,167
Corporate general and administrative.....		1,802		88		2,347		(2,737)	1,500
Operating income (loss).....	444	1,426	2,939	735	6,029	5,851	(187)	(26,423)	(9,186)
Other (income) expense.....									
Interest expense, net.....	80	110		150		3,900		4,782	9,022
Other expense (income).....			(30)	(7)	(65)	213		(111)	
Income (loss) from operations before income taxes.....	$ 364	$1,316	$ 2,969	$ 592	$ 6,094	$ 1,738	$(187)	$(31,094)	$(18,208)

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

PRINCIPAL STOCKHOLDERS OF AMERICAN RADIO

The following table sets forth certain information known to American Radio as of February 1, 1998, with respect to the shares of ARS Common Stock beneficially owned by (i) each person known by American Radio to own more than 5% of the outstanding ARS Common Stock, (ii) each director of American Radio, (iii) each executive officer of American Radio, and (iv) all directors and executive officers of American Radio as a group. 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 February 1, 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 ARS Common Stock listed as owned by such person or entity.

	SHARES OF ARS COMMON STOCK BENEFICIALLY OWNED				
	NUMBER	PERCENT OF CLASS A	PERCENT OF CLASS B	PERCENT OF COMMON STOCK	PERCENT OF TOTAL VOTING POWER
DIRECTORS AND EXECUTIVE OFFICERS					
Steven B. Dodge(1).....	2,287,946	*	60.17	7.71	35.95
Thomas H. Stoner(2).....	915,967	*	26.12	3.10	15.31
Don P. Bouloukos(3).....	182,000	*	--	*	*
Alan L. Box(4).....	398,428	1.61	--	1.35	*
John R. Gehron(5).....	237,650	*	5.66	*	3.44
David Pearlman(6).....	264,520	*	6.93	*	4.19
Joseph L. Winn(7).....	191,048	*	5.09	*	3.05
Charlton H. Buckley(8)...	1,811,957	7.33	--	6.14	3.03
Arnold Chavkin/CEA(9)....	1,323,429	*	--	4.48	*
James H. Duncan, Jr.(10).....	14,878	*	*	*	*
Arthur C. Kellar(11).....	2,068,257	8.33	--	6.98	3.46
Charles D. Peebler, Jr.(12).....	10,200	*	*	*	*
Lance R. Primis(13).....	--	--	--	--	--
All executive officers and directors as a group (13 persons)(14).....	9,707,280	18.45	87.98	31.62	62.32
FIVE PERCENT STOCKHOLDERS					
Baron Capital Group, Inc.(15).....	5,620,000	22.72	--	19.03	9.40
Wellington Management Company LLP(16).....	1,929,676	7.80	--	6.53	3.23
Massachusetts Financial Services Company(17)....	2,741,774	11.10	--	9.28	4.59
Lehman Brothers Holding Inc.(18).....	2,050,000	8.29	--	6.94	3.43

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* Less than 1%.

(1) Mr. Dodge is Chairman of the Board, President and Chief Executive Officer of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 75,950 shares of ARS Class A Common Stock owned by Mr. Dodge. Does not include 60,000 shares of ARS Class B Common Stock purchasable under an option granted on October 1, 1994, 24,000 shares ARS Class B Common Stock purchasable under an option granted on January 18, 1996 and 80,000 shares of ARS Class B Common Stock purchasable under an option granted on January 2, 1997; includes 90,000 shares as to which the October option, 16,000 shares as to which the January 18 option and 20,000 shares as to which the January 2 option are exercisable. Includes an aggregate of 25,050 shares of ARS Class A Common Stock and 20,832 shares of ARS Class B Common Stock owned by three trusts for the benefit of Mr. Dodge's children and 3,000 shares of ARS 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 170 shares of ARS 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 ARS Board. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 4,000 shares of ARS Class A Common Stock purchasable under an option granted on January 2, 1997. Includes 1,000 shares purchasable under the January option and 23,811 shares of ARS Class B Common Stock owned by his wife, an aggregate of 261,998 shares of ARS Class B Common Stock owned by trusts of which he and/or certain other persons are trustees. Mr. Stoner disclaims beneficial ownership of 160,540 shares of ARS Class B Common Stock owned by such trusts. Does not include 61,454 shares of ARS Class B Common Stock and 9,125 shares of ARS Class A Common Stock owned by Mr. Stoner's adult children.

(3) Mr. Bouloukos is Co-Chief Operating Officer of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 182,000 shares of ARS Class A Common Stock purchasable under an option granted on December 31, 1996.

(4) Mr. Box is a director and Executive Vice President of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 100,000 shares of ARS Class A Common Stock purchasable under an option granted on April 22, 1997. Includes 84,010 shares of ARS Class A Common Stock purchasable under options.

(5) Mr. Gehron is Co-Chief Operating Officer of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 7,650 shares of ARS Class A Common Stock owned by Mr. Gehron. Includes 160,000 shares of ARS Class B Common Stock purchasable under an option granted on May 23, 1994, 40,000 shares of ARS Class B Common Stock purchasable under an option granted on February 15, 1995, 10,000 shares of ARS Class B Common Stock purchasable under an option granted on January 18, 1996 and 20,000 shares of ARS Class A Common Stock purchasable under an option granted on January 2, 1997.

(6) Mr. Pearlman is Co-Chief Operating Officer of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 3,000 shares of ARS Class A Common Stock owned individually by Mr. Pearlman and 520 shares of ARS Class A Common Stock held for the benefit of his children. Includes 156,000 shares of ARS Class B Common Stock purchasable under an option granted on December 16, 1993, 50,000 shares of ARS Class B Common Stock purchasable under an option granted on February 15, 1995, 5,000 shares of ARS Class B Common Stock purchasable under an option granted on May 18, 1995, 30,000 shares of ARS Class B Common Stock purchasable under an option granted on June 15, 1995 and 20,000 shares of ARS Class B Common Stock purchasable under an option granted on January 18, 1996.

(7) Mr. Winn is a director, Treasurer and Chief Financial Officer of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 2,000 shares of ARS Class A Common Stock and 7,948 shares of ARS Class B Common Stock owned individually by Mr. Winn and 100 shares of ARS Class A Common Stock held for the benefit of his children. Does not include 32,000 shares of ARS Class B Common Stock purchasable under an option granted on December 16, 1993, 24,000 shares of ARS Class B Common Stock purchasable under an option granted on February 15, 1995, 3,000 shares of ARS Class B Common Stock purchasable under an option granted on May 18, 1995, 12,000 shares of ARS Class B Common Stock purchasable under an option granted on January 18, 1996 and 21,544 shares of ARS Class B Common Stock and 8,070 shares of ARS Class A Common Stock purchasable under options granted on January 2, 1997; includes 128,000 shares as to which the December option, 36,000 shares as to which the February option, 2,000 at to which the May option, 8,000 shares as to which the January 18 option and 5,386 shares as to which the January 2 option are exercisable.

(8) Mr. Buckley is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 4,000 shares of ARS Class A Common Stock purchasable under

an option granted on January 2, 1997. Does not include 6,053 shares of ARS Class A Common Stock which are held by an adult child of Mr. Buckley and in which Mr. Buckley disclaims beneficial ownership. Includes 1,000 shares purchasable under the January option.

(9) Mr. Chavkin is a director of American Radio. 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. Mr. Chavkin disclaims such beneficial ownership. CEA is the sole holder of ARS Class C Common Stock and owns 26,911 shares of ARS Class A Common Stock. The address of CCP and CEA is 380 Madison Avenue, 12th Floor, New York, New York 10017. Does not include 4,000 shares of ARS Class A Common Stock purchasable under an option granted on January 2, 1997. Includes 1,000 shares purchasable under the January option.

(10) Mr. Duncan is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 2,000 shares of ARS Class B Common Stock purchasable under an option granted on December 16, 1993, 1,600 shares of ARS Class B Common Stock purchasable under an option granted on February 15, 1995, 1,800 shares of ARS Class B Common Stock purchasable under an option granted on January 18, 1996 and 4,000 shares of ARS Class A Common Stock purchasable under an option granted on January 2, 1997; includes 4,000 shares as to which the December option, 1,600 shares as to which the February option, 1,200 shares as to which the January 18 option and 1,000 shares as to which the January 2 option are exercisable. Includes (a) 3,500 shares of ARS Class A Common Stock and 6,578 shares of ARS Class B Common Stock owned directly and (b) 400 shares of ARS Class A Common Stock owned as follows: (i) 200 shares of ARS Class A Common Stock held by Mr. Duncan's spouse, (ii) 100 shares of ARS Class A Common Stock held by one of his daughters, and (iii) 100 shares of ARS Class A Common Stock held by his spouse for his stepson. Mr. Duncan has disclaimed beneficial ownership of these shares.

(11) Mr. Kellar is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Mr. Kellar owns ARS Class A Common Stock. Does not include 5,000 shares of ARS Class A Common Stock purchasable under an option granted April 15, 1997. Includes 84,010 shares of ARS Class A Common Stock purchasable under options.

(12) Mr. Peebler is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 2,000 shares of ARS Class A Common Stock owned by Mr. Peebler. Does not include 4,000 shares of ARS Class B Common Stock purchasable under an option granted February 15, 1995, 1,800 shares of ARS Class B Common Stock purchasable under an option granted on January 18, 1996 and 6,000 shares of ARS Class A Common Stock purchasable under an option granted January 2, 1997; includes 4,000 shares as to which the February option, 1,200 shares as to which the January 18 option and 1,000 shares as to which the January 2 option are exercisable.

(13) Mr. Primis is a director of American Radio. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 4,000 shares of ARS Class A Common Stock purchasable under an option granted April 15, 1997. Includes 1,000 shares purchasable under the January option.

(14) Includes all shares stated to be owned in the preceding notes.

(15) The address of Baron Capital Group, Inc. is 767 Fifth Avenue, New York, New York 10153. Based on Baron's Amendment No. 2 Schedule 13D dated February 2, 1998, Mr. Baron, the president of Baron, has sole voting power over 180,000 shares of ARS Class A Common Stock, shared voting power over 1,896,000 shares of ARS Class A Common Stock, sole dispositive power over 180,000 shares of ARS Class A Common Stock and shared dispositive power over 2,896,000 shares of ARS Class A Common Stock. Mr. Baron disclaims beneficial ownership of 5,620,000 shares of ARS Class A Common Stock.

(16) The address of Wellington Management Company LLP is 75 State Street, Boston, Massachusetts 02109. Based on its Schedule 13G (Amendment No. 2) dated August 8, 1997, Wellington has shared voting power over 985,313 shares of ARS Class A Common Stock and shared dispositive power over 1,929,676 shares of ARS Class A Common Stock.

(17) The address of Massachusetts Financial Services Company is 500 Boylston Street, Boston, Massachusetts 02116-3741. Based on its Schedule 13G (Amendment No. 1) dated October 14, 1997, MFS has sole voting power over 2,558,984 shares of ARS Class A Common Stock and sole dispositive power over 2,741,774 shares of ARS Class A Common Stock.

(18) The address of Lehman Brothers Holding Inc. is 3 World Financial Center, 24th Floor, New York, New York 10285. Based on its Schedule 13D dated January 23, 1998, Lehman has shared voting power over 2,050,000 shares of ARS Class A Common Stock and shared dispositive power over 2,050,000 shares of ARS Class A Common Stock.

APPENDIX II

AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

BY AND AMONG

AMERICAN RADIO SYSTEMS CORPORATION,

CBS CORPORATION

AND

R ACQUISITION CORP.

DATED AS OF

DECEMBER 18, 1997

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AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, by and among American Radio Systems Corporation, a Delaware corporation ("American"), CBS Corporation (formerly, Westinghouse Electric Corporation), a Pennsylvania corporation ("Mergeparty"), and R Acquisition Corp., a Delaware corporation ("Mergeparty Subsidiary").

W I T N E S S E T H:

WHEREAS, American, Mergeparty and Mergeparty Subsidiary are parties to an Agreement and Plan of Merger, dated as of September 19, 1997 (the "Original Merger Agreement"), providing for the merger of Mergeparty Subsidiary with and into American on the terms and conditions set forth therein; and

WHEREAS, American, Mergeparty and Mergeparty Subsidiary desire to amend and restate the Original Merger Agreement in its entirety to make certain changes to the Original Merger Agreement; and

WHEREAS, American, Mergeparty and Mergeparty Subsidiary have entered into this Amended and Restated Agreement and Plan of Merger (this "Agreement") providing that Mergeparty Subsidiary shall be merged with and into American, which shall be the surviving corporation, on the terms and conditions set forth in this Agreement (the "Merger").

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 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 shall have such meanings when used in either Disclosure Schedule and 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. The term "either party" shall, unless the context otherwise requires, refer to American, on the one hand, and Mergeparty and Mergeparty Subsidiary, on the other hand.

ARTICLE 2

The Merger

2.1 The Merger. (a) Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DCL"), at the Effective Time, Mergeparty Subsidiary shall be merged with and into American. As a result of the Merger, the separate corporate existence of Mergeparty Subsidiary shall cease and American shall continue as the surviving corporation in the Merger (sometimes referred to, as such, as the "Surviving Corporation").

2.2 Closing. Unless this Agreement shall have been terminated pursuant to Section 8.1 and subject to the satisfaction or, to the extent permitted by Applicable Law, waiver of the conditions set forth in Article 7, the closing of the Merger (the "Closing") will take place, at 10:00 a.m., on the Closing Date, at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, New York 10019, on the date that is the second (2nd) day after the date on which all of the conditions set forth in Article 7 (other than those which require delivery of opinions or documents at the Closing) shall have been satisfied or waived, unless another date, time or place is agreed to in writing by the parties. The date on which the Closing occurs is herein referred to as the "Closing Date."

2.3 Effective Time. Subject to the provisions of this Agreement, as promptly as practicable after the Closing, the parties hereto shall cause the Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") and any related filings required under the DCL with the Secretary of State of the State of Delaware. The Merger shall become effective at such time as such documents are duly filed with the Secretary of State of the State of Delaware, or at such later time as is specified in such documents (the "Effective Time").

2.4 Effect of the Merger. The Merger shall have the effects provided for under the DCL.

2.5 Certificate of Incorporation. The Certificate of Incorporation of American, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time to read in its entirety as set forth in Exhibit A and, as so amended, such Certificate of Incorporation, together with the Certificates of Designation of (i) 11 3/8% Series B Cumulative Exchangeable Preferred Stock, par value $.01 per share, of American ("American Cumulative Preferred Stock") and (ii) 7% Convertible Exchangeable Preferred Stock, par value $.01 per share, of American ("American Convertible Preferred Stock" and, collectively with American Cumulative Preferred Stock, "American Preferred Stock"), shall be the Certificate of Incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by Applicable Law. Such amendment shall not be deemed to affect in any manner the Certificates of Designation of American Preferred Stock.

2.6 Bylaws. The bylaws of American in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with Applicable Law and the Organic Documents of the Surviving Corporation.

2.7 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified, or upon their earlier resignation or removal, in accordance with Applicable Law and the Organic Documents of the Surviving Corporation, (a) the directors of Mergeparty Subsidiary at the Effective Time shall be the directors of the Surviving Corporation, and (b) the officers of American at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 3

Conversion of Shares; Exchange of Certificates

3.1 Conversion of Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Mergeparty, Mergeparty Subsidiary or American or their respective stockholders:

(a) Each share of Common Stock, par value $1.00 per share, of Mergeparty Subsidiary issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of Common Stock, par value $.01 per share, of the Surviving Corporation;

(b) Each share of American Cumulative Preferred Stock issued and outstanding immediately prior to the Effective Time shall remain outstanding;

(c) Each share of American Convertible Preferred Stock issued and outstanding immediately prior to the Effective Time shall remain outstanding;

(d) Subject to paragraph (e) below, each share of Class A Common Stock, par value $.01 per share ("American Class A Common"), each share of Class B Common Stock, par value $.01 per share ("American Class B Common"), and each share of Class C Common Stock, par value $.01 per share ("American Class C Common" and, collectively with American Class A Common and American Class B Common, "American Common Stock"), of American issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares) shall be converted into the right to receive the following:

(i) if the Tower Merger Effective Time shall not have occurred, (A) $44.00 in cash and (B) one share of Tower Common Stock, with (x) each share of American Class A Common being converted into the right to receive one share of Class A Common Stock, par value $.01 per share ("Tower Class A Common"), of American Tower Systems Corporation, a Delaware corporation and a wholly-owned Subsidiary of American ("American Tower"), (y) each share of American Class B Common being converted into the right to receive one share of Class B Common Stock, par value $.01 per share ("Tower Class B Common"), of American Tower, and (z) each share of American Class C Common being converted into the right to receive one share of Class C Common Stock, par value $.01 per share ("Tower Class C Common" and, collectively with Tower Class A Common and Tower Class B Common, "Tower Common Stock"), of American Tower (collectively, the "Tower Stock Consideration"); or

(ii) if the Tower Merger Effective Time shall have occurred, an amount in cash determined by dividing $44.00 by the American Conversion Fraction.

The term "Cash Consideration" shall mean the following: (x) if the Tower Merger Effective Time shall not have occurred, $44.00, and (y) if the Tower Merger Effective Time shall have occurred, the amount of cash determined pursuant to the provisions of clause (ii) preceding. The term "Merger Consideration" shall mean the Cash Consideration and, if the Tower Merger Effective Time shall not have occurred, the Tower Stock Consideration.

(e) Each share of American Common Stock owned by American or any of its Subsidiaries or Mergeparty or any of its Subsidiaries immediately prior to the Effective Time shall automatically be canceled and extinguished without any conversion thereof and no payment shall be made with respect thereto.

As a result of the Merger and without any action on the part of the holder thereof, at the Effective Time all shares of American Common Stock shall cease to be outstanding and shall be canceled and retired and shall cease to exist, and each holder of any certificates formerly representing such shares shall thereafter cease to have any rights with respect to such shares, except, subject to paragraph (e) above, the right to receive, without interest, the Merger Consideration, or, in the case of a holder of Dissenting Shares, the right to perfect the right to receive payment for Dissenting Shares pursuant to Section 262 of the DCL.

3.2 Exchange of Certificates.

(a) From time to time, on or prior to or after the Effective Time, Mergeparty shall deposit or cause to be deposited with an exchange agent selected by Mergeparty and not reasonably disapproved of by American (the "Exchange Agent") in trust for the benefit of the holders of American Common Stock cash in amounts and at times necessary for the prompt payment of the Cash Consideration, and American shall deposit or cause to be deposited with the Exchange Agent in trust for the benefit of the holders of American Common Stock shares of Tower Common Stock in amounts and at times necessary for the prompt delivery of the Tower Stock Consideration, if any, upon the surrender of Certificates.

(b) Not more than five (5) business days subsequent to the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates that immediately prior to the Effective Time represented outstanding shares of American Common Stock (the "Certificates") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon actual delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as American and Mergeparty may agree) and (ii) instructions for use in effecting the surrender of the Certificates in exchange

for the Merger Consideration. Upon surrender of Certificates for cancellation to the Exchange Agent, together with a duly executed letter of transmittal and such other documents as the Exchange Agent shall reasonably require, the holder of such Certificate shall receive in exchange therefor the Merger Consideration multiplied by the number of shares of American Common Stock formerly represented by such Certificates. The amount of Cash Consideration paid to the holder of Certificates shall be in the form of a wire transfer of immediately available funds if so requested by any holder entitled to receive not less than $500,000 in cash, and the cost of such wire transfers shall be borne by the Surviving Corporation. Such letter of transmittal and instructions shall be available at the Closing for holders of American Common Stock. Notwithstanding the foregoing, neither the Exchange Agent nor any party hereto shall be liable to a holder of shares of American Common Stock for any Merger Consideration delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws.

(c) Promptly following the date which is six (6) months after the Closing Date, the Exchange Agent shall deliver to Mergeparty all cash and any shares of Tower Common Stock in its possession relating to the transactions described in this Agreement that remain unclaimed, and the Exchange Agent's duties shall terminate. Thereafter, each holder of a Certificate may surrender such Certificate to the Surviving Corporation and (subject to applicable abandoned property, escheat and similar Laws) receive in exchange therefor the aggregate Merger Consideration to which such holder is entitled, without any interest thereon, but together with dividends and distributions, if any, paid by American Tower on or with respect to the Tower Common Stock in accordance with the provisions of Section 3.2(d).

(d) Notwithstanding any other provisions of this Agreement, no dividends or other distributions declared after the earlier to occur of the Tower Merger Effective Time or the Effective Time on Tower Common Stock shall be paid with respect to any shares of Tower Common Stock represented by a Certificate until such Certificate is surrendered for exchange as provided herein or, if the Tower Merger Effective Time shall have occurred, as provided in the Tower Merger Agreement. Subject to the effect of Applicable Laws, following surrender of any such Certificate, there shall be paid to the holder of the shares of Tower Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of dividends or other distributions with a record date after the earlier to occur of the Tower Merger Effective Time or the Effective Time theretofore payable with respect to such shares of Tower Common Stock and not paid, less the amount of any withholding taxes which may be required thereon, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the earlier to occur of the Tower Merger Effective Time or the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such shares of Tower Common Stock, less the amount of any withholding taxes which may be required thereon.

(e) If the Merger Consideration (or any portion thereof) is to be delivered to a Person other than the Person in whose name the Certificate surrendered in exchange therefor is registered, it shall be a condition to the delivery of the Merger Consideration that the Certificate so surrendered shall be properly endorsed or accompanied by appropriate stock powers (with signatures guaranteed in accordance with the transmittal letter) and otherwise in proper form for transfer, that such transfer otherwise be proper and that the Person requesting such transfer pay to the Exchange Agent any transfer or other Taxes payable by reason of the foregoing or establish to the satisfaction of the Exchange Agent that such Taxes have been paid or are not required to be paid.

(f) In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and subject to such other reasonable conditions as the Exchange Agent may impose, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration (to the extent applicable) deliverable in respect thereof as determined in accordance with this Article. When authorizing such issue of the Merger Consideration in exchange therefor, the Exchange Agent may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Certificate (if other than a recognized financial institution) to give the Exchange Agent a bond or other surety in such sum as it may reasonably direct as indemnity against any Claim that may be made against the Exchange Agent with respect to the Certificate alleged to have been lost, stolen or destroyed.

(g) At and after the Effective Time, the holder of a Certificate shall cease to have any rights as a holder of shares of American Common Stock, except for the right to surrender Certificates in the manner prescribed by Section 3.2 in exchange for delivery of the Merger Consideration, or, in the case of a holder of Dissenting Shares, the right to perfect the right to receive payment for Dissenting Shares pursuant to Section 262 of the DCL.

(h) The Surviving Corporation shall be entitled to, or shall be entitled to cause the Exchange Agent to, deduct and withhold from the consideration otherwise deliverable pursuant to this Agreement to any holder of shares of American Common Stock such amounts as are required to be deducted and withheld with respect to the making of such payment under the Code, or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld by the Surviving Corporation or the Exchange Agent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been delivered to the holder of the shares of American Common Stock in respect of which such deduction and withholding was made by the Surviving Corporation or the Exchange Agent.

(i) The Exchange Agent shall invest any funds held by it for purposes of this Section 3.2 as directed by Mergeparty, on a daily basis. Any interest and other income resulting from such investments shall be paid to Mergeparty and any risk of loss resulting from such investments shall be borne by Mergeparty.

3.3 Closing of American's Transfer Books. At the Effective Time, the stock transfer books of American relating to American Common Stock shall be closed and no transfer of shares of American Common Stock which were outstanding immediately prior to the Effective Time shall thereafter be made. If, after the Effective Time, subject to the terms and conditions of this Agreement, Certificates formerly representing American Common Stock are presented to the Surviving Corporation, they shall be canceled and exchanged for the Merger Consideration in accordance with the provisions of this Article.

3.4 Dissenting Shares.

(a) Notwithstanding any other provision of this Agreement to the contrary, shares of American Common Stock that are outstanding immediately prior to the Effective Time and which are held by American stockholders who shall have not voted in favor of the Merger or consented thereto in writing and who shall be entitled to and shall have demanded properly in writing appraisal rights for such shares of American Common Stock in accordance with Section 262 of the DCL and who shall not have withdrawn such demand or otherwise have forfeited appraisal rights (collectively, the "Dissenting Shares"), shall not be converted into or represent the right to receive the Merger Consideration payable in respect of each share of American Common Stock represented thereby. Such American stockholders shall be entitled to receive payment of the appraised value of such shares of American Common Stock held by them in accordance with the provisions of the DCL; provided, however, that all Dissenting Shares held by American stockholders who shall have failed to perfect or who effectively shall have withdrawn, forfeited or lost their appraisal rights with respect to such shares of American Common Stock under the DCL shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive, without any interest thereon, the Merger Consideration upon surrender, in the manner provided in Section 3.2, of the Certificates with respect to such shares.

(b) American shall give Mergeparty prompt notice of any demands for appraisal rights received by it, withdrawals of such demands, and any other instruments served pursuant to the DCL and received by American and relating thereto. American shall give Mergeparty the opportunity to direct all negotiations and proceedings with respect to demands for appraisal rights under the provisions of the DCL. American shall not, except with the prior written consent of Mergeparty, make any payment with respect to any demands for appraisal rights, or offer to settle, or settle, any such demands.

(c) If the Tower Merger Effective Time shall not have occurred and the Delaware Court of Chancery (the "Court") conducts an appraisal proceeding pursuant to Section 262 of the DCL relating to an obligation to pay the appraised value per share of American Common Stock ("Appraised Total Value") to the holders of the Dissenting Shares, American Tower shall promptly pay to American the portion of the Appraised Total Value

attributable to the Tower Stock Consideration (the "Tower Stock Payment") and American shall contribute (without the payment of any amount or the issuance of any securities by American Tower) to the capital of American Tower 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. The Tower Stock Payment shall be determined pursuant to the following provisions:

(i) American shall request the Court to determine in writing the Tower Stock Payment. If the Court shall make such determination the Tower Stock Payment shall be the amount so determined; and

(ii) If the Court shall not make such determination within a 30-day period following such request (at which time such request shall be withdrawn) (the "Determination Deadline"), American, American Tower and Mergeparty shall submit to an arbitrator (the "Arbitrator") for review and resolution the determination of the Tower Stock Payment. The Arbitrator shall be a nationally recognized investment banking firm which shall be agreed upon by American, Mergeparty and American Tower in writing. The Arbitrator shall be requested to render a decision resolving the amount of the Tower Stock Payment within 30 days following the date of its selection. If the parties cannot agree on the firm to be selected as Arbitrator within 15 days following the Determination Deadline, then American and Mergeparty, on the one hand, and American Tower, on the other hand, shall each choose one such firm within 10 days following the expiration of such 15-day period to review, resolve and agree on the determination of the Tower Stock Payment, which determination, once agreed to in writing by both such firms, shall be final, conclusive and binding on the parties. If such two firms cannot agree on the amount of the Tower Stock Payment within 30 days following the date on which the second of such firms is selected, then such two firms shall promptly select a third such firm to make such determination, which determination shall be made by such third firm within 30 days of the date on which such third firm is selected. The determination of such third firm of the amount of the Tower Stock Payment shall be final, conclusive and binding on the parties. The cost of any such arbitration (including the fees of the Arbitrator and any other firm selected hereunder) shall be borne 50% by American and 50% by American Tower. American Tower shall promptly pay to American the amount of the Tower Stock Payment once such amount is determined in accordance with this clause (ii).

3.5 Tower Merger. Anything in this Agreement to the contrary notwithstanding, if the Effective Time shall not have occurred by May 31, 1998 (as such date may be extended by American with the written consent of Mergeparty, such consent not to be unreasonably withheld, delayed or conditioned), on June 1, 1998 (or the date following the date, if any, to which the May 31, 1998 date shall have been so extended), the Board of Directors of American shall, in its sole discretion, either (i) consummate the merger of ATS Merger Corporation, a Delaware corporation and a wholly-owned subsidiary of American ("ATS Mergercorp"), with and into American, which will be the surviving corporation (the "Tower Merger"), pursuant to the agreement and plan of merger between American and ATS Mergercorp dated as of the date hereof and set forth as Exhibit D hereto (the "Tower Merger Agreement"), or (ii) irrevocably elect to abandon the Tower Merger. Pursuant to the Tower Merger Agreement, each share of ATS Mergercorp Common Stock issued and outstanding immediately prior to the effective time of the Tower Merger (the "Tower Merger Effective Time") shall, by virtue of the Tower Merger and without any action on the part of the holder thereof, be automatically canceled and extinguished and each share of American Common Stock issued and outstanding immediately prior to the Tower Merger Effective Time shall be converted into the right to receive:

(a) one share of Tower Common Stock, with (i) each share of American Class A Common being converted into the right to receive one share of Tower Class A Common, (ii) each share of American Class B Common being converted into the right to receive one share of Tower Class B Common, and (iii) each share of American Class C Common being converted into the right to receive one share of Tower Class C Common (collectively, the "Tower Merger Tower Consideration"); and

(b) a fraction (the "American Conversion Fraction") of a share of American Common Stock of the same class as the class of American Common Stock being converted, (i) the numerator of which is the difference between (A) the denominator and (B) the value (determined as set forth below) of one share of Tower Class A Common immediately prior to the Tower Merger Effective Time, and (ii) the denominator of which is the value (determined as set forth below) of one share of American Class A Common

immediately prior to the Tower Merger Effective Time (collectively with the Tower Merger Tower Consideration, the "Tower Merger Consideration").

For purposes of determining the value of the American Class A Common and the Tower Class A Common immediately prior to the Tower Merger Effective Time the following principles shall apply:

(x) each share of American Class A Common shall be valued at an amount equal to the average closing sales price of the American Class A Common on the NYSE, as reported by the Wall Street Journal, for the ten (10) consecutive trading days immediately preceding the second trading date prior to the Tower Merger Effective Time; and

(y) each share of Tower Class A Common shall be valued at the amount determined in good faith by the American Radio Board of Directors to be its fair market value immediately prior to the Tower Merger Effective Time.

No certificates in respect of fractional shares of American Common Stock shall be issued in the Tower Merger, and cash shall be paid in lieu thereof as provided in the Tower Merger Agreement. The certificates that immediately prior to the Tower Merger Effective Time represented outstanding shares of American Common Stock shall be deemed, without any action of the holders thereof, to represent that number of shares of American Common Stock that the holder thereof has the right to receive pursuant to clause 3.5(b), together with cash in lieu of fractional shares as provided in the Tower Merger Agreement.

Immediately prior to the Tower Merger Effective Time, American shall contribute to ATS Mergercorp a number of shares of Tower Common Stock equal to the Tower Merger Tower Consideration.

ARTICLE 4

Representations and Warranties of American

Except as set forth with respect to specifically identified representations and warranties in the American Disclosure Schedule or as otherwise contemplated by this Agreement, American hereby represents and warrants to Mergeparty and Mergeparty Subsidiary as follows:

4.1 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 and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and as presently proposed to be conducted. American is duly qualified and in good standing as a foreign corporation in each other jurisdiction (as shown on Section 4.1(a) of the American Disclosure Schedule) in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, with full power and authority (corporate and other) to carry on the business in which it is engaged, except in such jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on American.

(b) Each of American and its Subsidiaries 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 Merger and the other 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 approval of the holders of shares of American Common Stock contemplated by Section 4.13, and no other corporate proceedings on the part of American or any of its Subsidiaries are necessary to authorize this Agreement or the transactions contemplated hereby or to consummate the Merger or the other transactions so contemplated (other than, with respect to the Merger, the Required Vote and with respect to the Tower Merger,

the Required Tower Vote). 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 pursuant hereto or to consummate the Merger when executed and delivered by American and its Subsidiaries, as applicable, will constitute, a valid and binding obligation of American 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. As of the date hereof, the Board of Directors of American, at a meeting duly called and held at which a quorum was present throughout, has approved the Merger and this Agreement, and the Tower Merger and the Tower Merger Agreement, and has recommended that the holders of shares of American Common Stock approve and adopt this Agreement, the Tower Merger Agreement and the transactions contemplated hereby and thereby, including without limitation the Merger and the Tower Merger.

(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 Merger and the other transactions contemplated hereby and thereby, and compliance with the terms, conditions and provisions hereof or thereof by such parties will not:

(i) (A) Except as set forth in Section 4.1(c) of the American Disclosure Schedule, 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 FCC Consents, (B) filings under the Hart-Scott-Rodino Act, (C) the filing with the Commission of (I) the Proxy Statement, (II) the Tower Proxy Statement, (III) the Registration Statement and (IV) 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, (D) the filing of the Certificate of Merger and a certificate of merger relating to the Tower Merger with the Delaware Secretary of State and appropriate documents with the relevant authorities of other states in which American is qualified to do business and (E) 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.

(d) American does not have any direct or indirect Subsidiaries other than those set forth on Section 4.1(d) of the American Disclosure Schedule (read without the last three lines of the first page thereof) (and other than ATS Mergercorp, American Tower, American Tower Systems (Delaware), Inc., ATS Needham, LLC, Tower, LLC and Communications Systems Development, LLC). Each direct or indirect Subsidiary of American (and other than ATS Mergercorp, American Tower, American Tower Systems (Delaware), Inc., ATS Needham, LLC, Tower, LLC and Communications Systems Development, LLC) is (i) wholly-owned unless noted otherwise in Section 4.1(d) of the American Disclosure Schedule, (ii) a corporation which is duly organized, validly existing and in good standing under the laws of the respective state of incorporation set forth opposite its name on Section 4.1(d) of the American Disclosure Schedule, and (iii) duly qualified and in good standing as a foreign corporation in each other jurisdiction (as shown on Section 4.1(d) of the American Disclosure Schedule) in which the character of the property owned or leased by it or the nature of its business or operations requires such

qualification, with full power and authority (corporate and other) to carry on the business in which it is engaged, except where the failure to be so qualified or in good standing, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on American. American owns, directly or indirectly, all of the outstanding capital stock and equity interests (as shown in Section 4.1(d) of the American Disclosure Schedule) of such Subsidiaries, free and clear of all Liens (except as set forth in the American Financial Statements or Section 4.1(d) of the American Disclosure Schedule), and all such stock has been duly authorized and validly issued and is fully paid and nonassessable. There are no outstanding Option Securities or Convertible Securities, or agreements or understandings of any nature whatsoever, relating to the authorized and unissued or outstanding capital stock of such Subsidiaries (except as set forth in the American Financial Statements or Section 4.1(d) of the American Disclosure Schedule.

(e) Each of ATS Mergercorp and American Tower is (i) a wholly-owned subsidiary of American (in the case of American Tower, as of the date hereof) and (ii) a corporation which is duly organized, validly existing and in good standing under the DCL. American owns, directly or indirectly, all of the outstanding capital stock and equity interests of each of ATS Mergercorp and American Tower, free and clear of all Liens, subject, in the case of ATS Mergercorp, to the receipt of Amendment No. 2 to American's Credit Agreements referred to in Section 4.1(d) of the American Disclosure Schedule, a copy of which has been delivered to Mergeparty prior to the date hereof, and all such stock has been duly authorized and validly issued, is fully paid and nonassessable and is not subject to any preemptive or similar rights. There are no outstanding Option Securities or Convertible Securities, or agreements or understandings of any nature whatsoever, relating to the authorized and unissued outstanding capital stock of such Subsidiaries (except, with respect to American Tower, pursuant to the following: (i) the Agreement and Plan of Merger, dated as of December 12, 1997 (the "ATC Merger Agreement"), by and between American Tower and American Tower Corporation, an unaffiliated Delaware corporation, a copy of which has been delivered to Mergeparty prior to the date hereof, (ii) the Agreement and Plan of Merger, dated as of November 21, 1997, by and among American Tower, American Tower Systems (Delaware), Inc., Gearon & Co., Inc., and J. Michael Gearon, Jr., a copy of which has been delivered to Mergeparty prior to the date hereof, (iii) the proposed issue and sale of shares of Tower Common Stock to certain officers and directors of American Tower (and their affiliates) for an aggregate consideration of approximately $80,000,000, (iv) employee stock options outstanding to purchase shares of American Tower Systems (Delaware), Inc. which will be converted into options to acquire Tower Common Stock, and (v) as contemplated by Section 6.8(b)). The authorized capital stock of (i) ATS Mergercorp consists of 3,000 shares of common stock, par value $.01 per share (the "ATS Mergercorp Common Stock"), and (ii) American Tower consists of 20,000,000 shares of preferred stock, 200,000,000 shares of Tower Class A Common, 50,000,000 shares of Tower Class B Common, and 10,000,000 shares of Tower Class C Common, and the terms of the Restated Certificate of Incorporation of American Tower, a copy of which has been delivered to Mergeparty prior to the date hereof, relating to each of the shares of Tower Class A Common, Tower Class B Common and Tower Class C Common (other than those relating to the number of authorized shares) are identical to the terms of the Restated Certificate of Incorporation of American as in effect on the date of the Original Merger Agreement relating to the shares of American Class A Common, American Class B Common and American Class C Common, respectively, except for the following terms: (i) terms which permit dividends and other distributions of securities of Persons other than American Tower (including Subsidiaries of American Tower) to be made in the form of different classes of securities of such Persons, (ii) terms which provide that if a holder of Tower Common Stock grants a proxy, whether revocable or irrevocable, and whether general or specific to a particular transaction, the granting of such proxy does not constitute a transfer for purposes of requiring conversion of Tower Class B Common to Tower Class A Common, (iii) terms which permit any CEA Holder (as defined in the Restated Certificate of Incorporation of American Tower) to convert shares of Tower Class C Common Stock into shares of Tower Class A Common Stock upon approval of the Board of Directors of American Tower, and (iv) terms clarifying the fact that holders of Tower Class A Common Stock and Tower Class B Common Stock vote as a single class on all matters submitted for a stockholder vote, including, notwithstanding the first sentence of Section 242(b)(2) of the DCL, any amendment of the Restated Certificate of Incorporation of American Tower which would increase or decrease the number of authorized shares of any class of Tower Common Stock. The number of shares of American Tower which are authorized and outstanding and owned by American is equal to

the number of authorized and outstanding shares of American Common Stock and the number of shares of American Common Stock issuable upon the exercise of Option Securities 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 this 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)).

4.2 Financial and Other Information. American has heretofore furnished to Mergeparty copies of the audited consolidated financial statements of American and its Subsidiaries set forth in its Annual Report on Form 10-K (the "American 10-K") for the fiscal year ended December 31, 1996 and the unaudited consolidated financial statements of American and its Subsidiaries set forth in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1997 (the "American September 10-Q") (collectively, the "American Financial Statements"). The American Financial Statements, including in each case the notes thereto, comply as to form, in all material respects, with applicable accounting requirements and the published rules and regulations of the Commission with respect thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein, and fairly present in all material respects the financial condition, results of operations and cash flows of American and its Subsidiaries on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals. American has filed all required reports and other documents with the Commission since July 1, 1995 (the "American SEC Documents"). Except as set forth in the American SEC Documents filed and publicly available prior to the date of the Original Merger Agreement (the "Filed American SEC Documents"), neither American nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect on American. None of the American Disclosure Schedule or the American SEC Documents contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated herein or therein or necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

4.3 Changes in Condition. Except as set forth in Section 4.3 of the American Disclosure Schedule, between June 30, 1997 and the date of the Original Merger Agreement, there has been no Material Adverse Change in American.

4.4 Properties. (a) American and each of its Subsidiaries (other than the Tower Subsidiaries) has good and marketable title to all material parcels of real property owned by it and good and merchantable title to all material items of property and assets, tangible and intangible, (i) reflected in the financial statements of American as of June 30, 1997, and (ii) acquired after June 30, 1997, except in each case for those sold or otherwise disposed of since June 30, 1997, in each case free and clear of all Liens, except (x) Permitted Liens and (y) Liens set forth in the American Financial Statements or Section 4.4 of the American Disclosure Schedule.

(b) All of the assets of American and its Subsidiaries material to the continued operation of their respective businesses are in good operating condition, reasonable wear and tear excepted, and usable in the ordinary course of business, except where the failure to be in such condition or so usable would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American.

4.5 Compliance with Private Authorizations. American and each of its Subsidiaries (other than the Tower Subsidiaries) has obtained all Private Authorizations which are necessary for the ownership and operation by American or its Subsidiaries of the business of American and its Subsidiaries, taken as a whole, and the conduct of business thereof as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American. All such Private Authorizations

are, to American's knowledge, in full force and effect, and neither American nor any of its Subsidiaries (other than the Tower Subsidiaries) is, to American's knowledge, in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and, to American's knowledge, no Event exists or has occurred, which constitutes, or but for any requirement of the giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American.

4.6 Compliance with Governmental Authorizations and Applicable Law; Litigation.

(a) Section 4.6(a) of the American Disclosure Schedule contains a list of each material Governmental Authorization (including without limitation all material American FCC Licenses) required under Applicable Laws to own and operate the business of American and its Subsidiaries (other than the Tower Subsidiaries), including without limitation each of the American Stations, as currently operated, all of which are in full force and effect, subject to such qualifications and exceptions as may be set forth in Section 4.6(a) of the American Disclosure Schedule. Certain of the Subsidiaries of American (other than any of the Tower Subsidiaries) are the authorized legal holders of the American FCC Licenses listed in Section 4.6(a) of the American Disclosure Schedule, none of which is subject to any restriction or condition which would limit in any material respect the operations of any of the American Stations as currently conducted except as noted in Section 4.6(a) of the American Disclosure Schedule. The American FCC Licenses listed in Section 4.6(a) of the American Disclosure Schedule are valid and in full force and effect and are not impaired in any material respect by any act or omission of American or any of its Subsidiaries, subject to such qualifications and exceptions as may be set forth in Section 4.6(a) of the American Disclosure Schedule; and the operation of each of the American Stations is in accordance with such American FCC Licenses in all material respects, except to the extent so listed in Sections 4.6(a) and (b) of the American Disclosure Schedule. American is fully qualified to be the transferor of control of the American FCC Licenses. All material reports, forms and statements required to be filed by American or any of its Subsidiaries with the FCC with respect to each of the American Stations have been filed and are true, complete and accurate in all material respects. American or one of its Subsidiaries (other than the Tower Subsidiaries) has obtained all Governmental Authorizations in addition to the American FCC Licenses listed in Section 4.6(a) of the American Disclosure Schedule which are necessary for the ownership or operations or the conduct of the business of American and its Subsidiaries, taken as a whole (except with respect to the American Brokered Stations), as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American and American's performance with respect thereto, and the operation of the American Brokered Stations is in accordance with all applicable Governmental Authorizations except where the failure to be so in accordance would not be reasonably likely to have a Material Adverse Effect on American. As of the date of the Original Merger Agreement, except as noted in Section 4.6(a) of the American Disclosure Schedule, no application, action or proceeding is pending for the renewal or material modification of any of the American FCC Licenses and, to American's knowledge, except as noted in Section 4.6(b) of the American Disclosure Schedule, there was not as of the date of the Original Merger Agreement before the FCC any material investigation, proceeding, notice of violation, order of forfeiture or complaint against American or any of its Subsidiaries relating to any of the American Stations or other FCC licensed facilities that, if adversely decided, would be reasonably likely to have a Material Adverse Effect on American (and as of the date of the Original Merger Agreement American did not have knowledge of any basis that would cause the FCC not to renew any of the American FCC Licenses). Except as noted in Schedule 4.6(b) of the American Disclosure Schedule, as of the date of the Original Merger Agreement, there was not then pending and, to American's knowledge, there was not threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify in any material respect any of the American FCC Licenses that, if adversely decided, would be reasonably likely to have a Material Adverse Effect on American (other than proceedings to amend FCC rules of general applicability to the radio industry).

(b) Except as otherwise specifically set forth in Section 4.6(b) of the American Disclosure Schedule, since January 1, 1996, American and its Subsidiaries (other than the Tower Subsidiaries) have conducted its and each of their respective businesses and owned and operated its and each of their respective properties in accordance

with all Applicable Laws (excluding Environmental Laws) and Governmental Authorizations, except for such breaches, violations and defaults as, individually or in the aggregate, have not had and are not reasonably likely to have a Material Adverse Effect on American. Except as otherwise specifically described in Section 4.6(b) of the American Disclosure Schedule and except with respect to Environmental Laws, neither American nor any of its Subsidiaries is in or is charged in writing by any Authority with, or, to American's knowledge, is threatened or under investigation by any Authority with respect to, any breach or violation of, or default in the performance, observance or fulfillment of, any Applicable Law relating to the ownership and operation of American's and its Subsidiaries' properties or the conduct of American's and its Subsidiaries' business which will, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American. Except as otherwise specifically described in Section 4.6(b) of the American Disclosure Schedule and except with respect to Environmental Laws, no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as, individually or in the aggregate, have not had and would not be reasonably likely to have a Material Adverse Effect on American. With respect to matters, if any, of a nature referred to in Section 4.6(b) of the American Disclosure Schedule, except as otherwise specifically described in Section 4.6(b) of the American Disclosure Schedule, all such information and matters set forth in the American Disclosure Schedule, if adversely determined against American or one of its Subsidiaries (other than the Tower Subsidiaries), individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on American.

(c) Except as disclosed in the Filed American SEC Documents or in Section 4.6(c) of the American Disclosure Schedule, there are no Legal Actions pending or, to the knowledge of American, threatened against or affecting American or any of its Subsidiaries (other than the Tower Subsidiaries) including any action by or before the FCC to revoke, suspend, cancel, rescind or modify in any material respect any of the American FCC Licenses, except for Legal Actions that, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on American.

4.7 Related Transactions. Except as set forth in Section 4.7 of the American Disclosure Schedule, as contemplated herein or as disclosed in the Filed American SEC Documents, no director, officer, Affiliate or "associate" (as such term is defined in Rule 12b-2 under the Exchange Act) of American or any of its Subsidiaries is currently a party to any transaction which would be required to be disclosed under Item 404 of Regulation S-K of the Securities Act.

4.8 Taxes and Tax Matters. Except as provided in Section 4.8 of the American Disclosure Schedule:

(a) American has filed completely and correctly in all material respects all Tax Returns which are required by all Applicable Laws to be filed by it, and has paid, or made adequate provision for the payment of, all material Taxes which have or may become due and payable pursuant to said Tax Returns and all other Taxes, governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of the American Financial Statements. The Tax Returns of American have been prepared, in all material respects, in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied;

(b) all material Taxes which American is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Taxing Authorities to the extent due and payable;

(c) American has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of American for the fiscal years prior to and including the most recent fiscal year;

(d) American is not a "consenting corporation" within the meaning of Section 341(f) of the Code. American has at all times been taxable as a Subchapter C corporation under the Code;

(e) American has never been a member of any consolidated group (other than with American and its Subsidiaries) for Tax purposes. American is not a party to any tax sharing agreement or arrangement, other than with its Subsidiaries;

(f) no Liens for Taxes exist with respect to any of the assets or properties of American, except for statutory Liens for Taxes not yet due or payable or that are being contested in good faith;

(g) all of the U.S. Federal income Tax Returns filed by or on behalf of each of American and its Subsidiaries have been examined by and settled with the Internal Revenue Service, or the statute of limitations with respect to the relevant Tax liability expired, for all taxable periods through and including the period ending on the date on which the Effective Time occurs;

(h) all Taxes due with respect to any completed and settled audit, examination or deficiency litigation with any Taxing Authority have been paid in full;

(i) there is no audit, examination, deficiency, or refund litigation pending with respect to any Taxes and during the past three years no Taxing Authority has given written notice of the commencement of any audit, examination or deficiency litigation, with respect to any Taxes;

(j) American is not bound by any currently effective private ruling, closing agreement or similar agreement with any Taxing Authority relating to a material amount of Taxes;

(k) except with respect to like-kind exchanges pursuant to Section 1031 of the Code, American shall not be required to include in a taxable period ending after the Effective Time, any taxable income attributable to income that economically accrued in a prior taxable period as a result of Section 481 of the Code, the installment method of accounting or any comparable provision of state or local Tax law;

(l) (A) no material amount of property of American is "tax exempt property" within the meaning of Section 168(h) of the Code, (B) no material amount of assets of American is subject to a lease under Section 7701(h) of the Code, and (C) American is not a party to any material lease made pursuant to Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect prior to the date of enactment of the Tax Equity and Fiscal Responsibility Act of 1982; and

(m) immediately following the Merger, American will not have any material amount of income or gain that has been deferred under Treasury Regulation Section 1.1502-13, or any material excess loss account in a Subsidiary under Treasury Regulation Section 1.1502-19.

4.9 Employee Retirement Income Security Act of 1974.

(a) American (which for purposes of this Section 4.9 shall include any ERISA Affiliate) currently sponsors, maintains and contributes only to the Plans and Benefit Arrangements set forth in Section 4.9(a) of the American Disclosure Schedule. American has delivered or made available to Mergeparty true, complete and correct copies of (1) each Plan and Benefit Arrangement (or, in the case of any unwritten Plans or Benefit Arrangements, reasonable descriptions thereof), (2) the two most recent annual reports on Form 5500 (including all schedules and attachments thereto) filed with the Internal Revenue Service with respect to each Plan (if any such report was required by Applicable Law), (3) the most recent summary plan description (or similar document) for each Plan for which such a summary plan description is required by Applicable Law or was otherwise provided to plan participants or beneficiaries and (4) each trust agreement and insurance or annuity contract or other funding or financing arrangement relating to any Plan. To the knowledge of American, each such Form 5500 and each such summary plan description (or similar document) does not, as of the date hereof, contain any material misstatements. Except as set forth in Section 4.9(a) of the American Disclosure Schedule, as to all Plans and Benefit Arrangements listed in Section 4.9(a) of the American Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation in accordance with their respective terms, and with all Applicable Laws, in all material respects, and American has not received any notice from any Authority disputing or investigating such compliance;

(ii) all such Plans maintained by American that are intended to comply with Sections 401 and 501 of the Code comply in all material respects with all applicable requirements of such sections, and no Event

has occurred which is known to American which will give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code and each such Plan has been the subject of a determination letter from the Internal Revenue Service to the effect that such Plan and related trust is qualified and exempt from Federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code; no such determination letter has been revoked, and, to the knowledge of American, revocation has not been threatened. American has delivered or made available to Mergeparty a copy of the most recent determination letter received with respect to each Plan for which such a letter has been issued, as well as a copy of any pending application for a determination letter. American has also provided or made available to Mergeparty a list of all Plan amendments as to which a favorable determination letter has not yet been received;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there are no Claims (other than routine Claims for benefits or actions seeking qualified domestic relations orders) pending or, to American's knowledge, threatened involving such Plans or the assets of such Plans, and, to American's knowledge, no facts exist which are reasonably likely to give rise to any such Claims (other than routine Claims for benefits or actions seeking qualified domestic relations orders);

(v) no such Plan is subject to Title IV of ERISA, and American has no actual or potential liability thereunder;

(vi) all group health Plans of American have been operated in compliance in all material respects with the group health plan continuation coverage requirements of COBRA;

(vii) neither American nor, to its knowledge, any of its directors, officers, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject American or any of its respective directors, officers or employees to liability under ERISA or any similar Applicable Law;

(viii) American is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(ix) except as set forth in the American Financial Statements and pursuant to the provisions of COBRA, American does not maintain any Plan that provides for post-retirement medical or life insurance benefits, and American does not have any obligation or liability with respect to any such Plan previously maintained by it, except as the provisions of COBRA may apply to any former employees or retirees of American;

(x) all material contributions to, and material payments from, the Plans and Benefit Arrangements that may have been required to be made in accordance with the terms of the Plans and Benefit Arrangements, and any applicable collective bargaining agreement, have been made. All such contributions to, and payments from, the Plans and Benefit Arrangements, except those payments to be made from a trust qualified under Section 401(a) of the Code, for any period ending before the Closing Date that are not yet, but will be, required to be made, will be properly accrued and reflected in the Closing Balance Sheet;

(xi) (1) no "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred that involves the assets of any Plan; (2) no prohibited transaction has occurred that could subject American, any of its employees, or, to the knowledge of American, a trustee, administrator or other fiduciary of any trust created under any Plan to the tax or sanctions on prohibited transactions imposed by Section 4975 of the Code or Title I of ERISA; (3) none of American, any of its ERISA Affiliates or, to the knowledge of American, any trustee, administrator or other fiduciary of any Plan or any agent of any of the foregoing has engaged in any transaction or acted in a manner that could, or has failed to act so as to, subject American or any trustee, administrator or other fiduciary to any liability for breach of fiduciary duty under ERISA or any other Applicable Law;

(xii) American has not incurred any material liability to a Plan (other than for contributions not yet due) which liability has not been fully paid or accrued for payment as of the date of the Original Merger Agreement;

(xiii) except as otherwise contemplated by this Agreement, no current or former employee of American will be entitled to any additional benefits or any acceleration of the time of payment or vesting of any benefits under any Plan or Benefit Arrangement as a result of the transactions contemplated by this Agreement;

(xiv) no compensation payable by American to any of its employees under any existing Plan, Benefit Arrangement (including by reason of the transactions contemplated hereby) will be subject to disallowance under Section 162(m) of the Code;

(xv) any amount that could be received (whether in cash or property or the vesting of property) as a result of any of the transactions contemplated by this Agreement by any employee, officer, director or independent contractor of American who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation Section 1.280G-1) under any employment arrangement would not be characterized as an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code);

(xvi) no Plan which is an employee stock ownership plan (an "ESOP") constitutes a leveraged employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code and there are no unallocated shares of stock of American currently held under any such ESOP in a suspense account; and

(xvii) there are no outstanding options (or contractual obligations to issue options) to acquire American Common Stock or other American securities other than options held by employees or directors of American and issued under Benefit Arrangements (the aggregate number of which are as set forth in Section 4.11 of the American Disclosure Schedule).

(b) The execution, delivery and performance by American of this Agreement and the Collateral Documents executed or required to be executed by American pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

4.10 Insurance. All material fire and casualty, general liability, business interruption, product liability, and sprinkler and water damage insurance policies maintained by American or any of its Subsidiaries (other than the Tower Subsidiaries) are with reputable insurance carriers, provide full and adequate coverage, for American and such Subsidiaries (other than the Tower Subsidiaries) and their respective properties and assets, and are in character and amount at least equivalent to that carried by Persons engaged in similar businesses and subject to the same or similar perils or hazards, except where the failure to maintain such insurance policies, either individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on American.

4.11 Authorized Capital Stock. The authorized and outstanding capital stock, Option Securities and Convertible Securities of American, as of September 18, 1997, are as set forth in Section 4.11 of the American Disclosure Schedule. Except as set forth in Section 4.11 of the American Disclosure Schedule, since September 18, 1997, American has not issued any shares of capital stock of any class, any Option Securities or any Convertible Securities, except for the issue of American Common Stock pursuant to the conversion of Convertible Securities or the exercise of Option Securities outstanding on September 18, 1997 and in each case in accordance with their present terms or as otherwise described or contemplated by the Filed American SEC Documents. All of such outstanding capital stock has been duly authorized and validly issued, is fully paid and nonassessable and is not subject to any preemptive or similar rights. American had, prior to the date of the Original Merger Agreement, made available to Mergeparty a true and correct copy of the Restated Certificate of Incorporation of American (the "Restated Certificate") as in effect on the date of the Original Merger Agreement. Except as set forth in Section 4.11 of the American Disclosure Schedule, there are no bonds, debentures, notes or other indebtedness of American outstanding having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of American may vote. Except as set forth in Section 4.11 of the American Disclosure Schedule, or, except as set forth in the Restated Certificate, there are no contractual obligations of American or any of its Subsidiaries outstanding to repurchase, redeem or otherwise acquire any shares of capital stock of American or any of its Subsidiaries. Except as otherwise contemplated by this Agreement or as set forth in Section 4.11 of the American Disclosure Schedule, there are no contractual obligations of American to vote or to dispose of any shares of the capital

stock of any of its Subsidiaries. No adjustment in either the conversion price or the amount or nature of the securities or other property issuable upon conversion of the shares of American Convertible Preferred Stock is required as a result of (i) the Tower Merger, other than an adjustment to the effect that, upon conversion, the holders thereof shall have the right to receive the Tower Merger Consideration upon any conversion following the Tower Merger Effective Time, as if such conversion had been effected immediately prior to the Tower Merger Effective Time, and (ii) the Merger, other than an adjustment to the effect that, upon conversion, the holders thereof shall have the right to receive the Merger Consideration upon any conversion following the Effective Time as if such conversion had been effected immediately prior to the Effective Time. No adjustment in the exercise price or the number of shares of American Common Stock or the amount or nature of any other securities or property issuable upon the exercise of the American Options is required as result of (i) the Tower Merger, other than an adjustment to the effect that, upon exercise, the holders thereof shall have the right to receive the Tower Merger Consideration upon any exercise following the Tower Merger Effective Time, as if such exercise had been effected immediately prior to the Tower Merger Effective Time and (ii) the Merger, other than an adjustment to the effect that, upon exercise, the holders thereof shall have the right to receive the Merger Consideration upon any exercise following the Effective Time as if such exercise had been effected immediately prior to the Effective Time.

4.12 Employment Arrangements. Except as described in the Filed American SEC Documents or in Section 4.12 of the American Disclosure Schedule, as of the date of the Original Merger Agreement (i) none of the employees of American or any of its Subsidiaries (other than the Tower Subsidiaries) was, or, to American's knowledge, since November 1, 1993 and while an employee of American or any of its Subsidiaries had been, represented by any labor union or other employee collective bargaining organization, or were, as of the date of the Original Merger Agreement, or, to American's knowledge, since November 1, 1993 to such date had been, parties to any labor or other collective bargaining agreement, (ii) there are, to American's knowledge, no pending labor strikes, work stoppages, lockouts, slow downs, grievances (including unfair labor charges), disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of such labor strikes, work stoppages, lockouts or slowdowns or any pending demands for collective bargaining by any union or other such organization, and (iii) neither American nor any of its Subsidiaries (other than the Tower Subsidiaries) nor any of its or any of their employees was, as of the date of the Original Merger Agreement, or, to American's knowledge, since November 1, 1993 to such date had been, subject to or involved in or, to American's knowledge, threatened with, any union elections, petitions therefor or other organizational or recruiting activities. American and its Subsidiaries (other than the Tower Subsidiaries) have performed all obligations required to be performed under all Employment Arrangements and none of them is in breach or violation of or in default or arrears under any of the terms, provisions or conditions thereof, except for such breaches, violations, defaults and arrears, which either individually or in the aggregate, have not had and are not reasonably likely to have a Material Adverse Effect on American.

4.13 Voting Requirements. The affirmative vote of the holders of shares of American Common Stock, representing a majority of the outstanding voting power of American Common Stock, voting as a single class, is (i) the only vote necessary to approve and adopt this Agreement and the transactions contemplated by this Agreement (other than the Tower Merger Agreement) (the "Required Vote") and (ii) the only vote necessary to approve and adopt the Tower Merger Agreement and the transactions contemplated by the Tower Merger Agreement (the "Required Tower Vote").

4.14 Brokers. No broker, investment banker, financial advisor or other person, other than Credit Suisse First Boston Corporation ("CSFB"), the fees and expenses of which will be paid by American, and Merrill Lynch Pierce Fenner & Smith Incorporated, the fees and expenses of which will be paid by American Tower (or reimbursed to American by American Tower) following the Effective Time in accordance with the provisions of Section 9.3(b), is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated or permitted by this Agreement. American has furnished to Mergeparty true and complete copies of all agreements under which any such fees or expenses may be payable

and all indemnification and other agreements related to the engagement of the persons to whom such fees may be payable.

4.15 Information Supplied.

(a) Each of the Proxy Statement and the Tower Proxy Statement will not, at the date it is first mailed to the holders of American Common Stock and at the time of the American Stockholders Meeting (in the case of the Proxy Statement) and the American Stockholders Tower Meeting (in the case of the Tower Proxy Statement), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. For purposes of the foregoing, the truth of any information or the existence of any omissions at the time of the American Stockholders Meeting and the American Stockholders Tower Meeting shall be determined with reference to the Proxy Statement and the Tower Proxy Statement, respectively, as then amended or supplemented. The Proxy Statement and the Tower Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by American with respect to statements made or incorporated by reference therein based on information specifically supplied by Mergeparty or Mergeparty Subsidiary for inclusion or incorporation by reference in the Proxy Statement or the Tower Proxy Statement.

(b) The Registration Statement to be filed with the Commission by American Tower pursuant to the provisions of Section 6.6(b) will not (except to the extent revised or superseded by amendments or supplements contemplated hereby), at the time such Registration Statement is filed with the Commission, at the time such Registration Statement is amended or supplemented or at the time 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 be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.16 Ordinary Course of Business. Except as may be described in the Filed American SEC Documents or in Section 4.9(a) or Section 4.16 of the American Disclosure Schedule, since June 30, 1997 to the date of the Original Merger Agreement, (i) each of American and its Subsidiaries (other than the Tower Subsidiaries) has operated its business in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice (it being understood and agreed for purposes of this Section 4.16 by the parties that the acquisition, disposition and exchange of radio stations is in the ordinary course of business) and (ii) there has not been by American and its Subsidiaries (other than the Tower Subsidiaries) (a) any declaration, setting aside or payment of any dividend or other distribution payable in cash, stock, property or otherwise except for (x) the payment of dividends or the making of distributions by a direct or indirect wholly-owned Subsidiary of American and (y) the payment of dividends on shares of American Preferred Stock in accordance with their terms, (b) any split, combination or reclassification of any of its capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, (c) (I) any granting to any executive officer or other key employee of American or any of its Subsidiaries of any increase in compensation, except for normal increases in the ordinary course of business consistent with past practice or as required under Benefit Arrangements, (II) any granting to any such executive officer of any increase in severance or termination pay, except as was required under any Benefit Arrangement, (III) except in the ordinary course, any entering into, amendment in any material respect or termination of any Governmental Authorization, Private Authorization or material agreement, arrangement, contract, undertaking, understanding or other obligation, or (IV) any adoption or amendment of any Plan or Benefit Arrangement (including changing any actuarial or other assumption used to calculate funding obligations with respect to any Plan, or changing the manner in which contributions to any Plan are made or the basis on which such contributions are determined) except as required to comply with changes in Applicable Law, (d) except insofar as may have been disclosed in the Filed American SEC Documents or required by a change in GAAP, any change in accounting methods, principles or practices by American materially affecting its assets, liabilities or business, (e) any sale, disposition or contract to dispose of any of its properties or assets having a value in excess of $1,000,000 other than in the

ordinary course, and (f) any damage, destruction or loss, whether or not covered by insurance, that has had a Material Adverse Effect on American.

4.17 Environmental Matters. Except as set forth in the American SEC Documents or Section 4.17 of the American Disclosure Schedule, American:

(a) (i) has not been notified in writing that it is potentially liable and, has not received any written request for information or other correspondence concerning its potential liability with respect to any site or facility, under or pursuant to any Environmental Law, (ii) to the knowledge of American, is not a potentially "responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act, as amended, or any similar state Law, and (iii) to the knowledge of American, is not the subject of or, to the knowledge of American, threatened with any Legal Action involving a demand for damages or other potential liability, including any Lien, with respect to violations or breaches of any Environmental Law;

(b) to the knowledge of American, is in compliance with all Environmental Laws and has obtained all Environmental Permits required under Environmental Laws, except for such noncompliances and failures to obtain Environmental Permits as, individually or in the aggregate, have not had and would not be reasonably likely to have a Material Adverse Affect on American;

(c) (i) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law, and (ii) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law; and

(d) to the knowledge of American, there have not been any releases, spills or disposal activities of or involving Hazardous Materials, including without limitation from underground storage tanks, on or from any property owned, operated or leased by American which releases, spills or disposal activities resulted or could reasonably be expected to result in investigation and cleanup expenditures which upon payment of such expenditures would be reasonably likely to have a Material Adverse Effect on American.

Notwithstanding anything to the contrary contained in this Agreement, American makes no representation or warranty with respect to its compliance with Environmental Laws or environmental matters generally, except as specifically set forth in this Section 4.17.

4.18 Opinion of Financial Advisor. American has received the opinion of CSFB, dated the date of the Original Merger Agreement, to the effect that, as of such date, the Merger Consideration (as defined in the Original Merger Agreement) to be received by the holders of American Common Stock in the Merger is fair from a financial point of view to the holders of American Common Stock.

4.19 Contracts; Debt Instruments.

(a) Except as set forth in Section 4.20 of the American Disclosure Schedule, neither American nor any of its Subsidiaries is in violation of or in default under (nor does there exist any condition which upon the passage of time or the giving of notice, or both, would cause such a violation of or default under) any material agreement, arrangement, contract, undertaking, understanding or other obligation, including the American Preferred Stock ("Contracts"), to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults, that individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on American, and none of the Contracts prohibits American from incurring an additional $1.00 of indebtedness.

(b) American has made available to Mergeparty (i) true and correct copies of all Contracts to which any indebtedness of American or any of its Subsidiaries (other than the Tower Subsidiaries) in an aggregate principal amount in excess of $1,000,000 is outstanding or may be incurred and (ii) accurate information regarding the respective principal amounts currently outstanding as of the date of the Original Merger Agreement thereunder.

4.20 State Takeover Statutes. Except for Section 203 of the DCL, to American's knowledge, no other state takeover Law, statute or similar statute or regulation applies or purports to apply to the Merger, this Agreement or any of the transactions contemplated by this Agreement.

4.21 Appraisal Rights. No appraisal rights under Section 262 of the DCL are applicable to the Tower Merger or the Tower Merger Consideration.

ARTICLE 5

Representations and Warranties of Mergeparty

Except as set forth with respect to specifically identified representations and warranties in the Mergeparty Disclosure Schedule, Mergeparty represents and warrants to American as follows:

5.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Each of Mergeparty and Mergeparty Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and as presently proposed to be conducted. Each of Mergeparty and Mergeparty Subsidiary is duly qualified and in good standing as a foreign corporation in each other jurisdiction (as shown on Section 5.1(a) of the Mergeparty Disclosure Schedule) in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, with full power and authority (corporate and other) to carry on the business in which it is engaged, except in such jurisdictions where the failure to be so qualified and in good standing, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on Mergeparty.

(b) Each of Mergeparty and Mergeparty Subsidiary 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 Mergeparty and/or Mergeparty Subsidiary pursuant hereto or thereto or to consummate the Merger and the other 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 have been duly authorized by all requisite corporate or other action on the part of Mergeparty and/or Mergeparty Subsidiary, and no other corporate proceedings on the part of Mergeparty and/or Mergeparty Subsidiary are necessary to authorize this Agreement or the transactions contemplated hereby or to consummate the Merger or the other transactions so contemplated. This Agreement has been duly executed and delivered by each of Mergeparty and Mergeparty Subsidiary and constitutes, and each Collateral Document executed or required to be executed pursuant hereto or to consummate the Merger when executed and delivered by Mergeparty and/or Mergeparty Subsidiary will constitute, a valid and binding obligation of Mergeparty and/or Mergeparty Subsidiary, 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) At the time of execution of this Agreement, Mergeparty and all of its Affiliates or "associates" (as defined in the Exchange Act) collectively beneficially own less than 5% of the outstanding shares of American Common Stock.

(d) The execution, delivery and performance by each of Mergeparty and/or Mergeparty Subsidiary of this Agreement and any Collateral Document executed or required to be executed by such party pursuant hereto or thereto, do not, and the consummation by Mergeparty Subsidiary of the Merger and the other transactions hereby and thereby and compliance with the terms, conditions and provisions hereof or thereof by Mergeparty and/or Mergeparty Subsidiary will not:

(i) (A) conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Mergeparty or Mergeparty Subsidiary or (B) any Applicable Law applicable to Mergeparty or

Mergeparty Subsidiary, or 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 Contract or Private Authorization of Mergeparty or Mergeparty Subsidiary, except, in the case of clause (B), for such conflicts, breaches, violations, terminations, cancellations or accelerations that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on Mergeparty; or

(ii) result in or permit the creation or imposition of any Lien upon any property now owned or leased by Mergeparty or Mergeparty Subsidiary except for such Liens that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on Mergeparty or Mergeparty Subsidiary; or

(iii) require any Governmental Authorization or Governmental Filing except for (A) the FCC Consents, (B) filings under the Hart-Scott-Rodino Act, (C) the filing with the Commission of 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, (D) the filing of the Certificate of Merger with the Delaware Secretary of State and appropriate documents with the relevant authorities of other states in which American is qualified to do business and (E) such other Governmental Authorizations and Governmental Filings the failure of which to be made or obtained would, individually or in the aggregate, not be reasonably likely to have a Material Adverse Effect on American.

(e) Mergeparty Subsidiary was formed solely for the purpose of engaging in the transactions contemplated by this Agreement and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated by this Agreement.

5.2 Compliance with Governmental Authorizations and Applicable Law; Litigation. Except as disclosed in any report or other document filed by Mergeparty with the SEC prior to the date of the Original Merger Agreement or in Section 5.2 of the Mergeparty Disclosure Schedule, there are no Legal Actions pending or, to the knowledge of Mergeparty, threatened against Mergeparty or any of its Subsidiaries, except for Legal Actions that, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect on Mergeparty or prevent or materially burden or materially impair the ability of Mergeparty to consummate the transactions contemplated by this Agreement. Except as set forth in Section 5.2 of the Mergeparty Disclosure Schedule, there are not facts relating to Mergeparty (or any Affiliate thereof) under the FCA that would disqualify it (or any Affiliate or assignee) from obtaining control of the American FCC Licenses or that would prevent it (or any Affiliate or assignee) from consummating the transactions contemplated by this Agreement or, to Mergeparty's knowledge, materially delay the grant of the FCC Consents. Except as may be set forth in Section 5.2 of the Mergeparty Disclosure Schedule, it is not necessary for Mergeparty or any of its Subsidiaries or other Affiliates (or assigns) to (a) seek or obtain any waiver from the FCC, (b) dispose of any interest in any media or communications property or interest (including without limitation any of the American Stations or the American Brokered Stations), (c) terminate any venture or arrangement, or (d) effectuate any change or restructuring of ownership (including without limitation the removal or withdrawal of officers or directors or the conversion or repurchase of equity securities in Mergeparty or any Affiliate) to obtain, or to avoid any delay in obtaining, the FCC Consents. Mergeparty is able to certify on an FCC Form 315 that it is financially qualified.

5.3 Mergeparty Financing. On the Closing Date, Mergeparty will have sufficient funds to consummate the transactions contemplated by this Agreement, including without limitation the Merger, and to pay all related fees and expenses.

ARTICLE 6

Covenants

6.1 Access to Information; Confidentiality. American shall afford to Mergeparty and its accountants, counsel, investment bankers, financial advisors and other agents and representatives (the "Representatives") full

access during normal business hours throughout the period prior to the Closing Date to all of its (and its Subsidiaries', other than those of the Tower Subsidiaries) properties, books, contracts, commitments and records (including without limitation Tax Returns) and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by it pursuant to the requirements of any Applicable Law (including without limitation the FCA) or filed by it or any of its Subsidiaries (other than the Tower Subsidiaries) with any Authority in connection with the Merger or which may have a material effect on it or its business, financial condition or results of operations, and (ii) such other information concerning any of the foregoing as Mergeparty shall reasonably request; provided, however, that the foregoing shall not require American to permit any disclosure or to disclose any information, that in the reasonable judgment of American would result in the disclosure of any trade secrets of third parties or violate any of its obligations with respect to confidentiality if American shall have used its best efforts to obtain the consent of such third party to such inspections or disclosure. All requests for information shall be directed to an executive officer of American or such other Persons as may be designated by American. All information disclosed pursuant to this Section or otherwise shall be governed by the terms of the Confidentiality Agreement, the terms and provisions of which are incorporated herein by reference with the same force and effect as though set forth here in their entirety. No investigation pursuant to this Section or otherwise shall affect any representation or warranty of American in this Agreement or any condition to the obligations of Mergeparty hereto.

6.2 Agreement to Cooperate.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of the parties hereto shall use best efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate the Merger and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Merger, including, in all cases, without limitation using its best efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Merger by all such applicable Authorities, (ii) to obtain all necessary or appropriate waivers, consents and approvals, (iii) to effect all necessary registrations, filings and submissions, (iv) to defend any suit, action or proceeding, whether judicial or administrative, challenging the Merger or any of the transactions contemplated by the Merger Agreement, including seeking to lift any injunction or other legal bar to the Merger (and, in such case, to proceed with the Merger as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 7, including without limitation the securing of all authorizations, consents, waivers, modifications, order or approvals referred to in Sections 7.1(b) and 7.1(d) and, without limiting the generality of the foregoing, and notwithstanding any provision contained in this Agreement to the contrary, including without limitation the last sentence of Section 6.10, American shall not, and shall not permit any Tower Subsidiary to, take any action or enter into any agreement, plan or arrangement to take any action (a "Prohibited Transaction") which could reasonably be expected to materially delay the date of the American Stockholders Meeting or the Effective Time (it being understood that any delay in excess of fifteen (15) business days which would arise as a result of any such action shall be deemed "material" for purposes hereof). American hereby agrees to provide Mergeparty with prior written notification of any proposed action which could reasonably be expected to constitute a Prohibited Transaction.

(b) Without limiting the generality of the foregoing, the parties acknowledge and agree that the transfer of control of the American FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. American and Mergeparty acknowledge that they have heretofore filed with the FCC appropriate applications requesting the FCC's written consent to the transfer of control of the American FCC Licenses pursuant to this Agreement and have caused all necessary persons to join in one or more such applications filed with the FCC (the "Applications"). American and Mergeparty will use their best efforts to take such steps as may be necessary (i) diligently to prosecute the Applications and to prepare and file any further Applications or amendments as may be necessary to obtain the consent for the transfer of control to Mergeparty of the licenses held by the American Brokered Stations to be acquired by American and (ii) to obtain the FCC Consents, including action by Mergeparty, at its sole cost and expense (except as provided elsewhere in this

Agreement), to satisfy or cause to be removed all Divestiture Conditions, if any. The failure by American or Mergeparty to use its best efforts to timely file or diligently prosecute its portion of any Application or, in the case of Mergeparty, the failure to use its best efforts to make any Required Divestiture or otherwise satisfy or cause to be removed all Divestiture Conditions on or before the Termination Date, shall be a material breach by American or Mergeparty, as the case may be, of this Agreement. American agrees that any delay in prosecuting the Applications or obtaining the FCC Consents resulting from Mergeparty's good faith negotiations, subject to Applicable Law, with the FCC, Antitrust Division or FTC with respect to the imposition of a Divestiture Condition shall not constitute a failure by Mergeparty to use its best efforts diligently to prosecute the Applications or obtain the FCC Consents and so long as such negotiations do not interfere with satisfaction of all conditions to Closing prior to the Termination Date. If reconsideration or judicial review is sought with respect to any FCC Consent, American and Mergeparty shall (promptly and with all due efforts) oppose such efforts to obtain reconsideration or judicial review.

(c) Without limiting the generality of Section 6.2(a), the parties undertake and agree to file as soon as practicable after the date hereof, and in any event within sufficient time to be able to consummate the Merger prior to the Termination Date, a Notification and Report Form under the Hart-Scott-Rodino Act with the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the "Antitrust Division"). Each of the parties shall (i) use its best efforts to comply as expeditiously as possible with all lawful requests of the FTC or the Antitrust Division for additional information and documents and (ii) not extend any waiting period under the Hart-Scott-Rodino Act or enter into any agreement with the FTC or the Antitrust Division not to consummate the transactions contemplated by this Agreement, except with the prior written consent of the other party hereto; provided, however, that nothing shall limit the ability of Mergeparty to extend the 20-day waiting period under the Hart-Scott-Rodino Act following substantial compliance with any request for additional information that may be forthcoming, if such extension is reasonably necessary to allow the continuation of good-faith negotiations intended to remove any objection to the transaction that the FTC or Antitrust Division may have asserted, and if such extension will expire not less than 30 days prior to the Termination Date.

(d) Anything in this Agreement, including without limitation Section 6.2(b), to the contrary notwithstanding, Mergeparty shall obtain the FCC Consents and clearances under the Hart-Scott-Rodino Act and the grant of any waivers in connection therewith prior to the Termination Date in accordance with this Agreement unless the failure to obtain such FCC Consents, clearances and waivers is primarily the result of one or more Uncontrollable Events. For purposes of this Agreement, the term "Uncontrollable Events" shall mean (i) acts or omissions on the part of American or any of its Subsidiaries in conducting its respective operations other than those relating to the number of American FCC Licenses or amount of revenues in a particular market, (ii) an unremedied or unwaived material breach by American of its obligations under this Agreement, or (iii) any change in or enactment of Applicable Law by Congress and signed by the President and which (A) has the effect of decreasing the number of radio licenses which a Person may own nationally or locally or (B) materially and adversely relates to the concentration of radio licenses which a Person may own in a market, and as a result of the change or enactment referred to in either clause (A) or (B) above, Mergeparty's performance of its obligations under this Agreement would have a Material Adverse Effect on Mergeparty's radio and television broadcasting business. Mergeparty shall file with the FCC, within sufficient time to permit timely grant of the Applications, applications for consent to assign or transfer, pursuant to trust arrangements satisfying the FCC's local multiple ownership rules and policies, such radio broadcast stations as Mergeparty may designate, so that the radio broadcast stations of Mergeparty and American not designated for such trust arrangements may be held by the Surviving Corporation in compliance with the FCC's local multiple ownership rules and policies. Mergeparty shall, to the extent necessary to obtain grant of the trust applications, thereafter promptly file or cause to be filed any further applications (including applications to assign radio broadcast stations to third party purchasers for value) that may be required by the FCC. Notwithstanding the two preceding sentences, with regard to stations located in the San Jose market, the obligations of Mergeparty to submit trust or sale applications shall be excused for such stations to the extent and for the duration of the period that Mergeparty is unable to identify the stations

to be placed in trust or sold because of the failure of American to notify Mergeparty of the resolution of the Antitrust Division impediment impacting the American transactions pending in the San Jose market.

(e) If Mergeparty or any of its Affiliates receives an administrative or other order or notification relating to any violation or claimed violation of the rules and regulations of the FCC, or of any other Authority (including without limitation seeking or relating to a Divestiture Condition), that could affect Mergeparty's or Mergeparty Subsidiary's ability to consummate the transactions contemplated hereby, or if Mergeparty or any other Affiliate of Mergeparty should become aware of any fact relating to the qualifications of Mergeparty or any of its Affiliates that reasonably could be expected to cause the FCC to withhold its consent to the assignment of the American FCC Licenses, Mergeparty shall promptly notify American thereof and American shall do likewise with Mergeparty and Mergeparty shall use its best efforts, and take such steps as are necessary, in order to satisfy or remove the Divestiture Conditions to enable the Closing to occur prior to the Termination Date. Mergeparty covenants and agrees to keep American fully informed as to all matters concerning all Required Divestitures and shall promptly notify American in writing of any and all significant developments relating thereto and American agrees to do likewise with Mergeparty.

(f) Mergeparty acknowledges and agrees that certain of the American Stations and American Brokered Stations may file applications for renewal of license during the time that an application for the FCC Consents is pending before the FCC. To the extent any such application for renewal may be filed, Mergeparty agrees to amend the transferee's portion of any application for the FCC Consents and, as may be required, to amend any license renewal applications for all of the American Stations or American Brokered Stations, to confirm Mergeparty's intention to consummate this Agreement during the pendency of such license renewal application, and to agree to assume the consequences associated with succeeding to the place of American in such license renewal applications. The making of this statement shall not be deemed to limit or waive any other rights that Mergeparty may otherwise have under this Agreement.

(g) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Merger that are required or permitted to be filed on or before the Closing Date.

(h) Subject to Applicable Laws relating to the exchange of information, American, on the one hand, and Mergeparty, on the other hand, shall have the right to review in advance, and to the extent practicable each will consult the other with respect to, all the information relating to American or Mergeparty, as the case may be, and any of their respective Subsidiaries, that appear in any filing made with, or written materials submitted to, any Authority and/or other Person in connection with the Merger and the other transactions contemplated by this Agreement. In exercising the foregoing right, each of American and Mergeparty shall act reasonably and as promptly as practicable.

6.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, each party shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Merger and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, the parties acknowledge and agree that they may, without each other's prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, they will consult with the other regarding the nature, content and form of such press release or public statement.

6.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be reasonably likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any material respect or (ii) any failure made by it to comply with or satisfy, or be able to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this

Agreement in any material respect, such that, in any such case, one or more of the conditions of Closing would not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the rights and remedies available hereunder to the party receiving such notice or the obligations of the party delivering such notice and shall not, in any event, affect the representations, warranties, covenants and agreements of the parties or the conditions to their respective obligations under this Agreement.

6.5 Stockholder Approval. American will, as soon as practicable following the date thereof, establish separate record dates (which will be as soon as practicable following the date hereof) for, duly call, give notice of, convene and hold (on separate dates) (i) a meeting (the "American Stockholders Meeting") of the holders of shares of American Common Stock for the purpose of obtaining the Required Vote and (ii) a meeting (the "American Stockholders Tower Meeting") of holders of shares of American Common Stock for the purpose of obtaining the Required Tower Vote. American will, through its Board of Directors, recommend to the holders of shares of American Common Stock approval and adoption of this Agreement and the Tower Merger Agreement, subject, with respect to approval and adoption of this Agreement, to the fiduciary duties of the Board of Directors of American under Applicable Law.

6.6 Proxy Statement; Registration Statement.

(a) American shall prepare and file with the Commission as soon as is reasonably practicable after the date hereof a proxy statement in connection with the American Stockholders Meeting (the "Proxy Statement") and a proxy statement in connection with the American Stockholders Tower Meeting (the "Tower Proxy Statement"), in each case complying with applicable rules and regulations of the Commission and the DCL.

(b) American shall cause American Tower to prepare and file with the Commission as soon as is reasonably practicable after the date hereof a registration statement on Form S-4 (the "Registration Statement") complying with applicable rules and regulations of the Commission. The Registration Statement shall cover the registration under the Securities Act of the shares of Tower Common Stock to be delivered as the Tower Stock Consideration or Tower Merger Tower Consideration to the holders of shares of American Common Stock at the Effective Time or the Tower Merger Effective Time, as the case may be.

(c) Mergeparty and American shall, and American shall cause American Tower to, promptly furnish to the other all information, and take such other actions, as may reasonably be requested in connection with any action taken to comply with the provisions of this Section 6.6. Each of American and Mergeparty shall, and American shall cause American Tower to, correct promptly any information provided by it to be used specifically in the Proxy Statement, the Tower Proxy Statement or the 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 the Proxy Statement, the Tower Proxy Statement or the Registration Statement so as to correct such Proxy Statement, such Tower Proxy Statement or such Registration Statement and cause it to be disseminated to the stockholders of American, to the extent required by Applicable Law. Without limiting the generality of the foregoing, American shall, and American shall cause American Tower to, notify Mergeparty promptly of the receipt of the comments of the Commission and of any request by the Commission for amendments or supplements to the Proxy Statement, the Tower Proxy Statement or the Registration Statement, or for additional information, and shall supply Mergeparty 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 the Proxy Statement, the Tower Proxy Statement or the Registration Statement. Whenever any event occurs which should be described in an amendment or a supplement to the Proxy Statement, the Tower Proxy Statement or the Registration Statement, American shall, and American shall cause American Tower to, upon learning of such event, promptly prepare, file and clear with the Commission and, if prior to the Effective Time, mail to the holders of shares of American Common Stock such amendment or supplement; provided, however, that, prior to such mailing, (i) American shall, and American shall cause American Tower to, consult with Mergeparty with respect to such amendment or supplement, (ii) shall afford Mergeparty reasonable opportunity to comment thereon, and (iii) each such amendment or supplement shall be reasonably satisfactory to Mergeparty.

6.7 Miscellaneous. Nothing contained in this Agreement shall prohibit American from (a) taking and disclosing to its stockholders a position contemplated by Rules 14d-9 and 14e-2(a) promulgated under the Exchange Act or (b) making any disclosure to American's stockholders if, in the good faith judgment of the majority of the members of the Board of Directors of American, after consultation with independent counsel, failure to so disclose would be inconsistent with Applicable Laws.

6.8 Option Plans.

(a) All unexpired options to purchase American Common Stock that are outstanding immediately prior to the Effective Time (each, an "American Option"), except as provided otherwise in this Section 6.8, will be canceled by American immediately prior to the Effective Time. Each employee or director of American or any of its Subsidiaries immediately prior to the Effective Time (each, an "Optionholder") shall receive, with respect to each share of American Common Stock subject to an unexpired American Option of the Optionholder so canceled by American, the Merger Consideration, or, if the Tower Merger Effective Time shall have occurred, the cash that the Optionholder would have received pursuant to the Merger and shares of American Tower Common Stock that the Optionholder would have received pursuant to the Tower Merger, in each case with respect to each share of American Common Stock subject to an unexpired American Option of the Optionholder had such American Option been exercised immediately prior to the Tower Merger Effective Time, in all cases reduced by an amount of cash (and, to the extent necessary, Tower Common Stock) equal to the exercise price per share of American Common Stock subject to such American Option. Except as provided in the preceding sentence, no other consideration will be paid by American to an Optionholder in respect of his or her canceled American Options. If the Merger is not consummated, the cancellation of the Optionholder's American Options shall be rescinded and the Optionholder shall continue to hold such American Options upon their original terms and conditions. At the election of any Optionholder who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation Section 1.280G-1), this Section 6.8(a) will be inoperative with respect to such American Options as he or she may specify to the extent that the acceleration, vesting cancellation and cash-out of American Options at the Effective Time as provided herein would constitute an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code). Any Optionholder who makes such election shall forfeit the American Options which are subject to such election and shall receive no consideration therefor.

(b) With respect to American Options held by Tower Employees, notwithstanding the foregoing provisions of this Section 6.8 and in lieu thereof, and subject to the approval of the provisions of this Section 6.8 by the Board of Directors of American and the Compensation Committee thereof, such Tower Employees may elect to have their American Options assumed by American Tower and converted into options to acquire Tower Common Stock as of the earlier to occur of the Tower Merger Effective Time and the Effective Time, such conversion to be effectuated in a manner that will preserve the spread in such American Options between the option exercise price and the fair market value of American Common Stock at the time of such conversion, 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. To the extent that Tower Employees elect to so convert their American Options into options to acquire Tower Common Stock, American shall contribute (without the payment of any amount or the issuance of any securities by American Tower) to the capital of American Tower at the time of such conversion a number of shares of Tower Common Stock equal to the excess, if any, of (i) the number of shares of Tower Common Stock owned by American immediately prior to the Tower Merger Effective Time or the Effective Time, as the case may be, over (ii) 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), and (z) upon conversion of American Convertible Preferred Stock. If the Tower Employees set forth on Schedule 4.1(e) 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 6.8(b), American shall, prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, cause American Tower to 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. American shall cause American Tower to file with, and cause to be declared effective prior to the earlier to occur of the Tower Merger Effective Time or the Effective Time under the Securities Act by, the Commission, a registration statement on Form S-8 to register the shares of Tower Common Stock subject to such converted American Options under the Securities Act.

(c) American will use its best efforts (including best efforts to obtain any consents of Optionholders, if required) to cause the cancellation of all of the American Options immediately prior to the Effective Time.

(d) Notwithstanding the foregoing provisions of this Section 6.8, in the event that any amount payable under Section 6.8(a) to an Optionholder in respect of his American Options would fail to be deductible by American (or any successor thereto) solely by reason of (S)162(m) of the Code (after taking into account all amounts paid or reasonably expected to be payable to the Optionholder in the same taxable year in which the payments under Section 6.8(a) are made to the Optionholder and which are not otherwise exempt from Code (S)162(m) in determining whether any amount payable to the Optionholder will fail to be deductible thereunder), then, with respect to such portion of the Optionholder's American Options the cancellation and cash-out of which would be nondeductible under said (S)162(m) (the "(S)162(m) Options"), such (S)162(m) Options shall be canceled in accordance with the foregoing provisions of this Section 6.8, but the payments contemplated in Section 6.8(a) in respect of the Optionholder's (S)162(m) Options shall be made to the Optionholder on the 110th day following the Effective Time. American shall use its best efforts to obtain the written consent of each Optionholder affected by this Section 6.8(e) to the foregoing provisions hereof.

(e) All amounts payable hereunder to an Optionholder shall be reduced by any applicable withholding taxes.

Notwithstanding anything to the contrary in this Agreement, American shall have the right, in its sole and absolute discretion, to accelerate, on such terms and conditions as it shall determine, in whole or in part, the vesting of any or all of the American Options outstanding on the date hereof (other than the (S)162(m) Options) so that such American Options are exercisable in full prior to the Effective Time.

6.9 Conduct of Business by Mergeparty Pending the Merger. Except as otherwise contemplated by this Agreement, or as has been publicly disclosed prior to the date of the Original Merger Agreement, after the date of the Original Merger Agreement and prior to the Closing Date or earlier termination of this Agreement unless American shall otherwise agree in writing, with respect to Mergeparty's media business, Mergeparty shall, and shall cause its Subsidiaries, to:

(i) conduct their respective businesses in the ordinary and usual course of business and consistent with past practice, which includes the acquisition of other radio broadcasting stations;

(ii) not amend or propose to amend its Organic Documents in any manner materially adverse to the holders of the American Preferred Stock;

(iii) use all best efforts to preserve intact their respective business organizations and goodwill, keep available the services of their respective present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely affect the transactions contemplated by this Agreement; and

(iv) not authorize or enter into any agreement that would violate any of the foregoing.

6.10 Conduct of Business by American Pending the Merger. Except as set forth in Section 6.10 of the American Disclosure Schedule or as otherwise contemplated by this Agreement, including without limitation the transactions contemplated by the Tower Documentation and Section 6.19 hereof, after the date of the Original Merger Agreement and prior to the Closing Date or earlier termination of this Agreement, unless Mergeparty shall otherwise consent in writing, American shall, and shall cause its Subsidiaries, to:

(i) conduct their respective businesses in the ordinary and usual course of business and consistent with past practice;

(ii) not (A) amend or propose to amend their respective Organic Documents, (B) split, combine or reclassify (whether by stock dividend or otherwise) their outstanding capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of, or in substitution for shares of its capital stock, or (C) declare, set aside or pay any dividend or distribution payable in cash, stock, property or otherwise, except for (x) the payment of dividends or the making of distributions by a direct or indirect wholly-owned Subsidiary of American and (y) the payment of dividends on shares of the American Preferred Stock in accordance with their terms;

(iii) not issue, sell, pledge or dispose of, or agree to issue, sell, pledge or dispose of, any shares of its capital stock, Convertible Securities or Option Securities, except that American may issue shares of American Common Stock upon conversion of Convertible Securities and exercise of Option Securities outstanding on the date hereof and in accordance with their present terms;

(iv) not (A) incur or become contingently liable with respect to any indebtedness other than (x) short-term borrowings not to exceed $25 million in the aggregate outstanding at any one time, (y) borrowings to finance pending acquisitions of radio stations set forth in Section 6.10 of the American Disclosure Schedule and, pursuant to agreements in effect on the date of the Original Merger Agreement and (z) borrowings not to exceed $120 million to finance a capital contribution by American to Tower, (B) redeem, purchase, acquire or offer to purchase or acquire any shares of its capital stock, Convertible Securities or Option Securities, except pursuant to the conversion or exercise thereof, as the case may be, or except to the extent required by the present terms thereof, (C) sell, lease, license, pledge, dispose of or encumber any properties or assets or sell any businesses other than pursuant to agreements in effect on the date of the Original Merger Agreement and set forth in Section 6.10 of the American Disclosure Schedule or Liens arising in accordance with the provisions of indebtedness in effect on the date of the Original Merger Agreement and in accordance with their present terms, or (D) make any loans, advances or capital contributions to, or investments in, any other Person, other than to any direct or indirect wholly owned Subsidiary of American (other than the Tower Subsidiaries) and, except as provided in clause (z) above, or to officers and employees of American or any of its Subsidiaries for travel, business or relocation expenses in the ordinary course of business;

(v) use all reasonable efforts to preserve intact their respective business organizations and goodwill, keep available the services of their respective present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely impact the transactions contemplated by this Agreement;

(vi) confer on a regular and frequent basis with one or more representatives of Mergeparty to report material operational matters and the general status of ongoing operations;

(vii) not adopt, enter into, amend or terminate any employment, severance, special pay arrangement with respect to termination of employment or other similar arrangements or agreements with any directors, officers or key employees;

(viii) maintain with financially responsible insurance companies insurance on their respective tangible assets and their respective businesses in such amounts and against such risks and losses as are consistent with past practice;

(ix) not make any Tax election that could reasonably be likely to have a Material Adverse Effect on American or settle or compromise any material income Tax liability;

(x) except in the ordinary course of business or except as would not reasonably be likely to have a Material Adverse Effect on American, not modify, amend or terminate any Material Agreement to which American or any Subsidiary is a party or waive, release or assign any material rights or claims thereunder;

(xi) not make any material change to its accounting methods, principles or practices, except as may be required by GAAP;

(xii) not acquire or agree to acquire (x) by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any Person or other business

organization or division thereof or (y) any assets that, individually or in the aggregate, are material to American and its Subsidiaries taken as a whole, in each case, other than pursuant to agreements in effect on the date of the Original Merger Agreement and set forth in the Section 6.10 of the American Disclosure Schedule (Mergeparty agrees not to unreasonably withhold, delay or condition a consent to any matters described in this paragraph);

(xiii) except as set forth in Section 4.9(a) or Section 4.16 of the American Disclosure Schedule, (a) not grant to any executive officer or other key employee of American or any of its Subsidiaries any increase in compensation, except for normal increases in the ordinary course of business consistent with past practice or as required under Benefit Arrangements in effect as of June 30, 1997, (b) not grant to any such executive officer any increase in severance or termination pay, except as was required under any Benefit Arrangements in effect as of June 30, 1997, (c) not adopt or amend any Plan or Benefit Arrangement (including change any actuarial or other assumption used to calculate funding obligations with respect to any Plan, or change the manner in which contributions to any Plan are made or the basis on which such contributions are determined) and (d) except in the ordinary course, not enter into, amend in any material respect or terminate any Governmental Authorization (except as would not be reasonably likely to have a Material Adverse Effect on American), material Private Authorization or Contract; and

(xiv) not authorize or enter into any agreement that would violate any of the foregoing.

Anything in this Section to the contrary notwithstanding, the provisions of this Section (other than clause (ii) hereof) shall not apply to any of the Tower Subsidiaries.

6.11 Control of Operations. Nothing contained in this Agreement shall give to Mergeparty, directly or indirectly, rights to control or direct American's operations prior to the Effective Time. Prior to the Effective Time, American shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its operations. Nothing contained in this Agreement shall give to American, directly or indirectly, rights to control or direct Mergeparty's operations prior to the Effective Time. Prior to the Effective Time, Mergeparty shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its operations.

6.12 Directors', Officers' and Employees' Indemnification and Insurance.

(a) The Organic Documents of the Surviving Corporation shall contain provisions no less favorable with respect to indemnification than are set forth in the Organic Documents of American, as in effect on the date of the Original Merger Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years from the Effective Time in any manner that would affect adversely the rights thereunder of individuals who at any time prior to the Effective Time were directors, officers or employees of American or any of its Subsidiaries, unless such modification shall be required by Applicable Law.

(b) From and after the Effective Time, Mergeparty shall indemnify, defend and hold harmless the present and former officers, directors and employees of American or any of its Subsidiaries (collectively, the "Indemnified Parties") against all losses, expenses, claims, damages, liabilities or amounts that are paid in settlement of, or otherwise in connection with any claim, action, suit, proceeding or investigation (as used in this Section, a "claim") (including, without limitation, in connection with this Agreement, the Merger and the transactions contemplated hereby), based in whole or in part on the fact that the Indemnified Party (or the Person controlled by the Indemnified Party) is or was a director, officer or employee of American or any of its Subsidiaries and arising out of actions or omissions occurring at or prior to the Effective Time whether asserted or claimed prior to, at or after the Effective Time, in each case to the fullest extent permitted under the DCL (and shall pay any expenses, as incurred, in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted under the DCL). Without limiting the foregoing, in the event any such claim is brought against any of the Indemnified Parties, (i) such Indemnified Parties may retain counsel (including local counsel) satisfactory to them and which shall be reasonably satisfactory to Mergeparty and they shall pay all reasonable fees and expenses of such counsel for such Indemnified Parties; and (ii) Mergeparty shall use its best efforts to assist in the defense of any such claim; provided, however, that

Mergeparty shall not be liable for any settlement effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, nothing contained in this Section shall be deemed to grant any right to any Indemnified Party which is not permitted to be granted to an officer, director or employee of Mergeparty under the DCL, assuming for such purposes that Mergeparty's Organic Documents provide for the maximum indemnification permitted by the DCL.

(c) Mergeparty will cause to be maintained for a period of not less than six (6) years from the Effective Time American's current directors' and officers' insurance and indemnification policy to the extent that it provides coverage for events occurring prior to the Effective Time ("D&O Insurance") for all Persons who are directors and officers of American on the date of this Agreement, so long as the annual premium therefor would not be in excess of 200% of the last annual premium therefor paid prior to the date of the Original Merger Agreement (the "Maximum Premium"); provided, however, that if the annual premiums of such insurance coverage exceed such amount, Mergeparty shall only be obligated to obtain the greatest coverage available under such policy for a cost not exceeding such amount, provided further, however, that Mergeparty may, in lieu of maintaining such existing D&O Insurance as provided above, cause coverage to be provided under any policy maintained for the benefit of Mergeparty or any of its Subsidiaries, so long as the terms thereof are no less advantageous to the intended beneficiaries thereof than the existing D&O Insurance. If the existing D&O Insurance expires, is terminated or canceled during such six-year period, Mergeparty will use its best efforts to cause to be obtained as much D&O Insurance as can be obtained for the remainder of such period for an annualized premium not in excess of the Maximum Premium, on terms and conditions no less advantageous to the covered Persons than the existing D&O Insurance. American represents to Mergeparty that the Maximum Premium is not greater than $500,000.

(d) In the event Mergeparty or Mergeparty Subsidiary or any of their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then and in each such case, proper provisions shall be made so that the successors and assigns of Mergeparty or Mergeparty Subsidiary, as the case may be, shall assume the obligations set forth in this Section.

(e) This Section is intended to be for the benefit of, and shall be enforceable by, the Indemnified Parties, their heirs and personal representatives and shall be binding on Mergeparty, Mergeparty Subsidiary and their respective successors and assigns.

6.13 Solicitation of Employees. If this Agreement is terminated, Mergeparty agrees that neither it nor any of its Subsidiaries or other Affiliates will, for a period of eighteen (18) months from the date of such termination, solicit or actively seek to hire any key employees (including without limitation any station manager, sales manager, program director or any individual senior to any of such individuals) who during such period is employed by American or any of its Subsidiaries, whether or not such individual would commit breach of such individual's employment agreement or contract in leaving such employment; provided, however, that the foregoing shall not prevent Mergeparty from taking any action permitted by the Confidentiality Agreement.

6.14 Change of Name. Within ten (10) days after the Closing, Mergeparty shall cause each of its Subsidiaries, if necessary, to file certificates of amendment with the appropriate Secretary of State, amending such company's Organic Documents to change the name of such company to any name which does not include the words "American Radio". Immediately prior to the Closing, 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. As soon as commercially practicable, but in no event later than six (6) months from the Closing Date, Mergeparty Subsidiary and its Subsidiaries shall cease all use of the name "American Radio" in all modes.

6.15 Benefit Plans. Mergeparty shall take such action as may be necessary so that on and after the Effective Time and for one (1) year thereafter, officers and employees of American and its Subsidiaries (other than Tower Employees) shall be provided employee benefits, plans and programs (excluding equity incentive

arrangements) which are no less favorable in the aggregate than those generally available pursuant to those employee benefit plans and programs in effect for such officers and employees immediately prior to the Effective Time; it being understood that Mergeparty shall determine the types and levels of specific benefits to be so provided. For purposes of eligibility to participate and vesting in all benefits provided to officers and employees of American and its Subsidiaries (other than Tower Employees), such officers and employees of American and its Subsidiaries will be credited with their years of service with American and its Subsidiaries and prior employers to the extent service with American and its Subsidiaries and prior employers is taken into account under the applicable plans of American and its Subsidiaries as in effect as of the date of the Original Merger Agreement. Upon termination of any health plan of American or any of its Subsidiaries, individuals who were officers or employees of American or its Subsidiaries at the Effective Time (other than Tower Employees) shall if employed by Mergeparty or its Subsidiaries become eligible to participate in such health plans as may be established or maintained by Mergeparty or its Subsidiaries to the extent that such individuals were eligible to participate in the applicable health plan of American or its Subsidiaries immediately prior to the Effective Time. Amounts paid during the calendar year in which the Effective Time occurs, but before the Effective Time, by officers and employees of American and its Subsidiaries (other than Tower Employees) under any health plans of American shall after the Effective Time be taken into account in applying deductible and out-of-pocket limits applicable under the health plans of Mergeparty or its Subsidiaries provided during such calendar year to the same extent as if such amounts had been paid under such health plans of Mergeparty or its Subsidiaries and Mergeparty shall cause to be waived under its health plans any pre-existing conditions as of the date of termination of the American health plan and eligibility to participate in such health plan to the extent such conditions would be waived under the applicable plans of American and its Subsidiaries as in effect on the date of the Original Merger Agreement. Nothing in this Agreement shall be construed as granting to any employee of American or its Subsidiaries any rights of continuing employment.

6.16 American Cumulative Preferred Stock. To the extent permitted under Contracts, pursuant to which any indebtedness for money borrowed of American or any of its Subsidiaries is outstanding as of the date of the Original Merger Agreement, and by the American Preferred Stock, American shall pay all dividends in respect of the American Cumulative Preferred Stock in cash.

6.17 American Tower Transaction. As soon as practicable following the execution of the Original Merger Agreement and in any event prior to the consummation of the Merger, American shall prepare, in consultation with Mergeparty and its counsel, the definitive documentation to be executed by American and American Tower to effect the delivery of the shares of Tower Common Stock as part of the Tower Merger Consideration or the Merger Consideration, as the case may be (the "Tower Separation"), and submit such documentation to Mergeparty for its approval, which approval shall not be unreasonably withheld, delayed or conditioned (as approved, the "Tower Documentation"), and American and American Tower shall execute and deliver the Tower Documentation in the form so approved. Mergeparty and American agree that the Tower Documentation shall include or be prepared on a basis consistent with the following:

(a) American Tower shall indemnify, defend and hold Mergeparty, American and Subsidiaries of American (other than the Tower Subsidiaries, collectively in this Section the "American Tower Group") harmless from and against any liabilities to which American or any of its Subsidiaries (other than the American Tower Group or, in the case of clauses (B) and (C) below of this paragraph (a), any of their officers or directors) may be or become subject that relate to or arise from the assets, business, operations, debts or liabilities of ATS Mergercorp or the American Tower Group (other than, in the case of the American Tower Group, income tax liabilities), including without limitation (i) the assets to be transferred to American Tower pursuant to Section 6.17(f), (ii) liabilities (A) 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, (B) relating to or arising from any agreement, arrangement or understanding (other than the Tower Documentation) entered into by American, ATS Mergercorp or any member of the American Tower Group (x) for the benefit of any member of the American Tower Group, (y) in contemplation of the Tower Separation, or (z) with respect to the sale, assignment, transfer or other disposition of shares of American Tower Common Stock, (C) relating to or arising from any untrue statement or alleged untrue

statements of a material fact contained in the Proxy Statement, the Tower Proxy Statement, the Registration Statement or in any document filed or required to be filed in connection with the Merger, or in any document filed or required to be filed by American, ATS Mergercorp or any member of the American Tower 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 (excluding ATS Mergercorp and the American Tower Group) which is contained in or expressly consistent with the Filed American SEC Documents or the American September 10-Q, (iii) 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, and (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.

(b) American shall indemnify, defend and hold the American Tower Group harmless from and against any liabilities (other than income tax liabilities) to which the American Tower Group may be or become subject that relate to or arise from the assets, business, operations, debts or liabilities of American or its Subsidiaries (other than the American Tower Group) whether arising prior to, concurrent with or after the Merger.

(c) The Tower Documentation shall include an agreement that addresses issues of the allocation of Tax liabilities and deconsolidation of American and the American Tower Group which shall contain principles to the following effect:

(i) The tax sharing agreement among members of the American Tower Group and American and its other Subsidiaries shall be terminated as of the earlier of (x) the effective date of the Merger, and (y) the date (the "Tower Deconsolidation Date") that the American Tower Group is no long eligible to be included in the consolidated tax returns of American and its other Subsidiaries under Sections 1501 to 1504 of the Code (the "Tower Deconsolidation") and will have no further effect for any taxable year (whether the current year, a future year, or a past year).

(ii) American shall include the income of the American Tower Group (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 American Tower Group is offset by a net operating loss under the principles of clause 6.17(c)(v). The American Tower Group 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 American Tower Group 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 American Tower Group as of the end of such date.

(iii) American Tower shall indemnify the American Tax Group and Mergeparty for all Taxes imposed by any Taxing Authority on any member of the American Tax Group or on Mergeparty (or on any member of its consolidated tax group) as a result of or in connection with the sale or transfer of assets to the American Tower Group pursuant to Section 6.17(g) (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), the Merger, the Tower Merger, the Tower Separation, any other

disposition or issuance of stock of American Tower contemplated or permitted hereby, or the merger of American Tower with any other Person, as the case may be, including without limitation any Taxes on any gain to any member of the American Tax Group arising under Section 311 of the Code, any Taxes on any deferred gain to any member of the American Tax Group triggered as a result of or upon any such event, any gain attributable to any excess loss account triggered upon any such event, any Taxes arising as a result of the election or other transactions contemplated by clause 6.17(c)(xii), income or gain arising as a result of transactions described in Section 3.4(c) or the second sentence of Section 6.8(a), and gain on the conversion of American Convertible Preferred Stock into Tower Common Stock and 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) exceeds $20,000,000.

(iv) If, as a result of any payment by American Tower to any member of the American Tax Group or to Mergeparty pursuant to this Section 6.17(c) (including this clause (iv)), Mergeparty (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.

(v) For the purposes of clauses 6.17(c)(ii) and (iii), 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 members of the American Tower Group for the entire applicable taxable year of the American Tax Group; second, by income of the American Tower Group described in clause 6.17(c)(ii); and third, by income of the American Tax Group described in Section 6.17(c)(iii). Neither the American Tax Group nor Mergeparty (or any member of its consolidated group for Federal income tax purposes) shall have any claim under either Section 6.17(c)(ii) or (iii) 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.

(vi) 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 under this agreement, American 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 consent.

(vii) If pursuant to any Tax audit or contest there is an adjustment to any Taxes that are reimbursable or indemnifiable by the American Tower Group to any member of the American Tax Group under this Agreement, including clauses 6.17(c)(ii), (iii) and (iv), then (x) any additional Taxes imposed on the American Tax Group as a result of such adjustment shall be indemnified by the American Tower Group; and (y) any refund of Taxes paid to the American Tax Group as a result of such adjustment of amounts previously indemnified by American Tower shall be promptly paid over to American Tower (including additional amounts to make American Tower whole on an after-Tax basis, not exceeding amounts previously paid by American Tower Group with regard to such Taxes).

(viii) 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-acquisition Tax attribute of any of the American Tower Group into a Tax Return filed by the American Tax Group.

(ix) American Tower, American and Mergeparty agree to attempt in good faith to mutually agree on such terms as promptly as practicable after the date hereof. If American Tower, American and Mergeparty cannot agree on such terms, then any disagreement shall be resolved by an arbitrator jointly selected by American Tower, American and Mergeparty. The arbitrator shall be a law or accounting

firm nationally recognized in tax matters. The costs of such arbitration shall be shared equally by American Tower and American. The decision of the arbitrator shall be binding on all parties.

(x) American shall not elect to retain any net operating loss carryovers or capital loss carryovers of the American Tower Group.

(xi) The indemnities of the American Tower Group described in this Section 6.17(c) shall apply to all applicable Taxes whenever they shall arise.

(xii) At the request of any member of the American Tower Group, American agrees that it shall, and shall cause its Subsidiaries or other appropriate Affiliates to, make and/or cooperate with members of the American Tower Group (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.

(d) The Tower Documentation shall provide that American shall obtain all Governmental Authorizations, Private Authorizations or other third party consents, 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 (i) be reasonably likely to have any adverse effect on American, (ii) materially impair the ability of American to perform its obligations under this Agreement or the Tower Documentation, or (iii) materially delay or prevent the consummation of the Merger. The Tower Documentation shall provide that the Tower Separation shall be done in compliance with American's certificate of incorporation and by-laws and in material compliance with all Applicable Laws.

(e) At the Effective Time, a member of the American Tower Group shall assume (i) 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 or, if such permission is not obtained, sublease such relevant portion, and (ii) all liabilities with respect to which indemnification is provided under Section 6.17(a). American shall cause all members of the American Tower Group to be released from all other liabilities; provided, however, that American Tower agrees to reimburse American for any expenses incurred in obtaining such release. American and its Subsidiaries (other than the American Tower Group) shall release the American Tower Group from all Claims by American or its Subsidiaries (other than the American Tower Group), and the American Tower Group shall release American and its other Subsidiaries from all Claims by the American Tower Group, in each case except for Claims arising from or attributable to the transactions contemplated by this Agreement or any Collateral Document or otherwise asserted prior to the Effective Time.

(f) Except as otherwise provided by Section 6.19, American shall, or shall cause its Subsidiaries to, as applicable, contribute, transfer or convey to American Tower 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 to the extent so set forth.

(g) The Tower Documentation shall not include any representations or warranties by American or American Tower relating to the business, operations, assets, debts or liabilities of American and its Subsidiaries (other than the American Tower Group) or the American Tower Group.

(h) On the Closing Date, the employees of American listed in Section 6.17 of the American Disclosure Schedule (the "Tower Employees") shall be offered full-time employment by American Tower or one of its Subsidiaries. Effective immediately prior to the Effective Time, American Tower shall assume all obligations arising under any Plan or Benefit Arrangement between American or any of its Subsidiaries and the Tower Employees other than the rights, if any, of the Tower Employees with respect to the American Options (which are being satisfied by American as provided in Section 6.8) and all existing rights to indemnification. Such assumption agreement shall provide that American and its Subsidiaries, effective as of the Effective Time shall be indemnified by American Tower from all obligations arising under such employment agreements or arrangements (except in respect of any American Option which is not converted into an option to acquire Tower Common Stock in accordance with the provisions of Section 6.8(b) and all

existing rights to indemnification). For a period of eighteen (18) months following the consummation of the Merger, members of the American Tower Group shall not 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 members of the American Tower 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 American Tower Group or (ii) is not employed by American or Mergeparty or any of their respective Subsidiaries on the date such a member first solicits such employee.

(i) 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), American shall, from time to time after the date of the Original Merger Agreement and prior to the Effective Time, permit American Tower to (i) acquire (whether by merger, stock or asset acquisition or otherwise) additional businesses engaged in the business in which American Tower is engaged, (ii) construct additional communication towers, or (iii) 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.

(j) The indemnification and other obligations referred to in this Section shall survive the consummation of the Merger.

(k) The Tower Documentation shall provide that prior to the Effective Time, American shall amend (i) its Section 401(k) Plan to permit 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, prior to the Effective Time, such assets will be so transferred (along with any outstanding qualified domestic relations orders and loans) and (ii) any other Benefit Plan arrangements with respect to Tower Employees to reflect the Merger.

(l) The Tower Documentation shall provide that prior to the Effective Time American shall, to the extent requested by Mergeparty, cause the American Tower Group to perform its obligations under the Tower Documentation.

(m) Mergeparty 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 hereby, purchase, at their then fair market value, shares of a new class of American preferred stock that constitutes "Junior Securities" (as defined in the American Cumulative Preferred Stock) in an amount (which shall not in the aggregate exceed $200,000,000) necessary to enable (i) the Tower Stock Consideration to be delivered to the holders of shares of American Common Stock and holders of American Options pursuant to the Merger, and (ii) 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 to the contrary notwithstanding, in such event such new class of American preferred stock shall remain outstanding immediately following the Effective Time.

(n) The Tower Documentation shall provide that American shall cause American Tower to file with, and cause to be declared effective under the Securities Act prior to the Effective Time by, the Commission a registration statement to permit the delivery of shares of Tower Common Stock by American upon conversion of American Convertible Preferred Stock following the Effective Time under the Securities Act. Such Tower Documentation shall further provide that American Tower shall maintain, on customary terms, the effectiveness of such registration statement under the Securities Act until such time as American Tower shall deliver to American an opinion of legal counsel reasonably satisfactory to American and Mergeparty that such registration statement is no longer required to permit such delivery in accordance with the Securities Act.

6.18 Purchase Price Adjustment. (a) Within 90 days after the Closing Date, Mergeparty 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, 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 Mergeparty's chief financial officer that the Closing Statement has been prepared in accordance with this Section 6.18.

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 Mergeparty 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 Mergeparty 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 6.18 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 Mergeparty 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 Mergeparty 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, Mergeparty 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 Mergeparty shall have access to (and shall be permitted to 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, Mergeparty 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 Mergeparty 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 Mergeparty and American Tower in writing. Mergeparty 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. Mergeparty 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 6.18 shall be borne by Mergeparty 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 6.18(d), if Closing Working Capital is less than (i) $60,000,000 in the event the Closing Date is on or prior to March 31, 1998 or (ii) $70,000,000 in the event the Closing Date is after March 31, 1998 (the "WC Amount"), American Tower shall, and if Closing Working Capital is greater than the WC Amount, Mergeparty 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 in accordance with GAAP except that (i) outstanding principal amount of indebtedness and liquidation preference of preferred stock shall be excluded, (ii) cash shall be excluded, (iii) accruals for Taxes shall be included, except that (A) Tax liabilities which American Tower is obligated to indemnify American and its Subsidiaries (other than the American Tower Group) pursuant to the provisions of the Tower Documentation, and 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, shall not be taken into account, (B) Tax benefits arising from the exercise or cancellation of options between the date of the Original Merger Agreement and the Effective Time shall not be taken into account, and (C) 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 Date and (y) the aggregate amount of the spread of $44.00 over the exercise price of each American Option outstanding on the date of the Original Merger Agreement terminated or cancelled 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 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 issuable upon conversion of the American Convertible Preferred Stock or (B) decreased (if the number of shares of American Common Stock 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 Contribution by the excess of (I) the number of shares of American Common Stock 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 and (vii) amounts owed by American Tower to American pursuant to Section 9.3(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 Mergeparty shall be responsible for any such liabilities).

(c) Subject to Section 6.18(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 the date of the Original Merger Agreement and the Effective Time (the "CD Amount"), American Tower shall, and if Closing Net Debt is less than the CD Amount, Mergeparty 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) minus cash.

(d) Amounts owed pursuant to the first sentence of Section 6.18(b) and the first sentence of 6.18(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 together with interest thereon 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

no 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, 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.

(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 6.18 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 Mergeparty, American and American Tower, Mergeparty 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 6.18 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 6.18.

(g) Any adjustment pursuant to this Section 6.18 shall be taken into account in the calculation of Tax liability pursuant to clause 6.17(c)(iii), and any increase or decrease in the amount of Taxes that are reimbursable or indemnifiable by the American Tower Group as a result of any such adjustment shall be treated as an adjustment to Taxes for purposes of clause 6.17(c)(vii)

6.19 Tower Leases. In connection with the Tower Separation, Mergeparty 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 Section 6.17(i) of the American Disclosure Schedules ("Towers"). The markets in which such Towers are located and the annual "market price" for each antenna are set forth in Exhibit "B." Except as set forth in Section 6.17(i) of the American Disclosure Schedule, such Towers are now owned or leased by American and shall become the property of American Tower. Each of the Tower Leases shall contain standard and customary terms and conditions and Mergeparty 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 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 Mergeparty 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 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 Mergeparty shall negotiate in good faith to agree upon definitive documentation to provide Mergeparty 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 Mergeparty;

(c) each Tower Lease shall provide that no payments shall be payable by Mergeparty 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 Exhibit B 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 Mergeparty, and will begin on January 1, 1998 as between American and American Tower). Notwithstanding the foregoing, Mergeparty acknowledges that Tower Lease payments at the full "market price" indicated on Exhibit B 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.

6.20 Affiliates of American. American shall use its best efforts to cause each principal executive officer, each director and each other person who is an "affiliate" of American for purposes of Rule 145 under the Securities Act at the times each of this Agreement and the Tower Merger Agreement is submitted for a vote of the holders of shares of American Common Stock to deliver to American Tower on or prior to the Effective Time and the Tower Merger Effective Time, respectively, a written agreement (an "Affiliate Agreement"), reasonably satisfactory in form, scope and substance to American and Mergeparty, to the effect that such Person will not offer to sell, assign, transfer or otherwise dispose of any shares of Tower Common Stock issued in the Merger or the Tower Merger, as the case may be, except, in each case, pursuant to an effective registration statement or in compliance with Rule 145, or in a transaction which, in the opinion of legal counsel reasonably satisfactory to American and Mergeparty, is exempt from the registration requirements of the Securities Act.

ARTICLE 7

Closing Conditions

7.1 Conditions to Obligations of Each Party to Effect the Merger. The respective obligations of each party to effect the Merger shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) the Required Vote shall have been obtained;

(b) the FCC shall have issued the FCC Order (as defined below) approving the applications for transfer of control of American's FCC Licenses in connection with the transactions contemplated herein, and the FCC Order shall have been obtained without the imposition of conditions that would have a Material Adverse Effect on Mergeparty's television and radio broadcasting business; provided that without triggering Mergeparty's right to approve such conditions or restrictions, the FCC Order (i) may condition consummation of the Merger on Mergeparty complying with the numerical limits on local multiple radio ownership imposed by 47 C.F.R. (S) 73.3555(a) by affording Mergeparty a period of at least six (6) months following the Effective Time within which to comply with such rule through the use of divestiture trusts on terms and conditions required by the FCC, provided further, however, that to the extent that the FCC authority for such divestiture trusts provides for a period of less than six (6) months, (A) American has the right to postpone the Effective Time (and, to the extent necessary, the Termination Date), so that Mergeparty is afforded the six (6) month divestiture period, whether before or after the Effective Time and (B) if American exercises such right, Mergeparty's right to approve such condition shall not be triggered, and (ii) may grant Mergeparty temporary, rather than permanent, waivers of the "one-to-a-market" rule, 47 C.F.R. (S) 73.3555(c), so long as such temporary waivers shall remain in effect until at least six (6) months following the effective date of FCC action concluding the ongoing rulemaking proceeding in MM Docket Nos. 91-221, 87-8 (FCC 94-322) or a successor rulemaking proceeding pending at the time of the grant of the FCC Order, that considers the "one-to-a-market" rule. The "FCC Order" shall be an action by the FCC approving the transfer of the American FCC Licenses with respect to which, except as may be waived in writing by Mergeparty in its sole discretion, (i) no timely request for stay, petition for reconsideration or

appeal or sua sponte action of the FCC with comparable effect is pending, or (ii) if any of the foregoing is pending, in the judgment of Mergeparty it lacks any substantial merit or is contrary to established FCC precedent, or (iii) if it were to be so granted, it would not have a Material Adverse Effect on Mergeparty's television and radio broadcasting business; and as to which the thirty (30) day time period specified in 47 U.S.C. (S) 405(a) for initiating a petition for reconsideration of the grant of the FCC Order has expired;

(c) 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 Merger; and

(d) the waiting period applicable to the consummation of the Merger under the Hart-Scott-Rodino Act shall have expired or been terminated.

7.2 Conditions to Obligations of Mergeparty. The obligation of Mergeparty and Mergeparty Subsidiary to effect the Merger 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) American shall have furnished Mergeparty, with an opinion, dated the Closing Date of Dow, Lohnes & Albertson, FCC counsel for American, substantially in the form attached hereto as Exhibit C;

(b) (i) the representations and warranties of American set forth in this Agreement (other than in Sections 4.1(e), 4.11 and 4.13) shall be true and correct as of the date of the Original Merger Agreement and as of the Closing Date as though made on and as of the 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 (ii) the representations and warranties of American set forth in Sections 4.1(e), 4.11 and 4.13 of this Agreement shall be true and correct in all material respects as of the date of the Original Merger Agreement and as of the Closing Date; and

(c) American shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date;

(d) between the date of the Original Merger Agreement and the Closing Date, except as contemplated by this Agreement, and except as set forth in Section 4.3 of the American Disclosure Schedule, there shall not have occurred and be continuing any Material Adverse Change in American.

7.3 Conditions to Obligations of American. The obligation of American to effect the Merger 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 Mergeparty set forth in this Agreement shall be true and correct as of the date of the Original Merger Agreement and as of the Closing Date as though made on and as of the 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 Mergeparty; 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) Mergeparty shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

ARTICLE 8

Termination, Amendment and Waiver

8.1 Termination. This Agreement may be terminated at any time prior to the Closing Date, whether before or after receipt by American of the Required Vote:

(a) by mutual written consent of American, Mergeparty and Mergeparty Subsidiary;

(b) by either Mergeparty or American if any Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law that shall have become final and nonappealable and that restrains, enjoins or otherwise prohibits consummation of the Merger, unless the party seeking such restraint, injunction or prohibition or any Affiliate thereof was the terminating party;

(c) by either Mergeparty or American if the Merger shall not have been consummated by the Termination Date for any reason; provided, however, that the right to terminate this Agreement under this Section 8.1(c) shall not be available to any party whose action or failure to act (or the action or failure to act of any Affiliate) has been a principal cause of or resulted in the failure of the Merger to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;

(d) by either Mergeparty or American if the Required Vote shall not have been obtained at the American Stockholders Meeting duly convened therefor or at any adjournment or postponement thereof or by written consent;

(e) by American in the event (i) American is not in material breach of this Agreement and none of its representations or warranties shall have been or become and continue to be untrue in any material respect, and (ii) Mergeparty is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any manner that would cause the condition in Section 7.3(a) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Merger by or beyond the Termination Date; or

(f) by Mergeparty in the event (i) Mergeparty is not in material breach of this Agreement and none of its representations or warranties shall have been or become and continue to be untrue in any material respect, and (ii) American is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any manner that would cause the condition in Section 7.2(b) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Merger by or beyond the Termination Date.

The term "Termination Date" shall mean December 31, 1998, as such date may from time to time be extended pursuant to the provisions of Section 7.1(b) or by mutual agreement of the parties.

The right of Mergeparty or American to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives, whether prior to or after the execution of this Agreement.

8.2 Effect of Termination.

Except as provided in Sections 6.1 (Access to Information; Confidentiality), 6.3 (Public Announcements), and 9.3 (Fees, Expenses and other Payments) and this Section, in the event of the termination of this Agreement pursuant to Section 8.1, or in the event the Merger shall not have become effective prior to the end of business on the day prior to the Termination Date, this Agreement shall forthwith become void and have no effect, without any liability on the part of any party, or any of its respective stockholders, officers or directors, to the other; provided, however, that such termination shall not relieve any party from liability for any breach of any of its warranties, covenants or agreements set forth in this Agreement and, provided, however that such termination will not terminate the Confidentiality Agreement.

ARTICLE 9

General Provisions

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto and, after receipt of the Required Vote, subject, in the case of American, to Applicable Law.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, Mergeparty or American 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, subject, however, to the provisions of Section 8.1, 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.

9.3 Fees, Expenses and Other Payments. (a) Subject to the provisions of paragraph (b) of this Section 9.3, all costs and expenses incurred in connection with any filing fees (including without limitation Hart-Scott-Rodino Act filings and FCC filing fees), transfer Taxes, sales Taxes, document stamps or other charges levied by any Authority in connection with this Agreement and the Merger shall be borne equally by Mergeparty and American. Subject as aforesaid, all other costs and expenses incurred in connection with the negotiation, preparation, performance and enforcement of this Agreement (including all fees and expenses of counsel, financial advisors, accountants, and other consultants, advisors and representatives for all activities of such persons undertaken pursuant to this Agreement) incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses, except to the extent, if any, otherwise specifically set forth in this Agreement.

(b) 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 Section 6.17(c)(iv)) an amount equal to the aggregate costs and expenses incurred by American in connection with any agreement, arrangement or understanding (other than the Tower Documentation) entered into by American, ATS Mergercorp or any member of the American Tower Group following the date of the Original Merger Agreement (x) for the benefit of any member of the American Tower Group, (y) in contemplation of the Tower Separation or (z) 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.

(c) In the event that this Agreement is terminated by any party pursuant to 8.1(d), American shall promptly, but in no event later than two (2) days after the date of such termination, pay Mergeparty a fee equal to $35 million in immediately available funds, plus Expenses. "Expenses" shall mean reasonable and reasonably documented out-of-pocket fees and expenses incurred or paid by or on behalf of Mergeparty in connection with the Merger or the consummation of any of the transactions contemplated by this Agreement, including all fees and expenses of counsel, commercial banks, investment banking firms, accountants, experts and consultants to Mergeparty in an aggregate amount not to exceed $5 million.

9.4 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 Mergeparty:

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

(b) If to American:

American Radio Systems Corporation
116 Huntington AvenueBoston,
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

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 8, 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.

9.6 Survival of Representations, Warranties, Covenants and Agreements. None of the representations and warranties in this Agreement shall survive the Merger, and after effectiveness of the Merger neither Mergeparty, American or their respective officers, directors or shareholders shall have any further obligation with respect thereto. This Section 9.6 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

9.7 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 Merger is fulfilled and consummated to the maximum extent possible.

9.8 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 such counterparts.

9.9 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.

9.10 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.

9.11 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.

9.12 Entire Agreement; No Other Representations or Agreements. This Agreement (together with the Disclosure Schedules and the Exhibits 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. 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) neither party has relied or will 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 Exhibits and the Disclosure Schedules 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 and the 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 and the Collateral Documents. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER AMERICAN NOR MERGEPARTY 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.

9.13 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and be binding upon any successor to each party by operation of Law, including by way of merger, consolidation or sale of all or substantially all of its assets, and each party may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.14 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 Articles 2 and 3 and Sections 6.8(d), 6.12 and 9.13.

9.15 Mutual Drafting. This Agreement is the result of the joint efforts of Mergeparty and American, 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.

9.16 Obligations of American and of Mergeparty. Whenever this Agreement requires a Subsidiary of American to take any action, such requirement shall be deemed to include an undertaking on the part of American to cause such Subsidiary to take such action. Whenever this Agreement requires a Subsidiary of Mergeparty to take any action, such requirement shall be deemed to include an undertaking on the part of Mergeparty to cause such Subsidiary to take such action and, after the Effective Time, on the part of the Surviving Corporation to cause such Subsidiary to take such action.

9.17 Mergeparty Agent for Mergeparty Subsidiary. Anything in this Agreement to the contrary notwithstanding, Mergeparty Subsidiary hereby grants Mergeparty an irrevocably power of attorney and hereby irrevocably appoints Mergeparty its agent for all purposes of this Agreement, including without limitation for the purpose of executing and delivering extensions of the time for the performance of any of the obligations or other acts of Mergeparty, waivers, terminations or amendments, and any action taken by Mergeparty pursuant to such power of attorney and agency, and any such extension, waiver, termination or amendment executed and delivered by Mergeparty, shall be binding upon Mergeparty Subsidiary whether or not it has specifically approved such action or executed such extension, waiver, termination or amendment.

9.18 Original Merger Agreement. Notwithstanding anything to the contrary in Section 9.3 of the Original Merger Agreement, this Agreement shall not amend or restate the Original Merger Agreement, and the Original Merger Agreement shall continue in full force and effect without any amendment or modification thereof pursuant to the provisions of this Agreement, until such time as this Agreement shall have been approved and adopted by the Required Vote.

IN WITNESS WHEREOF, American, Mergeparty and Mergeparty Subsidiary have caused this Amended and Restated Agreement and Plan of Merger to be executed, pursuant to the authority and approval of each of their respective Boards of Directors, as of the date first written above by their respective officers thereunto duly authorized.

American Radio Systems Corporation

By: _____
Name: Steven B. Dodge
Title: Chairman of the Board, President and Chief Executive Officer

CBS Corporation

By: _____
Name:
Title:

R Acquisition Corp.

By: _____
Name:
Title:

DEFINITIONS

ACCOUNTING FIRM shall have the meaning given to it in Section 6.18.

ADJUSTMENT AMOUNT shall have the meaning given to it in Section 6.18(d).

ADVERSE, ADVERSELY, when used alone or in conjunction with other terms (including without limitation "Affect," "Change" and "Effect") shall mean any Event that has adversely affected or is reasonably likely to adversely affect (a) the validity or enforceability of this Agreement or the likelihood of consummation of the Merger, (b) the business, properties, financial condition or results of operations of American and its Subsidiaries, taken as a whole, or the Mergeparty and its Subsidiaries, taken as a whole, as the case may be, or (c) American's or Mergeparty's, as the case may be, ability to fulfill its obligations under the terms of this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event affecting the radio broadcasting industry or the national or any regional or market economy generally shall not be deemed to constitute an Adverse Change, have an Adverse Effect or to Adversely Affect within the meaning of any of the foregoing clauses (a) through (c).

AFFILIATE, AFFILIATED shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

AFFILIATE AGREEMENT shall have the meaning given to it in Section 6.20.

AGREEMENT shall have the meaning given to it in the third "Whereas" paragraph and shall include any amendments executed and delivered by the parties pursuant to the provisions of Section 9.1.

AMERICAN shall have the meaning given to it in the Preamble.

AMERICAN BROKERED STATIONS shall mean the radio broadcast stations which American has the right to acquire, but which as of the date of the Original Merger Agreement it is operating pursuant to time brokerage, local marketing or other similar agreements.

AMERICAN CLASS A COMMON shall have the meaning given to it in Section 3.1(d).

AMERICAN CLASS B COMMON shall have the meaning given to it in Section 3.1(d).

AMERICAN CLASS C COMMON shall have the meaning given to it in Section 3.1(d).

AMERICAN COMMON STOCK shall have the meaning given to it in Section 3.1(d).

AMERICAN CONVERSION FRACTION shall have the meaning given to it in Section 3.5.

AMERICAN CONVERTIBLE PREFERRED STOCK shall have the meaning given to it in Section 2.5.

AMERICAN CUMULATIVE PREFERRED STOCK shall have the meaning given to it in Section 2.5.

AMERICAN DISCLOSURE SCHEDULE shall mean the American Disclosure Schedule dated as of the date of the Original Merger Agreement delivered by American to Mergeparty simultaneously with the execution and delivery of the Original Merger Agreement.

AMERICAN FCC LICENSES means all FCC Licenses issued to American or any of its Subsidiaries and used in the business or operations of any of the American Stations, including those listed on Section 4.6(a) of the American Disclosure Schedule (other than those relating to the American Brokered Stations, which shall be deemed American FCC Licenses only upon consummation of the acquisition of the applicable American Brokered Station), and any additions thereto between the date of the Original Merger Agreement and the Closing Date. Auxiliary broadcast licenses issued pursuant to 47 C.F.R. Part 74 shall not be deemed to be material American FCC Licenses.

AMERICAN FINANCIAL STATEMENTS shall have the meaning given to it in Section 4.2.

AMERICAN OPTIONS shall have the meaning given to it in Section 6.8.

AMERICAN PREFERRED STOCK shall have the meaning given to it in Section 2.5.

AMERICAN SEC DOCUMENTS shall have the meaning given to it in Section 4.2.

AMERICAN SEPTEMBER 10-Q shall have the meaning given to it in Section 4.2.

AMERICAN STATIONS means the radio broadcast stations owned by American, or which it has the right to acquire (and acquires prior to the Closing Date but only from and after such acquisition) as of the date of the Original Merger Agreement; provided, however, that American Stations shall not include any American Station disposed of by American subsequent to the date of the Original Merger Agreement not in violation of the provisions of this Agreement; further, provided, that American Stations shall include American Brokered Stations if the context so requires.

AMERICAN STOCK means the American Common Stock and the American Preferred stock.

AMERICAN STOCKHOLDERS MEETING shall have the meaning given to it in Section 6.5.

AMERICAN STOCKHOLDERS TOWER MEETING shall have the meaning given to it in Section 6.5.

AMERICAN 10-K shall have the meaning given to it in Section 4.2.

AMERICAN TAX GROUP shall mean American and those of its Subsidiaries as are included in the consolidated Federal Income Tax Returns of American.

AMERICAN TOWER shall have the meaning given to it in Section 3.1(d).

AMERICAN TOWER GROUP shall have the meaning given to it in Section 6.17.

AMERICAN'S KNOWLEDGE (including the term "to the knowledge of American") means the actual knowledge of the Chief Executive Officer or the Chief Financial Officer of American, and that such Officer shall have reason to believe and shall believe that the subject representation or warranty is true and accurate as stated.

ANTITRUST DIVISION shall have the meaning given to it in Section 6.2(c).

APPLICABLE LAW shall mean, with respect to any Person, any Law of any Authority, whether domestic or foreign, to which such Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

APPLICATIONS shall have the meaning given to it in Section 6.2(b).

APPRAISED TOTAL VALUE shall have the meaning given to it in Section 3.4(c).

ARBITRATOR shall have the meaning given to it in Section 3.4(c).

ATC MERGER AGREEMENT shall have the meaning given to it in Section 4.1(e).

ATS MERGERCORP shall have the meaning given to it in Section 3.5.

ATS MERGERCORP COMMON STOCK shall have the meaning given to it in Section 4.1(e).

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.

BENEFIT ARRANGEMENT shall mean, with respect to any Person, any benefit arrangement that is not a Plan, including (a) any employment, severance or consulting agreement, (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, and (f) any deferred compensation plan which American or any ERISA Affiliate maintains, contributes to or is required to contribute to for the benefit of any current or former officers, employees, agents, directors or independent contractors of American or any of its ERISA Affiliates.

CASH CONSIDERATION shall have the meaning given to it in Section 3.1(d).

CERTIFICATE OF MERGER shall have the meaning given to it in Section 2.3.

CERTIFICATES shall have the meaning given to it in Section 3.2(b).

CD AMOUNT shall have the meaning given to it in Section 6.18(c).

CLAIMS shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

CLOSING shall have the meaning given to it in Section 2.2.

CLOSING BALANCE SHEET shall have the meaning given to it in Section 6.18.

CLOSING DATE shall have the meaning given to it in Section 2.2.

CLOSING NET DEBT shall have the meaning given to it in Section 6.18.

CLOSING STATEMENT shall have the meaning given to it in Section 6.18.

CLOSING WORKING CAPITAL shall have the meaning given to it in Section 6.18.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

CODE shall mean the Internal Revenue Code of 1986, 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.

COLLATERAL DOCUMENT shall mean any agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement, including without limitation, the Confidentiality Agreement, the Tower Documentation and the Tower Merger Agreement.

COMMISSION OR SEC shall mean the Securities and Exchange Commission and shall include any successor Authority.

CONTRACTS shall have the meaning given to it in Section 4.19(a).

CONFIDENTIALITY AGREEMENT shall mean the letter agreement, dated August 21, 1997 between American and Mergeparty.

CONTROL (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

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 capital 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.

COURT shall have the meaning given to it in Section 3.4(c).

CSFB shall have the meaning given to it in Section 4.14.

CURRENT ASSETS shall have the meaning given to it in Section 6.18(b).

DCL shall have the meaning given to it in Section 2.1.

DEBT AMOUNT shall have the meaning given to it in Section 6.18(c).

DETERMINATION DEADLINE shall have the meaning given to it in Section 3.4(c).

DISCLOSURE SCHEDULE shall mean the Mergeparty Disclosure Schedule, if any, or the American Disclosure Schedule, as the case may be.

DISSENTING SHARES shall have the meaning given to it in Section 3.4(a).

DIVESTITURE CONDITION means any condition imposed or required by the FCC (including conditions required by the FCC's multiple ownership rules or policies), the Antitrust Division or the FTC as a condition to its consent to or approval of the transfer of control of any of the American FCC Licenses or otherwise to the transactions (or any of them) contemplated by this Agreement, including without limitation the Merger, or as a condition to its agreement not to institute any Legal Action to prevent the transfer of control of any of the American FCC Licenses or otherwise to prevent any of the transactions contemplated hereby, which would require Mergeparty or any of its Subsidiaries or any of its other Affiliates to dispose of one or more of the American Stations or American Brokered Stations, or in Mergeparty's sole discretion, one or more of the radio broadcast stations owned by Mergeparty and operating in the same Arbitron Survey area as any of the American Stations or American Brokered Stations; provided, however, that with respect to compliance with any condition imposed by the FCC, Mergeparty shall have been afforded a period of six months, from Closing, through the use of trusts or otherwise, within which to comply with the radio duopoly overlap rule, 47 C.F.R. (S) 73.3555(a), and Mergeparty shall have been afforded temporary, rather than permanent, waivers of the one-to-a-market rule, 47 C.F.R. (S) 73.3555(c), so long as such temporary waivers shall remain in effect until at least 6 months following the effective date of FCC action concluding the ongoing proceeding in MM Docket Nos. 91-221, 87-8 (FCC 94-322) or a successor rulemaking proceeding pending at the time of the grant of the FCC Order, that considers the one-to-a-market rule.

D&O INSURANCE shall have the meaning given to it in Section 6.12(c).

EFFECTIVE TIME shall have the meaning given to it in Section 2.3.

ENTITY SHALL mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

ENVIRONMENTAL LAW excluding any regulations issued by the FCC shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation, Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation of mined land, land surface or subsurface strata) or otherwise that relate to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign Laws, and the rules and regulations promulgated thereunder, all as from time to time in effect, and any reference to any such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

ENVIRONMENTAL PERMIT shall mean, with respect to any Person, any Governmental Authorization required by or pursuant to any Environmental Law.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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 such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

ERISA AFFILIATE shall mean any Person that is treated as a single employer with American under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

ESOP shall have the meaning given to it in Section 4.9(a)(xvi).

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.

EXCHANGE ACT shall mean the Securities Exchange Act of 1934, 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 such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

EXCHANGE AGENT shall have the meaning given to it in Section 3.2(a).

EXPENSES shall have the meaning given to it in Section 9.3.

EXTENDED TOWER LEASE shall have the meaning given to it in Section 6.19(b).

FCA shall mean the Communication Act of 1934, 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 such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

FCC CONSENTS means actions by the FCC (including the Chief, Mass Media Bureau, acting under delegated authority) granting its consent to the transfer of control of the American FCC Licenses for each of the American Stations to Mergeparty as contemplated by this Agreement whether or not such consent has become a Final Order.

FCC LICENSES means all of the licenses, permits and other authorizations issued by the FCC to an owner and operator of radio broadcast stations.

FCC ORDER shall have the meaning given to it in Section 7.1(b).

FILED AMERICAN SEC DOCUMENTS shall have the meaning given to it in Section 4.2.

FINAL ADJUSTMENT AMOUNT shall have the meaning given to it in Section 6.18(d).

FINAL ORDER shall mean, with respect to any Authority, including without limitation the FCC, a consent or approval with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

FTC shall have the meaning given to it in Section 6.2(c).

GAAP shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

GOVERNMENTAL AUTHORIZATIONS shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including the FCC Licenses, issued by the FCC, the Federal Aviation Administration and any other Authority in connection with the conduct of business or operations of any of the Stations.

GOVERNMENTAL FILINGS shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

HART-SCOTT-RODINO ACT shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 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 such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

HAZARDOUS MATERIALS shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law; or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) that poses or threatens to pose a hazard to the health or safety of persons; or (e) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment,

radon or other radioactive elements, ionizing radiation, lead, asbestos or asbestos- containing materials, or urea formaldehyde foam insulation.

INDEBTEDNESS shall mean, with respect to any Person, without duplication, (A) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind to such Person, (B) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (C) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person, (D) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding obligations of such Person to creditors for raw materials, inventory, services and supplies incurred in the ordinary course of such Person's business), (E) all capitalized lease obligations of such Person, (F) all obligations of others secured by any Lien on property or assets owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (G) all obligations of such Person under interest rate or currency hedging transactions (valued at the termination value thereof), (H) all letters of credit issued for the account of such Person and (I) all guarantees and arrangements having the economic effect of a guarantee of such Person or any indebtedness of any other Person.

INDEMNIFIED PARTIES shall have the meaning given to it in Section 6.12(b).

LAW shall mean any (a) administrative, judicial, legislative or other action, code, consent decree, constitution, decree, directive, enactment, finding, guideline, law, injunction, interpretation, judgment, order, ordinance, proclamation, promulgation, regulation, requirement, rule, rule of law, rule of public policy, settlement agreement, statute, or writ of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation.

LEGAL ACTION shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, hearings, investigations, proceedings or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, by or before any Authority, against such Person or involving any of such Person's business or assets.

LIABILITIES shall have the meaning given to it in Section 6.18(b).

LIEN shall mean any of the following: mortgage; lien (statutory or other) or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; or restriction on sale, transfer, assignment, disposition or other alienation.

MATERIAL, MATERIALLY OR MATERIALITY for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

MATERIAL AGREEMENT shall mean, with respect to any Person, any agreement, arrangement, contract, undertaking, understanding or other obligation or liability which (a) was not entered into in the ordinary course of business, it being understood and agreed by the parties that the acquisition, disposition or exchange of radio stations is in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $10,000,000 during any of the last three fiscal years of such Person, (ii) extends for more than six (6) months from the date of the Original Merger Agreement, or (iii) is not terminable on thirty (30) days or less notice without material penalty or other payment, (c) involves indebtedness aggregating more than $10,000,000, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, or (e) accounted for more than ten percent (10%) of the revenues of Mergeparty or American

Stations, as the case may be, in the last fiscal year of such Person or is likely to account for more than ten percent (10%) of revenues of Mergeparty or American, as the case may be, during the current fiscal year of such Person.

MAXIMUM PREMIUM shall have the meaning given to it in Section 6.12(c).

MERGER CONSIDERATION shall have the meaning given to it in Section 3.1(d).

MERGEPARTY shall have the meaning given to it in the Preamble.

MERGEPARTY BROKERED STATIONS shall mean the radio broadcast stations which Mergeparty has the right to acquire but which as of the date of the Original Merger Agreement it is operating pursuant to time brokerage, local marketing or other similar agreements.

MERGEPARTY DISCLOSURE SCHEDULE shall mean the Mergeparty Disclosure Schedule dated as of the date of the Original Merger Agreement delivered by Mergeparty to American simultaneously with the execution and delivery of the Original Merger Agreement.

MERGEPARTY STATIONS means the radio broadcast stations owned by Mergeparty, or which it has the right to acquire (and acquires prior to the Closing Date but only from and after such acquisition) as of the date of the Original Merger Agreement; provided, however, that Mergeparty Stations shall not include any Mergeparty Station disposed of by Mergeparty subsequent to the date of the Original Merger Agreement not in violation of the provisions of this Agreement; provided further, however, that the term Mergeparty Stations shall include Mergeparty Brokered Stations if the context so requires.

MERGEPARTY SUBSIDIARY shall have the meaning given to it in the Preamble.

MERGEPARTY'S KNOWLEDGE (including the term "to the knowledge of Mergeparty") means the actual knowledge of the Chief Executive Officer or the Chief Financial Officer of Mergeparty, and that such Officer shall have reason to believe and shall believe that the subject representation or warranty is true and accurate as stated.

MERGER shall have the meaning given to it in the third "Whereas" paragraph.

MERGER CONSIDERATION shall have the meaning given to it in Section 3.1(d).

MULTIEMPLOYER PLAN shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

NET DEBT shall have the meaning given to it in Section 6.18(c).

NOTICE OF DISAGREEMENT shall have the meaning given to it in Section 6.18.

NYSE shall mean the New York Stock Exchange.

OPTION SECURITIES shall mean all rights, options, calls, contracts, agreements, warrants, understandings, restrictions, arrangements or commitments, including without limitation, any rights plan or other anti-takeover agreement or arrangement, evidencing the right to subscribe for, purchase or otherwise acquire, or otherwise providing for the issuance of shares of capital stock, voting securities or Convertible Securities, whether or not the right to subscribe for, purchase or otherwise acquire, or otherwise providing for the issuance, is immediately exercisable or is conditioned upon the passage of time, the occurrence or non-occurrence or the existence or non-existence of some other Event.

OPTIONHOLDER shall have the meaning given to it in Section 6.8(a).

ORGANIC DOCUMENT shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all stockholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

ORIGINAL MERGER AGREEMENT shall have the meaning given to it in the first "Whereas" paragraph.

PERMITTED LIENS shall mean (a) Liens for current Taxes not yet due and payable, and (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the business or operations of the American Stations or the Mergeparty Stations, as the case may be.

PERSON shall mean any natural individual or any Entity.

PLAN shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, which American or any ERISA Affiliate maintains, contributes to or is required to contribute to for the benefit of any current or former officers, employees, agents, directors or independent contractors of American or any of its ERISA Affiliates.

POST-CLOSING AMERICAN GROUP shall have the meaning given to it in Section 6.18

PRIVATE AUTHORIZATIONS shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to copyrights, computer software programs, patents, service marks, trademarks, trade names, technology and know-how.

PROHIBITED TRANSACTION shall have the meaning given to it in Section 6.2(a).

PROXY STATEMENT shall have the meaning given to it in Section 6.6(a).

REGISTRATION STATEMENT shall have the meaning given to it in Section 6.6(b).

REGULATIONS shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

REPRESENTATIVES shall have the meaning given to it in Section 6.1.

REQUIRED DIVESTITURES means all divestitures, terminations, arrangements and restructurings identified in Section 5.2c) of the Mergeparty Disclosure Schedule, if any, and all other divestitures, terminations, arrangements or restructurings, if any, arising after the date of the Original Merger Agreement that would have been required to be listed on Section 5.2c) of the Mergeparty Disclosure Schedule if known to be in existence as of such date or that are necessary to satisfy any and all Divestiture Conditions.

REQUIRED TOWER VOTE shall have the meaning given to it in Section 4.13.

REQUIRED VOTE shall have the meaning given to it in Section 4.13.

REQUIRED DIVESTITURES means all divestitures, terminations, arrangements and restructurings identified in Section 5.2c) of the Mergeparty Disclosure Schedule, if any, and all other divestitures, terminations,

arrangements or restructurings, if any, arising after the date of the Original Merger Agreement that would have been required to be listed on Section 5.2c) of the Mergeparty Disclosure Schedule if known to be in existence as of such date or that are necessary to satisfy any and all Divestiture Conditions.

RESTATED CERTIFICATE shall have the meaning given to it in Section 4.11.

(S)162(M) OPTIONS shall have the meaning given to it in Section 6.8(e).

SECURITIES ACT shall mean the Securities Act of 1933, 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 such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

STATIONS shall mean, collectively, the American Stations and the Mergeparty Stations.

SUBSIDIARY shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

SURVIVING CORPORATION shall have the meaning given to it in Section 2.1.

TAX (and "Taxable," which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other, including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, additions to tax or additional amounts imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) of this definition, and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

TAX CLAIM shall mean any Claim which relates to Taxes.

TAX RETURN OR RETURNS shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

TAXING AUTHORITY shall mean any Authority responsible for the imposition of any Tax.

TERMINATION DATE shall have the meaning given to it in Section 8.1.

TOWER BUSINESS shall mean the business conducted by the Tower Subsidiaries.

TOWER COMMON STOCK, TOWER CLASS A COMMON, TOWER CLASS B COMMON AND TOWER CLASS C COMMON shall have the meaning given to such terms in Section 3.1(d).

TOWER DECONSOLIDATION shall have the meaning given to it in Section 6.17.

TOWER DECONSOLIDATION DATE shall have the meaning given to it in Section 6.17.

TOWER DOCUMENTATION shall have the meaning given to it in Section 6.17.

TOWER EMPLOYEES shall have the meaning given to it in Section 6.17.

TOWER LEASES shall have the meaning given to it in Section 6.19.

TOWER MERGER shall have the meaning given to it in Section 3.5.

TOWER MERGER AGREEMENT shall have the meaning given to it in Section 3.5.

TOWER MERGER CONSIDERATION shall have the meaning given to it in Section 3.5.

TOWER MERGER EFFECTIVE TIME shall have the meaning given to it in Section 3.5.

TOWER MERGER TOWER CONSIDERATION shall have the meaning given to it in Section 3.5.

TOWER PROXY STATEMENT shall have the meaning given to it in Section 6.6(a).

TOWER SEPARATION shall have the meaning given to it in Section 6.17.

TOWER STOCK CONSIDERATION shall have the meaning given to it in Section 3.1(d).

TOWER STOCK PAYMENT shall have the meaning given to it in Section 3.4(c).

TOWERS shall have the meaning given to it in Section 6.19.

TOWER SUBSIDIARIES shall mean American Tower and its Subsidiaries.

UNCONTROLLABLE EVENTS shall have the meaning given to it in Section 6.2(d).

WC AMOUNT shall have the meaning given to it in Section 6.18(b).

WORKING CAPITAL shall have the meaning given to it in Section 6.18(b).

EXHIBIT D

AGREEMENT AND PLAN OF MERGER

BY AND BETWEEN

AMERICAN RADIO SYSTEMS CORPORATION

AND

ATS MERGER CORPORATION

DATED AS OF

DECEMBER 18, 1997

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger, dated as of December 18, 1997, by and between ATS Merger Corporation., a Delaware corporation ("ATS Mergercorp"), and American Radio Systems Corporation, a Delaware corporation ("ARS").

W I T N E S S E T H:

WHEREAS, ARS, CBS Corporation (formerly, Westinghouse Electric Corporation), a Pennsylvania corporation ("CBS") and R Acquisition Corp., a Delaware corporation ("CBS Sub") are parties to an Agreement and Plan of Merger, dated as of September 19, 1997 (the "Original Merger Agreement"); and

WHEREAS, ARS, CBS and CBS Sub have simultaneously with the execution and delivery of this Agreement entered into the Amended and Restated Agreement and Plan of Merger (the "Restated Merger Agreement") providing for the merger of CBS Sub with and into ARS on the terms and conditions set forth therein ("CBS Merger");

WHEREAS, the Restated Merger Agreement provides that, under certain circumstances, the distribution of ARS' tower business to the holders of ARS Common Stock may be effect separate and apart from consummation of the CBS Merger through the merger of ATS Mergercorp with and into ARS (the "Tower Merger"); and

WHEREAS, the Boards of Directors of ARS and ATS Mergercorp have determined that the Tower Merger on the terms and conditions set forth in this Agreement and Plan of Merger (this "Agreement") is consistent with and in furtherance of the long-term business strategy of each, and is fair to, and in the best interests of, ATS Mergercorp, ARS and the stockholders of each; and

WHEREAS, ARS and ATS Mergercorp intend that the Tower Merger shall, for federal income tax purposes, qualify as a tax-free reorganization under the provisions of Section 368(a) of the Code; and

WHEREAS, the Boards of Directors of ARS and ATS Mergercorp have approved and adopted this Agreement and the Tower Merger and the Board of Directors of ARS has directed that this Agreement be submitted to its stockholders for their adoption and approval; ARS, as the sole stockholder of ATS Mergercorp has approved and adopted 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 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 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" of "this Article" are intended to refer to the entire section

or article and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to ARS and ATS Mergercorp.

ARTICLE 2

The Tower Merger

2.1 The Tower Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DCL"), at the Effective Time, ATS Mergercorp shall be merged with and into ARS. As a result of the Tower Merger, the separate existence of ATS Mergercorp shall cease and ARS shall continue as the surviving corporation in the Tower Merger (sometimes referred to, as such, as the "Surviving Corporation").

2.2 Closing. The closing of the Tower Merger (the "Closing") will take place, on the Closing Date, at the offices of Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts, on the date that is the tenth (10th) day after the date on which all of the conditions set forth in Article 6 (other than those which require delivery at the Closing) shall have been satisfied or waived, unless another date, time or place is agreed to in writing by the parties or provided for herein. The date on which the Closing occurs is herein referred to as the "Closing Date."

2.3 Effective Time. Subject to the provisions of this Agreement, as promptly as practicable after the Closing, the parties hereto shall cause the Tower Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") and any related filings required under the DCL with the Secretary of State of the State of Delaware. The Tower Merger shall become effective at such time as such documents are duly filed with the Secretary of State of the State of Delaware or at such later time as is specified in such documents (the "Effective Time").

2.4 Effect of the Tower Merger. From and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, disabilities and duties of ATS Mergercorp and ARS, and the Tower Merger shall otherwise have the effects provided for under the DCL.

2.5 Certificate of Incorporation. The Restated Certificate of Incorporation of ARS in effect at the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation unless amended in accordance with Applicable Law.

2.6 Bylaws. The bylaws of ARS in effect at the Effective Time shall be the bylaws of the Surviving Corporation unless amended in accordance with Applicable Law.

2.7 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified, or upon their earlier resignation or removal, in accordance with Applicable Law, (a) the directors of ARS at the Effective Time shall be the directors of the Surviving Corporation, and (b) the officers of ARS at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 3

Conversion of Shares; Exchange of Certificates

3.1 Conversion of Capital Stock. At the Effective Time, by virtue of the Tower Merger and without any action on the part of ATS Mergercorp or ARS or their respective stockholders:

(a) Each share of the 11% Series B Cumulative Exchangeable Preferred Stock, par value $.01 per share, of ARS (the "ARS Cumulative Preferred Stock") issued and outstanding immediately prior to the Effective Time shall remain outstanding;

(b) Each share of the 7% Convertible Exchangeable Preferred Stock, par value $.01 per share, of ARS (the "ARS Convertible Preferred Stock") issued and outstanding immediately prior to the Effective Time shall remain outstanding;

(c) Each share of Class A Common Stock, par value $.01 per share ("ARS Class A Common Stock"), each share of Class B Common Stock, par value $.01 per share ("ARS Class B Common Stock") and each share of Class C Common Stock, par value $.01 per share ("ARS Class C Common Stock"), of ARS (collectively, the "ARS Common Stock"), issued and outstanding immediately prior to the Effective Time shall, by virtue of the Tower Merger and without any action on the part of the holder thereof, be converted into the right to receive:

(i) one share of Common Stock, par value $.01 per share ("Tower Common Stock") of American Tower Systems Corporation ("American Tower Systems"), with (i) each share of ARS Class A Common Stock being converted into the right to receive one share of Class A Common Stock, par value $.01 per share ("Tower Class A Common Stock") of American Tower Systems, (ii) each share of ARS Class B Common Stock being converted into the right to receive one share of Class B Common Stock, par value $.01 per share ("Tower Class B Common Stock") of American Tower Systems, and (iii) each share of ARS Class C Common being converted into the right to receive one share of Class C Common Stock, par value $.01 per share ("Tower Class C Common Stock") of American Tower Systems; and

(ii) a fraction (the "ARS Conversion Fraction") of a share of ARS Common Stock of the same class as the class of ARS Common Stock being converted, (i) the numerator of which is the difference between (A) the denominator and (B) the value (determined as set forth below) of one share of Tower Class A Common Stock immediately prior to the Effective Time, and (ii) the denominator of which is the value (determined as set forth below) of one share of ARS Class A Common Stock immediately prior to the Effective Time (the consideration set forth in paragraph (a) above and this paragraph (b) being herein collectively referred to as the "Merger Consideration").

For purposes of determining the value of the ARS Class A Common Stock and the Tower Common Stock immediately prior to the Effective Time the following principles shall apply:

(x) each share of ARS Class A Common Stock shall be valued at an amount equal to the average closing sales price of the ARS Class A Common Stock on the New York Stock Exchange (the "NYSE"), as reported by the Wall Street Journal, for the ten (10) consecutive trading days immediately preceding the second trading date prior to the Effective Time; and

(y) each share of Tower Class A Common Stock shall be valued at the amount determined in good faith by the ARS Board of Directors to be its fair market value immediately prior to the Effective Time.

(d) Each share of Common Stock, par value $.01 per share of ATS Mergercorp (the "ATS Mergercorp Common Stock") owned by ARS immediately prior to the Effective Time shall automatically be canceled and extinguished without any conversion thereof and no payment shall be made with respect thereto.

(e) The shares of ARS Common Stock owned by ARS as treasury shares immediately prior to the Effective Time shall automatically, by virtue of the Tower Merger and without any action on the part of ARS, be converted into a number of shares of ARS Common Stock of the same class equal to the number of shares owned by American immediately prior to the Effective Time multiplied by the ARS Conversion Fraction.

As a result of the Tower Merger and without any action on the part of the holder thereof, at the Effective Time all shares of ARS Common Stock issued and outstanding shall cease to be outstanding and shall be canceled and retired and shall cease to exist, and each holder of shares of ARS Common Stock shall thereafter cease to have any rights with respect to such shares of ARS Common Stock, except the right to receive, without interest, the Merger Consideration and cash for fractional shares of ARS Common Stock in accordance with the provisions of Section 3.2(d) upon the surrender of a certificate representing such shares of ARS Common Stock.

3.2 Exchange of Certificates.

(a) Pursuant to an agreement reasonably satisfactory to ARS and ATS Mergercorp (the "Exchange Agent Agreement") to be entered into at or prior to the Closing Date between ARS, ATS Mergercorp and the transfer agent for the ARS Common Stock (the "Exchange Agent"), at or immediately following the Effective Time, ARS shall deposit or cause to be deposited in trust for the benefit of the ARS common stockholders shares of Tower Class A Common Stock, Tower Class B Common Stock and Tower Class C Common Stock representing the aggregate Merger Consideration to which holders of ARS Common Stock shall be entitled at the Effective Time pursuant to the provisions of this Article.

(b) Not less than five (5) business days subsequent to the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates that immediately prior to the Effective Time represented outstanding shares of ARS Common Stock (the "Certificates") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon actual delivery of the Certificates to the Exchange Agent) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of ARS Common Stock and Tower Class A Common Stock, Tower Class B Common Stock and Tower Class C Common Stock and cash in lieu of fractional shares as hereinafter provided. Upon surrender of Certificates for cancellation to the Exchange Agent, together with a duly executed letter of transmittal and such other documents as the Exchange Agent shall reasonably require, the holder of such Certificates shall be entitled to receive in exchange therefor (i) a certificate representing that number of whole shares of ARS Common Stock to be received pursuant to the provision of Section 3.1(c)(ii), (ii) cash in lieu of fractional shares as hereinafter provided and (iii) certificates representing the number of shares of Tower Class A Common Stock, Tower Class B Common Stock and Tower Class C Common Stock into which the shares of ARS Common Stock, theretofore represented by the Certificates so surrendered, shall have been converted pursuant to the provisions of Section 3.1(c)(i), and the Certificates so surrendered shall be canceled. Notwithstanding the foregoing, neither the Exchange Agent nor any party hereto shall be liable to a holder of shares of ARS Common Stock for any shares of ARS Common Stock or Tower Common Stock or dividends or distributions thereon delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws.

(c) Promptly following the date which is six (6) months after the Closing Date, the Exchange Agent shall deliver to ARS all cash, certificates (including any ARS Common Stock and ATS Mergercorp Class A Common Stock) and other documents in its possession relating to the transactions described in this Agreement, and the Exchange Agent's duties shall terminate. Thereafter, each holder of a Certificate may surrender such Certificate to the Surviving Corporation and (subject to applicable abandoned property, escheat and similar Laws) receive in exchange therefor the Tower Merger Consideration to which such holder is entitled, without any interest thereon. Notwithstanding the foregoing, neither the Exchange Agent nor any party hereto shall be liable to a holder of ARS Common Stock for any ARS Common Stock or Tower Common Stock delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws.

(d) No certificates or scrip representing fractional shares of ARS Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests shall not entitle the owner thereof to vote or to any rights of a stockholder of ARS. As promptly as practicable following the Effective Time, the Exchange Agent shall determine the excess of (i) the number of shares of ARS Common Stock delivered to the Exchange Agent by ARS pursuant to Section 3.2(a) over (ii) the aggregate number of whole shares of ARS Common Stock to be distributed to holders of the Certificates pursuant to Section 3.2(b) (such excess being herein called the "Excess Shares"). As soon after the Effective Time as practicable, the Exchange Agent, as agent for the holders of the Certificates, shall sell the Excess Shares at then prevailing prices on the NYSE all in the manner provided in this Section 3.2((d). The sale of the Excess Shares by the Exchange Agent shall be executed on the NYSE through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. The proceeds from such sale or sales available for distribution to the holders of Certificates shall be reduced by the compensation payable to the Exchange Agent and the expenses incurred by the Exchange Agent, in each case, in connection with such sale or sales of the Excess Shares, including all related

commissions, transfer taxes and other out-of-pocket transaction costs. Until the net proceeds of such sale or sales have been distributed to the holders of the Certificates, the Exchange Agent shall hold such proceeds in trust for the holders of the Certificates (the "Common Shares Trust"). The Exchange Agent shall determine the portion of the Common Shares Trust to which each holder of a Certificate shall be entitled, if any, by multiplying the amount of the aggregate net proceeds comprising the Common Shares Trust by a fraction, the numerator of which is the amount of the fractional share interest to which such holder of a Certificate is entitled and the denominator of which is the aggregate amount of fractional share interests to which all holders of the Certificates are entitled. As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of the Certificates in lieu of any fractional share interests, the Exchange Agent shall make available such amounts, without interest, to such holders of the Certificates who have surrendered their Certificates in accordance with this Article III.

(e) If the Tower Merger Consideration (or any portion thereof) is to be paid to a Person other than the Person in whose name the Certificate surrendered in exchange therefor is registered, it shall be a condition to the payment of the Tower Merger Consideration that the Certificate so surrendered shall be properly endorsed or accompanied by appropriate stock powers (with signatures guaranteed in accordance with the transmittal form) and otherwise in proper form for transfer, that such transfer otherwise be proper and that the Person requesting such transfer pay to the Exchange Agent any transfer or other Taxes payable by reason of the foregoing or establish to the satisfaction of the Exchange Agent that such Taxes have been paid or are not required to be paid.

(f) In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and subject to such other reasonable conditions as the Board of Directors of the Surviving Corporation may impose, the Surviving Corporation shall issue in exchange for such lost, stolen or destroyed Certificate the Tower Merger Consideration deliverable in respect thereof as determined in accordance with this Article. When authorizing such issue of the Tower Merger Consideration in exchange therefor, the Board of Directors of the Surviving Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Certificate to give the Surviving Corporation a bond or other surety in such sum as it may reasonably direct as indemnity against any Claim that may be made against the Surviving Corporation with respect to the Certificate alleged to have been lost, stolen or destroyed.

(g) Notwithstanding any other provisions of this Agreement, no dividends or other distributions declared after the Effective Time on ARS Common Stock shall be paid with respect to any whole shares of ARS Common Stock or Tower Common Stock represented by a Certificate until such Certificate is surrendered for exchange as provided herein. Subject to the effect of Applicable Laws, following surrender of any such Certificate, there shall be paid to the holder of the shares of ARS Common Stock and Tower Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore payable with respect to such whole shares of ARS Common Stock or Tower Common Stock, as the case may be, and not paid, less the amount of any withholding taxes which may be required thereon, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of ARS Common Stock or Tower Common Stock, as the case may be, less the amount of any withholding taxes which may be required thereon.

(h) ARS shall be entitled to, or shall be entitled to cause the Exchange Agent to, deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of ARS Common Stock such amounts as are required to be deducted and withheld with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by ARS or the Exchange Agent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of ARS Common Stock in respect of which such deduction and withholding was made by ARS or the Exchange Agent.

ARTICLE 4

Representations and Warranties of ATS Mergercorp

ATS Mergercorp hereby represents, warrants and covenants to, and agrees with, ARS as follows:

(a) ATS Mergercorp is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and as presently proposed to be conducted, with full power and authority (corporate and other) to carry on the business in which it is engaged, except where the failure to be so qualified and in good standing, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on ATS Mergercorp.

(b) ATS Mergercorp 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 ATS Mergercorp pursuant hereto or thereto or to consummate the Tower Merger, 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 ATS Mergercorp, other than the approval of the sole stockholder of ATS Mergercorp contemplated by this Agreement. This Agreement has been duly executed and delivered by ATS Mergercorp and constitutes, and each Collateral Document executed or required to be executed pursuant hereto or thereto or to consummate the Tower Merger when executed and delivered by ATS Mergercorp will constitute, valid and binding obligations of ATS Mergercorp, 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. The provisions of Section 203 of the DCL will not apply to this Agreement or the Tower Merger. As of the date hereof, the Board of Directors of ATS Mergercorp, at a meeting duly called and held at which a quorum was present throughout, has unanimously (i) determined that this Agreement and the transactions contemplated hereby, including without limitation the Tower Merger, are fair to and in the best interests of the holder of the ATS Mergercorp Common Stock and have approved the same, and (ii) resolved to recommend that the sole stockholder of ATS Mergercorp approve this Agreement and the transactions contemplated hereby, including without limitation the Tower Merger.

(c) Except for such consents, the failure of which to obtain would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ATS Mergercorp, the execution and delivery by ATS Mergercorp of this Agreement and any Collateral Document executed or required to be executed by it pursuant hereto or thereto, do not, and the consummation by ATS Mergercorp of the Tower Merger and compliance with the terms, conditions and provisions hereof or thereof by ATS Mergercorp will not:

(i) conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS Mergercorp or any Applicable Law applicable to ATS Mergercorp, or conflict with, or result in a breach or violation of, or constitute a default under, or permit the 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 acceleration in, any Indebtedness for Money Borrowed of ATS Mergercorp, except for such conflicts, breaches, violations or accelerations that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ATS Mergercorp; or

(ii) result in or permit the creation or imposition of any Lien upon any property now owned or leased by ATS Mergercorp; or

(iii) require any Governmental Authorization or Governmental Filing or Private Authorization, except for the FCC Consents, filings under the Hart-Scott-Rodino Act, and other filing requirements under Applicable Law in connection with the consummation of the Tower Merger.

ARTICLE 5

Representations and Warranties of ARS

ARS hereby represents, warrants and covenants to, and agrees with, ATS Mergercorp as follows:

(a) ARS is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and as presently proposed to be conducted, with full power and authority (corporate and other) to carry on the business in which it is engaged, except where the failure to be so qualified or in good standing, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on ARS.

(b) ARS 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 ARS pursuant hereto or thereto or to consummate the Tower Merger, 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 ARS, other than the approval of the ARS stockholders contemplated by this Agreement. This Agreement has been duly executed and delivered by ARS and constitutes, and each Collateral Document executed or required to be executed pursuant hereto or thereto or to consummate the Tower Merger when executed and delivered by ARS will constitute, valid and binding obligations of ARS, 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. The provisions of Section 203 of the DCL will not apply to this Agreement or the Tower Merger. As of the date hereof, the Board of Directors of ARS, at a meeting duly called and held at which a quorum was present throughout, has unanimously (i) determined that this Agreement and the transactions contemplated hereby, including without limitation the Tower Merger, are fair to and in the best interests of the holders of the ARS Common Stock and have approved the same, and (ii) resolved to recommend that the ARS stockholders approve this Agreement and the transactions contemplated hereby, including without limitation the Tower Merger.

(c) Except for consents and authorizations, the failure of which to obtain, would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ARS, the execution and delivery by ARS of this Agreement and any Collateral Document executed or required to be executed by it pursuant hereto or thereto do not, and the consummation by ARS of the Tower Merger, and compliance with the terms, conditions and provisions hereof or thereof by ARS will not:

(i) conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ARS or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the 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 acceleration in, any Indebtedness for Money Borrowed of ARS, except for such conflicts, breaches, violations or accelerations that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ARS; or

(ii) result in or permit the creation or imposition of any Lien upon any property now owned or leased by ARS; or

(iii) require any Governmental Authorization or Governmental Filing or Private Authorization, except for the FCC Consents, filings under the Hart-Scott-Rodino Act, and other filing requirements under Applicable Law in connection with the consummation of the Tower Merger.

ARTICLE 6

Closing Conditions

6.1 Conditions to Obligations of Each Party to Effect the Tower Merger. The respective obligations of each party to effect the Tower Merger shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) The CBS Merger shall not have been consummated by 11:59 p.m. on May 31, 1998;

(b) This Agreement and the transactions contemplated hereby shall have been approved and adopted by the requisite vote of the stockholders of ARS and ATS Mergercorp under Applicable Law;

(c) The waiting period applicable to the consummation of the Tower Merger under the Hart-Scott-Rodino Act shall have expired or been terminated; and

(d) 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 Merger.

6.2 Conditions to Obligations of ATS Mergercorp. The obligation of ATS Mergercorp to effect the Tower Merger 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 ARS set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date except (i) 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 (ii) 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 ARS; provided, however, that for the purpose of this clause (ii), representations and warranties that are qualified as to materiality (including by reference to "Material Adverse Effect") shall not be deemed to be so qualified;

(b) ARS shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and

(c) Between the date of this Agreement and the Closing Date, except as contemplated by this Agreement, as the case may be, there shall not have occurred and be continuing any Material Adverse Change in ARS.

6.3 Conditions to Obligations of ARS. The obligation of ARS to effect the Tower Merger 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 ATS Mergercorp set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date except (i) 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 (ii) 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 ATS Mergercorp; provided, however, that for the purpose of this clause (ii), representations and warranties that are qualified as to materiality (including by reference to "Material Adverse Effect") shall not be deemed to be so qualified;

(b) ATS Mergercorp shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and

(c) The Board of Directors of ARS shall not have determined to abandon the Tower Merger.

ARTICLE 7

Termination, Amendment and Waiver

7.1 Termination. This Agreement shall terminate automatically, without any action of either of the parties, upon consummation of the CBS Merger and may be terminated at any time prior to the Closing Date, whether before or after approval by the stockholders of ARS:

(a) by mutual written consent of ARS and ATS Mergercorp;

(b) by either ATS Mergercorp or ARS if any Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law that shall have become final and nonappealable and that restrains, enjoins or otherwise prohibits consummation of the Tower Merger, unless the party seeking such restraint injunction or prohibition or any Affiliate thereof was the terminating party; and

(c) by ARS in the event it determines to abandon the Tower Merger as not being in the best interests of the ARS common stockholders.

The term "Termination Date" shall mean December 31, 1998, as such date may from time to time be extended by mutual agreement of the parties.

7.2 Effect of Termination. Except as provided in Section 8.3 (Fees, Expenses and other Payments), in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Tower Merger shall not have become effective prior to the end of business on the day prior to the Termination Date, this Agreement shall forthwith become void and have no effect, without any liability on the part of any party, or any of its respective stockholders, officers or directors, to the other.

ARTICLE 8

General Provisions

8.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto and, subject, to Applicable Law.

8.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS Mergercorp or ARS 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, subject, however, to the provisions of Section 7.1, 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.

8.3 Fees, Expenses and Other Payments. All costs and expenses incurred in connection with the negotiation, preparation, performance and enforcement of this Agreement (including all fees and expenses of counsel, financial advisors, accountants, and other consultants, advisors and representatives for all activities of such persons undertaken pursuant to this Agreement) incurred by the parties hereto shall be borne by ARS.

8.4 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 ATS Mergercorp:

ATS Mergercorp Merger 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

(b) If to ARS:

American Radio 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

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.

8.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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.

8.6 Survival of Representations, Warranties, Covenants and Agreements. None of the representations and warranties in this Agreement shall survive the Tower Merger, and after effectiveness of the Tower Merger neither of the parties or their respective officers, directors or stockholders shall have any further obligation with respect thereto.

8.7 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 Merger is fulfilled and consummated to the maximum extent possible.

8.8 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 such counterparts.

8.9 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.

8.10 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 Delaware 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. 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.

8.11 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.

8.12 Entire Agreement; No Other Representations or Agreements. This Agreement (together with 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. 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) neither party has relied or will 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 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 and the 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 and the Collateral Documents. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER ARS NOR ATS Mergercorp 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.

8.13 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and be binding upon any successor to each party by operation of Law, including by way of merger, consolidation or sale of all or substantially all of its assets, and each party may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

8.14 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 8.13.

IN WITNESS WHEREOF, ARS and ATS Mergercorp have caused this Agreement and Plan of Merger to be executed, pursuant to the authority and approval of each of their respective Boards of Directors, as of the date first written above by their respective officers thereunto duly authorized.

American Radio Systems Corporation

By: _____
Name: Steven B. Dodge
Title: Chairman of the Board, President and Chief Executive Officer

ATS Merger Corporation

By: _____
Name: Steven B. Dodge
Title: Chairman of the Board, President and Chief Executive Officer

DEFINITIONS

ADVERSE, ADVERSELY, when used alone or in conjunction with other terms (including without limitation "Affect," "Change" and "Effect") shall mean any Event that has adversely affected or is reasonably likely to adversely affect (a) the validity or enforceability of this Agreement or the likelihood of consummation of the Tower Merger, or (b) the financial condition or results of operation of the ATS Mergercorp and its Subsidiaries, taken as a whole, or the ARS and its Subsidiaries, taken as a whole, as the case may be, or (c) ARS' or ATS Mergercorp', as the case may be, ability to fulfill its obligations under the terms of this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, neither (i) any Event affecting the radio broadcasting industry or the national or any regional or market economy generally.

AFFILIATE, AFFILIATED shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

AGREEMENT shall have the meaning given to it in the third "Whereas" paragraph and shall include any amendments executed and delivered by the parties pursuant to the provisions of Section 8.1.

AMERICAN TOWER SYSTEMS shall have the meaning given to it in Section 3.1(c)(i).

APPLICABLE LAW shall mean, with respect to any Person, any Law of any Authority, whether domestic or foreign, to which such Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

ARS shall have the meaning given to it in the Preamble.

ARS CLASS A COMMON STOCK shall have the meaning given to it in Section 3.1(c).

ARS CLASS B COMMON STOCK shall have the meaning given to it in Section 3.1(c).

ARS CLASS C COMMON STOCK shall have the meaning given to it in Section 3.1(c).

ARS COMMON STOCK shall have the meaning given to it in Section 3.1(c).

ARS CONVERSION FRACTION shall have the meaning given to it in Section 3.1(c)(ii).

ARS CONVERTIBLE PREFERRED STOCK shall have the meaning given to it in Section 3.1(b).

ARS CUMULATIVE PREFERRED STOCK shall have the meaning given to it in Section 3.1(a).

ATS MERGERCORP shall have the meaning given to it in the Preamble.

ATS MERGERCORP COMMON STOCK shall have the meaning given to it in Section 3.1(d).

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.

CBS shall have the meaning given to it in the first "Whereas" paragraph.

CBS MERGER shall have the meaning given to it in the first "Whereas" paragraph.

CBS SUB shall have the meaning given to it in the first "Whereas" paragraph.

CERTIFICATE OF MERGER shall have the meaning given to it in Section 2.3.

CERTIFICATES shall have the meaning given to it in Section 3.2(b).

CLOSING shall have the meaning given to it in Section 2.2.

CLOSING DATE shall have the meaning given to it in Section 2.2.

CODE shall mean the Internal Revenue Code of 1986, 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.

COLLATERAL DOCUMENT shall mean any agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement.

COMMON SHARES TRUST shall have the meaning given to it in Section 3.2(d).

CONTROL (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

DCL shall have the meaning given to it in Section 2.1.

EFFECTIVE TIME shall have the meaning given to it in Section 2.3.

ENTITY shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

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.

EXCESS SHARES shall have the meaning given to it in Section 3.2(d).

EXCHANGE AGENT shall have the meaning given to it in Section 3.2(a).

EXCHANGE AGENT AGREEMENT shall have the meaning given to it in Section 3.2(a).

FCC CONSENTS means actions by the FCC (including the Chief, Mass Media Bureau, acting under delegated authority) granting its consent to the transfer of control of the American FCC Licenses for each of the American Stations to Mergeparty as contemplated by this Agreement whether or not such consent has become a Final Order.

GOVERNMENTAL AUTHORIZATIONS shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including the FCC Licenses, issued by the FCC, the Federal Aviation Administration and any other Authority in connection with the conduct of business or operations of any of the Stations.

GOVERNMENTAL FILINGS shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

HART-SCOTT-RODINO ACT shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 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 such statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

LAW shall mean any (a) administrative, judicial, legislative or other action, code, consent decree, constitution, decree, directive, enactment, finding, guideline, law, injunction, interpretation, judgment, order, ordinance, proclamation, promulgation, regulation, requirement, rule, rule of law, rule of public policy, settlement agreement, statute, or writ of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation.

LEGAL ACTION shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, hearings, investigations, proceedings or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, by or before any Authority, against such Person or involving any of such Person's business or assets.

LIEN shall mean any of the following: mortgage; lien (statutory or other) or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; or restriction on sale, transfer, assignment, disposition or other alienation.

MATERIAL, MATERIALLY OR MATERIALITY for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

MERGER shall have the meaning given to it in the third "Whereas" paragraph.

MERGER CONSIDERATION shall have the meaning given to it in Section 3.1(e)(ii).

NYSE shall have the meaning given to it in Section 3.1(c).

ORGANIC DOCUMENT shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all stockholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

PERSON shall mean any natural individual or any Entity.

PRIVATE AUTHORIZATIONS shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to copyrights, computer software programs, patents, service marks, trademarks, trade names, technology and know-how.

REGULATIONS shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

REPRESENTATIVES shall have the meaning given to it in Section 6.1(a).

RESTATED MERGER AGREEMENT shall have the meaning given to it in the second "Whereas" paragraph.

SUBSIDIARY shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

SURVIVING CORPORATION shall have the meaning given to it in Section 2.1.

TAX (and "Taxable," which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other, including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, additions to tax or additional amounts imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) of this definition, and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

TAXING AUTHORITY shall mean any Authority responsible for the imposition of any Tax.

TERMINATION DATE shall have the meaning given to it in Section 7.1.

TOWER CLASS A COMMON STOCK shall have the meaning given to it in Section 3.1(c)(i).

TOWER CLASS B COMMON STOCK shall have the meaning given to it in Section 3.1(c)(i).

TOWER CLASS C COMMON STOCK shall have the meaning given to it in Section 3.1(c)(i).

TOWER COMMON STOCK shall have the meaning given to it in Section 3.1(c)(i).

SCHEDULE 4.1(E)

TO

AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

BY AND AMONG

AMERICAN RADIO SYSTEMS CORPORATION
CBS CORPORATION

AND

R ACQUISITION CORP.

DATED AS OF

DECEMBER 18, 1997

NAME OF OPTIONEE	NUMBER AND CLASS OF AMERICAN COMMON STOCK
Steven B. Dodge	290,000 shares of American Class B Common Stock
Alan L. Box	100,000 shares of American Class A Common Stock

APPENDIX IIB

FIRST AMENDMENT, dated as of December 19, 1997 (this "Amendment"), to the Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, by and among American Radio Systems Corporation, a Delaware corporation ("American"), CBS Corporation (formerly, Westinghouse Electric Corporation), a Pennsylvania corporation ("Mergeparty"), and R Acquisition Corp., a Delaware corporation ("Mergeparty Subsidiary").

W I T N E S S E T H:

WHEREAS, American, Mergeparty and Mergeparty Subsidiary are parties to an Agreement and Plan of Merger, dated as of September 19, 1997 (the "Original Merger Agreement"), providing for the merger of Mergeparty Subsidiary with and into American on the terms and conditions set forth therein; and

WHEREAS, American, Mergeparty and Mergeparty Subsidiary have entered into an Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997 (the "Restated Merger Agreement"), to make certain changes to the Original Merger Agreement; and

WHEREAS, American, Mergeparty and Mergeparty Subsidiary desire to amend the Restated Merger 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:

1. Capitalized terms used and not defined herein shall have the meanings given to such terms in the Restated Merger Agreement.

2. American hereby represents and warrants to Mergeparty and Mergeparty Subsidiary as follows, which representations and warranties shall be deemed to form part of the representations and warranties of American included in Article Four of the Restated Merger Agreement for all purposes of the Restated Merger Agreement: (a) Annex 1 to this Amendment sets forth a list of certain stockholders of American (the "Consenting Stockholders") and the number of shares of American Class A Common and American Class B Common owned of record by each such stockholder on the date hereof, (b) on the date hereof, 29,966,377 votes constituted a majority of the outstanding voting power of American Common Stock and (c) on the date hereof the Consenting Stockholders have delivered written consents to American approving and adopting the Restated Merger Agreement and the Tower Merger Agreement in accordance with Applicable Law, including without limitation the DCL, such consents will, upon mailing by American of the notice as described in paragraph 3 below, constitute the Required Vote and no other approvals of the stockholders of American other than such consents are required to effect either the Merger or the Tower Merger.

3. American will, promptly after the execution of this Amendment, mail, in accordance with Section 228(d) of the DCL, notice of the corporate action without a meeting taken by the Consenting Stockholders to those American stockholders who have not consented to such action in writing and who, if the action had been taken at a meeting of American stockholders, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take such action were delivered to American in accordance with Section 228(c) of the DCL. The covenant of American in this Section 3 shall be deemed to form part of the covenants of American included in Article Six of the Restated Merger Agreement for all purposes of the Restated Merger Agreement.

4. All references to "Proxy Statement" in the Restated Merger Agreement shall be deemed in all cases in the Restated Merger Agreement to be references to "Information Statement" and all references to "Tower Proxy Statement" shall be deemed in all cases in the Restated Merger Agreement to be references to "Tower Information Statement."

5. Notwithstanding anything contained in the Restated Merger Agreement to the contrary, including without limitation Section 6.5 thereof, American shall not be required to hold either the American Stockholders Meeting or the American Stockholders Tower Meeting.

6. This Amendment shall constitute a Collateral Document for all purposes of the Restated Merger Agreement.

7. The validity, interpretation, construction and performance of this Amendment 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.

8. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

9. Except as expressly modified and amended by this Amendment, the Restated Merger Agreement shall continue in full force and effect and is hereby ratified and confirmed in all respects.

IN WITNESS WHEREOF, American, Mergeparty and Mergeparty Subsidiary have caused this Amendment to be executed, pursuant to the authority and approval of each of their respective Boards of Directors, as of the date first written above by their respective officers thereunto duly authorized.

American Radio Systems Corporation

By: _____
Name: Steven B. Dodge
Title: Chairman of the Board, President and Chief Executive Officer

CBS Corporation

By: _____
Name: Frederic G. Reynolds
Title:

Acquisition Corp.

By: _____
Name: Frederic G. Reynolds
Title:

Board of Directors
American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116

September 19, 1997

Dear Sirs:

You have asked Credit Suisse First Boston Corporation ("CSFB," "we" or "us") to advise you with respect to the fairness to the stockholders of American Radio Systems Corporation (the "Company") from a financial point of view of the Merger Consideration to be received by such stockholders pursuant to the terms of the Agreement and Plan of Merger, dated as of September 18, 1997 (the "Merger Agreement"), among the Company, Westinghouse Electric Corporation (the "Acquiror") and the Acquiror's wholly-owned subsidiary (the "Sub"). The Merger Agreement provides for, among other things, (i) the merger (the "Merger") of the Sub with and into the Company pursuant to which the Company will become a subsidiary of the Acquiror and each outstanding share of common stock, par value $0.01 per share, of the Company will be converted into the right to receive $44.00 in cash (the "Merger Consideration") and (ii) prior to the Merger, the distribution by the Company of all of the capital stock of the Company's wholly-owned subsidiary American Tower Systems Inc. or the net proceeds from the sale thereof to the stockholders of the Company on a pro rata basis (the "Distribution").

In arriving at our opinion, we have reviewed certain publicly available business and financial information relating to the Company, as well as the Merger Agreement. We have also reviewed certain other information, including financial forecasts and pro forma financial information concerning the Company after giving effect to the Distribution, provided to us by the Company and have met with the Company's management to discuss the business and prospects of the Company.

We have also considered certain financial and stock market data of the Company and compared those data with similar data for other publicly held companies in similar businesses, and we have considered the financial terms of certain other business combinations and other transactions which have recently been effected. We also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which we deemed relevant.

In connection with our review, we have not assumed any responsibility for independent verification of any of the foregoing information and have relied on it being complete and accurate in all material respects. With respect to the financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the Company's management as to the future financial performance of the Company. In addition, we have not been requested to make, and have not made, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company nor have we been furnished with any such evaluations or appraisal. Our opinion is necessarily based upon financial, economic, market and other conditions as they exist and can be evaluated on the date hereof. In connection with our engagement, we approached third parties to solicit indications of interest in a possible acquisition of the Company and held preliminary discussions with certain of these parties, which discussions, at your request, were not completed prior to the date hereof.

We have acted as financial advisor to the Company in connection with the Merger and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Merger.

In the past, we have performed certain investment banking services for the Company and the Acquiror and have received customary fees for such services.

In the ordinary course of business, CSFB and its affiliates may actively trade the debt and equity securities of both the Company and the Acquiror for their own accounts and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

It is understood that this letter is for the information of the Board of Directors in connection with its consideration of the Merger, does not constitute a recommendation to any stockholder as to how such stockholder should vote on the proposed Merger and is not to be quoted or referred to, in whole or in part, in any registration statement, prospectus or proxy statement, or in any other document used in connection with the offering or sale of securities, nor shall this letter be used for any other purposes, without our prior written consent.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Merger Consideration to be received by the stockholders of the Company in the Merger is fair to such stockholders from a financial point of view.

Very truly yours,

Credit Suisse First Boston Corporation

DELAWARE GENERAL CORPORATION LAW
SECTION 262 APPRAISAL RIGHTS

262 APPRAISAL RIGHTS--(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to (S)228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to (S)251 (other than a merger effected pursuant to (S)251(g) of this title), (S)252, (S)254, (S)257, (S)258, (S)263 or (S)264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in subsection (f) of (S)251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to (S)(S)251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under (S)253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsections (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of his shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of his shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of his shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to (S)228 or (S)253 of this title, each constituent corporation, either before the effective date of the merger or consolidation or within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section; provided that, if the notice is given on or after the effective date of the merger or consolidation, such notice shall be given by the surviving or resulting corporation to all such holders of any class or series of stock of a constituent corporation that are entitled to appraisal rights. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affadavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw his demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after his written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted his certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that he is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation

of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded his appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of his demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

DESCRIPTION OF AMERICAN TOWER CORPORATION

GENERAL

American Tower Corporation ("ATC") is a leading independent owner and operator of wireless communications towers with more than 775 towers in 31 states, including approximately 125 towers managed for a third party. ATC has agreed to acquire an additional 125 towers pursuant to letters of intent which are expected to be consummated, subject to negotiation and execution of definitive agreements and satisfaction of closing conditions, including, in certain cases, expiration or earlier termination of the HSR Act waiting period, in the first half of 1998. During 1997, ATC acquired or agreed to acquire 192 towers and constructed or had, at year end, under construction an aggregate of 64 towers; ATC plans to construct approximately 125 towers in 1998. ATC rents tower space and provides related services to wireless communications service providers, as well as operators of private networks and government agencies, for a diverse range of applications including paging, cellular, PCS, fixed microwave, SMR and ESMR. ATC owns and operates towers in 45 of the top 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's customers (which aggregate more than 680) include Bell South Mobility, CSX Transportation, GTE Mobilnet, Houston Cellular, Nextel, PageMart, Pagenet, Pittencrief Communications, SBC Communications, Shell Offshore, and various federal and local government agencies. While none of ATC's customers accounted for more than 10% of its pro forma revenues for the nine months ended September 30, 1997, most of the named customers accounted for more than 1% of such revenues and each is considered by ATC to be an important customer.

ATC believes that it is well positioned to capitalize on the continued growth in wireless communications. ATC's strategy for growth is to focus its internal sales and marketing activities on maximizing the capacity utilization of its towers. In addition, ATC has experience in the construction and acquisition of towers which it believes will allow ATC to increase its penetration of existing markets and expansion into new markets.

HISTORY OF ATC

ATC was organized in October 1994 by an investor group led by Summit Capital Inc. of Houston and Chase Manhattan Capital Corporation ("Chase Capital") to acquire 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 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 communications towers. In December 1995, ATC acquired 103 towers from CSX, and in October 1996, ATC acquired 154 towers from Prime. In June 1997, ATC completed a private placement of common stock with Clear Channel resulting in net proceeds to ATC of $23.0 million.

ATC's principal executive offices are located at 3411 Richmond Avenue, Suite 400, Houston, Texas 77046 and its telephone number is (713) 693-0000.

PROPERTIES

ATC's interests in its tower sites are comprised of a variety of fee interests, leasehold interests created by long-term lease agreements, private easements, and easements, licenses or rights-of-way granted by government entities. In rural areas, a tower site typically consists of a three to five acre tract which supports towers, equipment shelters and guy wires to stabilize the structure. Less than 3,000 square feet are required for a self-supporting tower structure of the kind typically used in metropolitan areas. ATC's land leases generally have five- or ten-year terms and frequently contain one or more renewal options. Some land leases provide "trade-out" arrangements whereby ATC allows the landlord to use tower space in lieu of paying all or part of the land rent. Pursuant to ATC's credit facility, ATC's senior lenders have liens on a substantial number of ATC's land leases and other property interests.

SELECTED FINANCIAL DATA

The following table sets forth selected financial data of ATC as of and for each of the periods indicated. The selected financial data as of and for the five years ended December 31, 1996 and for the nine months ended September 30, 1996 and 1997 were derived from the Consolidated Financial Statements of ATC and its Predecessor. The following table should be read in conjunction with ATC's audited and unaudited financial statements and the notes thereto included in this Information Statement/Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Corporation" included in this Appendix V.

SELECTED FINANCIAL DATA
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	PREDECESSOR(1)			ATC(1)				
	YEAR ENDED DECEMBER 31,		JANUARY 1,1994 THROUGH OCTOBER 14,	OCTOBER 15, 1994 THROUGH DECEMBER 31,	YEAR ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	1992	1993	1994	1994	1995	1996	1996	1997
STATEMENTS OF OPERATIONS DATA:								
Total revenues	$3,393	$ 6,744	$ 5,218	$1,948	$8,277	$12,366	$8,356	$ 14,491
Operating expenses:								
Direct tower costs	765	1,434	1,151	402	1,868	2,849	1,968	2,924
Selling, general and administrative	943	2,014	2,137	380	1,601	2,049	1,485	2,347
Depreciation and amortization	1,199	2,586	2,106	403	1,908	2,709	1,839	3,369
Total operating expenses	2,907	6,034	5,394	1,185	5,377	7,607	5,292	8,640
Operating income (loss)	486	710	(176)	763	2,900	4,759	3,064	5,851
Interest expense, net	780	2,026	2,117	576	3,068	3,808	2,630	3,900
Other expenses	100	193	93	66	414	150	113	213
Income (loss) before income taxes and extraordinary item	(394)	(1,509)	(2,386)	121	(582)	801	321	1,738
Income tax (expense) benefit	237	500	--	(50)	217	(303)	(121)	(660)
Income (loss) before extraordinary item	(157)	(1,009)	(2386)	71	(365)	498	200	1,078
Extraordinary loss, net(2)	--	--	--	--	(207)	(451)	--	(594)
Net income (loss)	$ (157)	$(1,009)	$(2,386)	$ 71	$ (572)	$ 47	$200	$ 484

	PREDECESSOR(1)		ATC(1)			
	DECEMBER 31,					SEPTEMBER 30,
	1992	1993	1994	1995	1996	1997
BALANCE SHEET DATA:						
Land, rental towers and related fee-based assets, net	$15,463	$13,943	$35,109	$42,056	$61,566	$105,106
Total assets	18,343	16,600	39,599	53,782	75,527	120,198
Long-term debt, less current portion	12,590	11,719	23,116	31,875	49,771	67,817
Redeemable preferred stock	--	--	--	3,633	4,000	4,000
Total stockholders' equity	(707)	(1,716)	7,496	7,424	11,598	36,236

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(1) ATC was organized in connection with the Bowen-Smith Acquisition in October 1994, at which time the book values of the assets and liabilities acquired were adjusted to their estimated fair values on the basis of purchase accounting. In addition, upon the closing of the Bowen-Smith Acquisition, ATC entered into new debt and equity financing arrangements, adjusted the depreciation period for towers and related fee-based assets,

outsourced its tower maintenance services and implemented other significant changes in ATC's operations. Each of these factors affects the comparability of periods prior to the Bowen-Smith Acquisition with periods since October 1994. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of American Tower Corporation--Overview".

(2) Reflects extraordinary charges resulting from prepayment of indebtedness in 1995, 1996, and 1997, net of related income tax benefits. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Results of Operations of American Tower Corporation".

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF AMERICAN TOWER CORPORATION

The following discussion is intended to assist in an understanding of ATC's historical financial position and results of operations for each year of the three-year period ended December 31, 1996 and for the nine months ended September 30, 1996 and 1997. ATC's Consolidated Financial Statements and notes thereto included elsewhere in this Information Statement/Prospectus contain detailed information that should be read in conjunction with the following discussion.

OVERVIEW

ATC was organized to acquire the stock of Bowen-Smith in October 1994. Bowen-Smith was a closely held company which owned and operated 175 tower sites in Texas, Louisiana and Oklahoma. At the time of the Bowen-Smith Acquisition, the book values of the acquired assets and liabilities were adjusted to their estimated fair values and the depreciation period for towers and related assets was extended to better reflect the estimated useful lives of such assets. At such time, ATC also implemented significant management and operational changes to the business. ATC outsourced its tower maintenance functions during the first quarter of 1995 which resulted in a reduction in personnel. In addition, ATC's new management undertook increased marketing activities for its existing tower network and began to pursue tower acquisitions, including opportunities outside ATC's traditional Gulf Coast market. Finally, borrowings to facilitate the Bowen-Smith Acquisition resulted in an increase in ATC's interest expense. The financial results for ATC described herein for the period prior to October 15, 1994 are the results of ATC's predecessor, Bowen-Smith, and may not be comparable to ATC's results since that date for the reasons described herein.

During 1995 and 1996, ATC acquired 297 towers, net of dispositions. In December 1995, ATC acquired 103 towers from CSX, the real estate affiliate of the railroad transportation company. In October 1996, ATC acquired 109 towers (net of dispositions of non-strategic towers) from Prime, an independent tower operator. The remaining 85 acquired towers were purchased in 16 separate acquisitions ranging in size from one to 50 towers. During 1997 ATC has acquired 77 towers and entered into commitments to acquire an additional 115 towers. In addition, during 1996 ATC began a significant tower construction program. By September 1997, ATC had completed construction of 57 new towers, had 38 towers under construction, and owned approximately 650 towers, including those under construction.

Since completing the Bowen-Smith Acquisition in October 1994, ATC's financial objective has been to increase revenues on existing towers through improved marketing efforts and to acquire and construct new towers which meet ATC's economic return criteria. Accordingly, ATC believes that EBITDA is a key measure of its economic performance and an indicator of the availability of funds to service indebtedness and to invest in continued internal growth and acquisition and construction opportunities. ATC's EBITDA increased from $3.1 million for the year ended December 31, 1994 to $7.5 million for the year ended December 31, 1996 (a compound annual growth rate of 56%) and increased from $4.9 million for the nine months ended September 30, 1996 to $9.2 million for the nine months ended September 30, 1997 (a compound annual growth rate of 88%). ATC's growth strategy and investment in additional towers has negatively affected net income during these periods primarily as a result of increased depreciation and interest expense, and extraordinary charges related to the write off of unamortized debt financing costs. See Notes 6 and 9 of Notes to Consolidated Financial Statements of American Tower Corporation.

ATC's primary business is the rental of antenna and transmitter space on communications towers to wireless communication companies, including paging, cellular, PCS, fixed microwave, SMR and ESMR, as well as operators of private and governmental communications systems. A majority of ATC's customers enter into one-year rental agreements with ATC. Substantially all of ATC's agreements exceeding one year include price escalation and 90-day cancellation clauses. A majority of ATC's contracts provide for monthly invoicing payable on or before the tenth day of the calendar month. ATC operators have been historically characterized by

(i) minimal inventory levels; (ii) low levels of accounts receivable; and (iii) customer turnover rates of less than 1% per year (based on revenues). Accordingly, ATC has minimal working capital requirements.

Direct tower costs consist primarily of land leases, tower inspections and maintenance, utilities, insurance and tower monitoring costs. The most significant of such costs are land leases and tower inspections and maintenance. ATC outsources its tower inspections and maintenance requirements which consist of scheduled site visits to perform ground and tower maintenance, tower and shelter inspections and inventories of installed customer equipment. On a per tower basis, ATC's direct tower costs are relatively fixed and are not subject to incremental increase as ATC adds additional customers.

Selling, general and administrative expenses consist primarily of wages and benefits for management, sales and marketing and operations, and professional fees, advertising, travel, bad debts and office-related expenses.

ATC's depreciation and amortization charges result primarily from the fixed capital required to operate in the tower industry and complete acquisitions and constructions. The principal components of depreciation and amortization relate to individual towers and related assets, buildings, site upgrades, computer monitoring systems and licenses and permits. In connection with the Bowen-Smith Acquisition, in order to better reflect the useful life of towers and related assets, ATC adjusted its depreciation period for such assets from 15 years to 25 years. Amortization relates to financing costs associated with ATC's credit facilities and non-competition agreements entered into in connection with the Bowen-Smith Acquisition.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, information derived from ATC's Consolidated Statements of Operations, expressed as a percentage of revenue.

	PREDECESSOR	ATC				
	JANUARY 1, 1994 THROUGH OCTOBER 14, 1994	OCTOBER 15, 1994 THROUGH DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
Total revenues	100 %	100 %	100 %	100 %	100%	100%
Operating expenses:						
Direct tower costs	22	21	23	23	24	20
Selling, general and administrative	41	20	19	17	18	16
Depreciation and amortization	40	21	23	22	22	23
Total operating expenses	103	61	65	62	63	60
Operating income (loss)	(3)	39	35	38	37	40
Interest expense, net	41	30	37	31	32	27
Other expense	2	3	5	1	1	2
Income (loss) before income taxes and extraordinary item	(46)	6	(7)	6	4	12
Income tax (expense) benefit	--	(3)	3	(2)	(2)	(5)
Extraordinary loss, net	--	--	(3)	(4)	--	(4)
Net income (loss)	(46)%	4 %	(7)%	0 %	2%	3%

Nine Months Ended September 30, 1997 to Nine Months Ended September 30, 1996

Revenues. Total revenues increased $6.1 million or 73% to $14.5 million in the nine months ended September 30, 1997 from $8.4 million in the nine months ended September 30, 1996. Revenue growth of $2.9 million was attributable to acquisitions consummated since October 1996. The remainder of the increase in revenues was primarily attributable to increased utilization and price increases on towers owned by ATC at September 30, 1997.

Direct Tower Costs. Direct tower costs increased 49% to $2.9 million in the nine months ended September 30, 1997 from $2.0 million in the nine months ended September 30, 1996. The increase in direct tower costs was primarily attributable to tower acquisitions consummated since October 1996. As a percentage of revenues, direct tower costs decreased due to the relatively fixed nature of the costs relative to revenue increases.

Selling, General and Administrative. Selling, general and administration expenses increased 57% to $2.3 million in the nine months ended September 30, 1997 from $1.5 million in the nine months ended September 30, 1996. The increase was primarily from the addition of personnel related to ATC's increased sales, marketing and construction activities. The decrease as a percentage of revenues was attributable to accelerated growth in revenue increases relative to additional selling, general and administrative expenses.

Depreciation and Amortization. Depreciation and amortization expenses increased 83% to $3.4 million in the nine months ended September 30, 1997 from $1.8 million in the nine months ended September 30, 1996. The increase in depreciation and amortization expenses of $1.6 million resulted primarily from tower acquisitions consummated since October 1996 and constructed towers placed in operation.

Interest Expense. Interest expense increased 48% to $3.9 million in the nine months ended September 30, 1997 from $2.6 million in the nine months ended September 30, 1996. The increase in interest expense was due primarily to increased borrowings associated with tower acquisitions and constructions consummated since October 1996.

Income Taxes. Income taxes for the nine months ended September 30, 1997 was $0.7 million as compared to $0.1 for the nine months ended September 30, 1996. The increase is attributable to increased operating income applied against ATC's effective tax rate, which is not materially different from the statutory rate.

Extraordinary Loss. ATC recognized an extraordinary loss of $0.6 million in the nine months ended September 30, 1997. The loss resulted from ATC restructuring and refinancing its debt arrangements in June 1997.

Year Ended December 31, 1996 Compared to Year Ended December 31, 1995

Total revenues. Revenue growth consisted of $2.8 million attributable to increased utilization and price increases on towers owned by ATC at the beginning of 1995 or acquired during 1995 as well as the full year effect of towers acquired during 1995. Total revenues increased $4.1 million or 49% to $12.4 million in 1996 from $8.3 million in 1995. The remainder of the increase in revenues was attributable to $0.6 million associated with 159 towers acquired during 1996, $0.6 million attributable to 103 towers acquired in December 1995 and $0.1 million associated with 27 towers constructed during 1996.

Direct tower costs. Direct tower costs increased 53% to $2.8 million in 1996 from $1.9 million in 1995. The increase in direct tower costs consisted of $0.2 million associated with 159 towers acquired during 1996, $0.7 million attributable to towers acquired during 1995 and expenses incurred during ATC's establishment of its automated tower monitoring services. As a percentage of revenues, direct tower costs remained relatively constant.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 28% to $2.0 million in 1996 from $1.6 million in 1995. The increase was primarily from the addition of personnel related to ATC's increased sales, marketing and construction activities. The decrease as a percentage of revenues was due to operating efficiencies on existing towers as well as the construction and acquisition of new towers.

Depreciation and amortization expense. Depreciation and amortization expense increased 42% to $2.7 million in 1996 from $1.9 million in 1995. The increase in depreciation and amortization expense of $0.8 million resulted primarily from the effect of a full year of depreciation on towers acquired in 1995.

Interest expense. Interest expense increased 24% to $3.8 million in 1996 from $3.1 million in 1995. The increase in interest expense was due primarily to increased borrowing associated with ATC's acquisitions in 1995 and 1996 and construction of new towers in 1996.

Income taxes. Income tax expense for 1996 was $0.3 million as compared to a benefit of $0.2 million in 1995. ATC's effective tax rate is not materially different from the statutory rate.

Extraordinary loss. ATC recognized an extraordinary loss of $0.5 million in 1996 and $0.2 million in 1995. These losses resulted from ATC restructuring and refinancing its debt arrangements in both years in conjunction with acquisitions.

Year Ended December 31, 1995 Compared to Year Ended December 31, 1994

As described in "--Overview" above, ATC completed the Bowen-Smith Acquisition on October 15, 1994. The results described herein for 1994 reflect the addition of the historical results for ATC's predecessor prior to the Bowen-Smith Acquisition with ATC's results from October 15, 1994 to year end. The changes in ATC's operating and capital structure described in "--Overview" have a significant impact on the comparability of the results for the year ended December 31, 1994 with results for the year ended December 31, 1995.

Total revenues. Total revenues increased 16% to $8.3 million in 1995 from $7.2 million in 1994. Revenue growth consisted of $0.4 million associated with towers acquired during 1995 and $0.7 million attributable to increased utilization and price increases on ATC's existing towers which resulted primarily from a build-up of ATC's marketing efforts during 1995.

Direct tower costs. Direct tower costs increased 20% to $1.9 million in 1995 from $1.6 million in 1994. The increase in direct tower costs was primarily related to front-end costs associated with ATC's decision to outsource tower maintenance services effective during the second quarter of 1995.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased 36% to $1.6 million in 1995 from $2.5 million in 1994. The decrease was primarily attributable to overhead charges related to the elimination of certain management and administrative personnel.

LIQUIDITY AND CAPITAL RESOURCES

ATC has historically funded its operations, acquisitions and construction of towers and site upgrade capital expenditures from bank borrowings, cash flow from operations, private placements of equity securities and the issuance of subordinated notes to sellers of tower sites. ATC had a working capital deficit of $1.0 million and $0.8 million, respectively, as of December 31, 1996 and 1995 and a working capital deficit of $3.0 million at September 30, 1997. ATC's ratio of total debt to stockholders' equity was 4.38 to 1 as of December 31, 1996 compared with 4.51 to 1 at year-end 1995, and 1.9 to 1 as of September 30, 1997.

ATC's primary sources of funds have been as follows:

	OCTOBER 15 TO DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
Bank borrowings.....	$ 21,000	$ 4,600	$ 21,600	$40,100
Seller financing.....	4,500	7,300	2,600	--
Sales of Preferred Stock.....	--	4,100	400	--
Sales of Common Stock...	6,800	--	4,100	26,300
Net cash provided by operating activities.....	300	1,600	3,100	7,000
	$ 32,600	$ 17,600	$ 31,800	$73,400

ATC's principal operating subsidiary is the borrower under a $125.0 million credit facility (the "ATC Credit Facility") which is guaranteed by ATC. At September 30, 1997, outstanding borrowings under the ATC Credit Facility were $63.3 million. Borrowings under the ATC Credit Facility currently bear interest at LIBOR plus a maximum of 200 basis points. The ATS Credit Facility is divided between a $25.0 million term loan and a $100.0 million revolving line of credit. The term loan requires principal amortization beginning in 1999 with quarterly payments totaling $1.3 million in 1999, $3.1 million in 2000, $5.0 million in 2001, $6.3 million in 2002 and 2003 and $3.0 million in 2004. The maximum amount outstanding under the revolving credit facility is required to be reduced quarterly beginning in September 1999 with a final maturity in June 2004. The ATC Credit Facility includes financial and operating covenants, including requirements that ATC maintain certain financial ratios and limitations on ATC's ability to incur certain other indebtedness, pay dividends, engage in transactions with affiliates, sell assets and engage in mergers, consolidations and other acquisitions. In addition, the ATC Credit Facility requires ATC to apply a certain portion of the proceeds of any equity offering to prepay borrowings under the ATC Credit Facility.

ATC issued a subordinated note to CSX in connection with the acquisition of tower sites in December 1995. This note is non-interest bearing and has an aggregate principal amount of $6.3 million. The note is repayable in annual installments of $1.0 million each in December 1997, 1998 and 1999 and in a final payment of $3.3 million in December 2000.

In December 1995, ATC issued 22,500 shares of its Series A Preferred Stock, together with warrants to purchase 22,500 shares of Common Stock at a nominal exercise price per share, in a private placement to its existing stockholders. ATC received proceeds of $4.5 million in exchange for the securities, which is equal to the redemption and liquidation value of the Series A Preferred Stock. The proceeds were used to pay part of the purchase price for the CSX Acquisition and for general working capital purposes. All outstanding warrants to purchase Common Stock have been exercised.

In June 1997, ATC completed a private placement offering of common stock with Clear Channel whereby ATC raised net proceeds of $23 million. ATC utilized the private placement proceeds in connection with securing its $125 million senior credit facility discussed herein.

Beginning with the Bowen-Smith Acquisition, ATC has made significant capital investments in site upgrades, new tower construction and tower acquisitions. The following table describes ATC expenditures, including the Bowen-Smith Acquisition, since October 1994:

	CAPITAL EXPENDITURES			
	OCTOBER 15 TO DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
Construction and Site Upgrades	$ 400	$ 1,900	$ 7,800	$14,400
Acquisitions	31,300	12,700	15,400	32,700
	$31,700	$ 14,600	$ 23,200	$47,100

ATC plans to construct 125 towers in 1998 and has budgeted site upgrade and new construction activities for 1998 of approximately $28.0 million. ATC's actual levels of capital expenditures relative to new sites may vary from these estimates depending upon the availability of suitable construction opportunities. ATC also presently has pending acquisitions of existing sites totaling approximately $40.0 million. While ATC continually reviews acquisition opportunities, ATC is unable to estimate the total amount expected to be expended on acquisitions of existing sites due to the inability to predict the availability of economically viable acquisition opportunities. ATC believes that bank borrowings and cash flow from operations will be sufficient to finance debt service obligations and budgeted capital expenditures during 1998. However, because ATC's acquisition and construction opportunities can be unpredictable resulting in additional capital requirements, ATC may seek additional debt or equity financing as required. There can be no assurance that such financing will be available on terms ATC considers acceptable.

PRINCIPAL STOCKHOLDERS OF AMERICAN TOWER CORPORATION

The following table sets forth certain information regarding the beneficial ownership of Common Stock, par value $.01 per share of ATC (the "ATC Common Stock") as of February 1, 1998, and in American Tower Systems (assuming consummation of the ATC Merger) by (i) each director; (iii) each person who is known by ATC to own beneficially 5% or more of the Common Stock; and (iv) all directors and officers as a group.

	CURRENT ATC OWNERSHIP		AMERICAN TOWER SYSTEMS OWNERSHIP	
NAME OF BENEFICIAL OWNER(1)	SHARES	PERCENT	SHARES	PERCENT
Clear Channel Communications, Inc.(9)	46,814	31.30	9,328,290	11.91
Chase Manhattan Capital Corporation(2)	33,745	22.56	6,724,124	8.58
Equus Equity Appreciation Fund, L.P.(3)	9,655	6.46	1,923,883	2.46
Max Bowen Enterprises(10)	9,235	6.18	1,840,192	2.35
RHS Investments, L.L.C.(4)	7,625	5.10	1,519,379	1.94
Archery Partners(5)	33,745	22.56	6,724,124	8.58
Carlyle-Prime Investors, L.P.(6)	3,324	2.22	662,350	0.85
Carlyle-Prime Partners I, L.P.(6)	4,599	3.08	916,410	1.17
Fred R. Lummis(7)	7,155	4.78	1,874,067	2.37
Randall Mays(9)	46,814	31.30	9,328,290	11.91
Max Bowen(10)	9,235	6.18	1,840,192	2.35
Michael Hannon(2)	26,995	18.05	5,379,100	6.87
Mark D. Ein(6)	7,923	5.30	1,578,759	2.01
William K. Luby(5)	6,750	4.51	1,345,024	1.72
George B. Kelly(8)	6,635	4.44	1,322,109	1.69
Richard H. Stewart(4)	7,625	5.10	1,519,379	1.94
All officers and directors as a group (8 persons)(2)(4)(5)(6)(7)(8)(9)(10)	114,132	76.32	22,742,266	29.03

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(1) Except as otherwise noted, each stockholder has sole voting and investment power with respect to the shares beneficially owned.

(2) Mr. Hannon is a director of ATC. The address of Mr. Hannon and Chase Capital Corporation is 380 Madison Avenue, 12th Floor, New York, New York 10017. The ATC shares indicated beneficially owned by Mr. Hannon are shares held by Chase Capital and Archery Partners. Of the 33,745 shares, 26,995 shares are included because of Mr. Hannon's affiliation with Chase Capital and 6,750 shares because of Chase Capital's affiliation with Archery Partners. Mr. Hannon disclaims beneficial ownership of these shares within the meaning of Rule 13d-3 under the Exchange Act. Ownership in American Tower Systems includes existing ownership therein of Chase Equity Associates. See "Principal Stockholders of American Tower Systems" elsewhere in this Information Statement/Prospectus.

(3) 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.

(4) Mr. Stewart is a director of ATC. The address of Mr. Stewart and RHS Investments, L.L.C. is 77 East Crossville Road, Suite 310, Roswell, Georgia 30075. RHS Investments, L.L.C. is a limited liability company, the managing member of which is Richard H. Stewart.

(5) Mr. Luby is a director of ATC. The address of Mr. Luby and Archery Partners is 179 Bingham Avenue, Rumson, New Jersey 07760. The ATC shares indicated beneficially owned by Mr. Luby are shares held by Chase Manhattan and Archery Partners. Of the 33,745 shares, 26,995 shares are included because of Archery Partner's affiliation with Chase Capital and 6,750 shares because of Mr. Luby's affiliation, as general partner, with Archery Partners. Mr. Luby disclaims beneficial ownership of these shares within the meaning of Rule 13d-3 under the Exchange Act.

(6) Mr. Ein is a director of ATC. The address of Mr. Ein, Carlyle-Prime Investors, L.P. and Carlyle-Prime Partners I, L.P. is 1001 Pennsylvania Avenue, N.W., Washington, D.C. 20004. Of the shares indicated beneficially owned by Mr. Ein, 3,324 shares are held by Carlyle-Prime Investors, L.P. and 4,599 are held

by Carlyle-Prime Partners I, L.P. Both Carlyle-Prime Investors, L.P. and Carlyle-Prime Partners I, L.P. are limited partnerships and the general partner of each is TCG Towers L.L.C. Mr. Ein disclaims beneficial ownership of these shares within the meaning of Rule 13d-3 under the Exchange Act.

(7) Mr. Lummis is Chairman, Chief Executive Officer and President of ATC. The address of Mr. Lummis is 3411 Richmond Avenue, Suite 400, Houston, Texas 77046. Of the shares indicated beneficially owned by Mr. Lummis, 5,000 shares are held by Summit Capital and are included because of Mr. Lummis' affiliation therewith. Of the remaining 2,155 shares, 750 shares are issuable within 60 days upon the exercise of stock options, 75 shares are held by Mr. Lummis, 730 shares are held by a trust for the benefit of Mr. Lummis who is the trustee and 600 shares are held by several trusts, of which Mr. Lummis is the trustee, for the benefit of Mr. Lummis's children. Does not include 2,250 shares purchasable under an option granted by ATC.

(8) Mr. Kelly is a director of ATC. The address of Mr. Kelly and GBK Tower Partners is Eight Greenway Plaza, Suite 714, Houston, Texas 77046. Of the shares indicated beneficially owned by Mr. Kelly, 5,000 shares are held by Summit Capital and are included because of Mr. Kelly's affiliation therewith. Of the remaining 1,635 shares, 75 shares are held by Mr. Kelly, and 1,560 are held by GBK Tower Partners, a partnership of which Mr. Kelly is the general partner. Mr. Kelly disclaims beneficial ownership of the 1,560 shares held by GBK Tower Partners within the meaning of Rule 13d-3 under the Exchange Act.

(9) Mr. Mays is a director of ATC. The address of Mr. Mays and Clear Channel is 200 Concord Plaza, Suite 600, San Antonio, Texas 78216-6940. All of the shares indicated beneficially owned by Mr. Mays are held by Clear Channel Communications, Inc. and are included because of Mr. Mays' affiliation therewith. Mr. Mays disclaims beneficial ownership of these shares within the meaning of Rule 13d-3 under the Exchange Act.

(10) Mr. Bowen is a director of ATC. The address of Mr. Bowen and Max Bowen Enterprises is 12450 Old Galveston Road, Webster, Texas 77598. All of the shares indicated beneficially owned by Mr. Bowen are shares held by Max Bowen Enterprises and are included because of Mr. Bowen's affiliation therewith. Mr. Bowen disclaims beneficial ownership of those shares within the meaning of Rule 13d-3 under the Exchange Act.

DELAWARE BUSINESS COMBINATION STATUTE

ATC is subject to the provisions of Section 203 of the DGCL ("Business Combination Statute"). In general, the Business Combination Statute prohibits a publicly-held Delaware corporation from engaging in certain "business combinations" with an "interested stockholder" for a period of three years after the date such person became an interested stockholder, unless (i) before such person became a stockholder, the board of directors approved either the proposed business combination or the proposed acquisition of stock resulting in such person's becoming an interested stockholder; (ii) the interested stockholder acquired at least 85% of the voting stock of the corporation in the transaction in which it became an interested stockholder; or (iii) the business combination is approved by a majority of the board of directors and by the affirmative vote of the holders of two-thirds of the outstanding shares of the corporation's voting stock other than shares held by the interested stockholder at a meeting of the stockholders. A "business combination" is defined broadly to include a merger, consolidation, sale or other disposition of assets and certain other transactions resulting in the receipt of financial benefits by the interested stockholder. An "interested stockholder" is defined as a person who, together with affiliates and associates, beneficially owns (or within the preceding three years, did beneficially own) 15% or more of the corporation's voting stock.

Under Section 203, these restrictions also do not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of one of certain extraordinary transactions involving ATC and a person who was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of ATC's directors, if that extraordinary transaction is approved or not opposed by a majority of the directors who were directors before any person became an interested stockholder in the previous three years or who were recommended for election or elected to succeed such directors by a majority of such directors then in office.

CHASE MANHATTAN'S ACQUISITION OF THE INTEREST PURSUANT TO WHICH IT BECAME AN "INTERESTED STOCKHOLDER" WAS APPROVED BY THE ATC BOARD AND, THEREFORE, THE MERGER WITH AMERICAN TOWER SYSTEMS IS NOT SUBJECT TO THE BUSINESS COMBINATION STATUTE.

AMERICAN TOWER SYSTEMS CORPORATION
REGISTRATION STATEMENT ON FORM S-4

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. 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' 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' 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 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

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).

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
2.1	Agreement and Plan of Merger, dated as of November 21, 1997, by and among 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).....	Filed herewith as Exhibit 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.....	Filed herewith as Exhibit 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 ("ATC"). (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 2.3
2.4	Proposed form of Amendment No. 1 to Agreement and Plan of Merger, dated as of February , 1998, among ATS and ATC.....	To be filed by amendment.
3(i).1	Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 20, 1997.....	Filed herewith as Exhibit 3(i).1
3(ii).2	By-Laws of ATS.....	Filed herewith as Exhibit 3(ii).2
5	Opinion of Sullivan & Worcester LLP.....	Filed herewith as Exhibit 5

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
8	Tax Opinion of Sullivan & Worcester LLP.....	Filed herewith as Exhibit 8
10.1	Loan Agreement, dated as of November 22, 1996, by and among ATS, Toronto Dominion (Texas), Inc., as Administrative Agent, and the other Banks parties thereto.....	Filed herewith as Exhibit 10.1
10.2	Amended and Restated Loan Agreement, dated as of October 15, 1997, by and among ATSI, Toronto Dominion (Texas), Inc. as Administrative Agent and the Banks parties thereto. (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 2
10.3	First Amendment to Amended and Restated Loan Agreement 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 3
10.4	Assumption Agreement, dated as of January , 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.....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.5
10.6	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Radio.....	Filed herewith as Exhibit 10.6
10.7	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian Radio.....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.8
10.9	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Sales.....	Filed herewith as Exhibit 10.9
10.10	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian Sales.....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.11
10.12	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian North.....	Filed herewith as Exhibit 10.12
10.13	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian North.....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.14

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
10.15	Asset Purchase Agreement, dated as of May 27, 1997, by and between ATSI and B & E Associates, Inc., a Massachusetts corporation. (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 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.....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.19
10.20	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Diablo Communications, Inc., a California corporation ("Diablo"). (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 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 ("DCSC"). (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 10.21
10.22	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Suburban Cable T.V. Co. Inc.	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.23
10.24	Stock Purchase Agreement, dated 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).....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.25
10.26	American Tower Systems Corporation 1997 Stock Option Plan, dated as of November 5, 1997, as amended.....	Filed herewith as Exhibit 26

10.27	American Tower Systems Corporation Stock Purchase Agreement, dated as of January 8, 1998, by and among ATS and the Purchasers.....	Filed herewith as Exhibit 27
10.28	Employment Agreement, dated as of January 22, 1998, by and between ATSI and J. Michael Gearon, Jr.	Filed herewith as Exhibit 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 Midcontinent ("MTC"), Wit Communications, Inc., a Delaware corporation and a wholly-owned subsidiary of MTC ("Wit"), and Washington International Teleport, Inc., a Delaware corporation and a wholly-owned subsidiary of Wit.....	Filed herewith as Exhibit 29
10.30	Proposed form of ARS-ATS Separation Agreement, dated as of January , 1998 by and among American Radio Systems Corporation, a Delaware Corporation, ATS, and CBS Corporation, a Pennsylvania corporation.....	Filed herewith as Exhibit 30
21	Subsidiaries of ATS.....	Filed herewith as Exhibit 21
23.0	Consents of Sullivan & Worcester LLP.....	Filed herewith as part of Exhibit 5 and Exhibit 8
23.1	Independent Auditors' 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 Rooney, Ida, Nolt & Ahern.....	Filed herewith as Exhibit 23.3
23.4	Consent of Ernst & Young LLP.....	Filed herewith as Exhibit 23.4
23.5	Consent of KPMG Peat Marwick LLP.....	Filed herewith as Exhibit 23.5
23.6	Consent of Ernst & Young LLP.....	Filed herewith as Exhibit 23.6
23.7	Consent of Price Waterhouse LLP.....	Filed herewith as Exhibit 23.7
23.8	Consent of Fred R. Lummis.....	Filed herewith as Exhibit 23.8
23.9	Consent of Randall Mays..	Filed herewith as Exhibit 23.9
24	Power of Attorney.....	Filed herewith as page II-6 of the Registration Statement
27	Financial Data Schedule..	Filed herewith as Exhibit 27
99	Consent of Credit Suisse First Boston.....	Filed herewith as Exhibit 99

ITEM 22. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement:

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed

to be the initial bona fide offering thereof; and

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in that Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(e) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment, all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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-4 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF BOSTON, COMMONWEALTH OF MASSACHUSETTS, ON THE 10TH DAY OF FEBRUARY, 1998.

AMERICAN TOWER SYSTEMS CORPORATION

By: /s/ Steven B. Dodge

STEVEN B. DODGE CHAIRMAN OF THE BOARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

The undersigned Officers and Directors of American Tower Systems Corporation (the "Company") 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-4 relating to the registration of an aggregate of 36,042,476 shares of Class A Common Stock, $.01 par value, 5,044,434 shares of Class B Common Stock, $.01 par value and 1,295,518 Class C Common Stock, $.01 par value and any and all amendments and supplements thereto, 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 PERSONS ON BEHALF OF THE COMPANY AND IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ Steven B. Dodge STEVEN B. DODGE	Chairman, President, Chief Executive Officer and Director	February 10, 1998
/s/ Joseph L. Winn JOSEPH L. WINN	Chief Financial Officer and Director	February 10, 1998
/s/ Justin D. Benincasa JUSTIN D. BENINCASA	Vice President and Corporate Controller	February 10, 1998

SIGNATURE	TITLE	DATE
/s/ Alan L. Box ALAN L. BOX	Chief Operating Officer and Director	February 10, 1998
/s/ Arnold L. Chavkin ARNOLD L. CHAVKIN	Director	February 10, 1998
/s/ J. Michael Gearon, Jr. J. MICHAEL GEARON, JR.	Executive Vice President and Director	February 10, 1998
/s/ Thomas H. Stoner THOMAS H. STONER	Director	February 10, 1998

SCHEDULE I

AMERICAN TOWER SYSTEMS CORPORATION
(PARENT COMPANY ONLY)

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED BALANCE SHEETS

	DECEMBER 31, 1996	SEPTEMBER 30, 1997
ASSETS		
Investments in and advances to subsidiaries.....	$30,536,512	$51,523,118
Deferred income taxes.....	--	440,522
TOTAL.....	$30,536,512	$51,963,640
LIABILITIES AND STOCKHOLDER'S EQUITY		
Deferred income taxes.....	$ 279,218	$ 1,084,052
Minority interest in subsidiaries.....	528,928	774,317
Commitments and Contingencies.....		
Stockholder's Equity (Note Below):		
Common Stock, $.01 Par Value, 10,000,000 Shares authorized, 3,000 shares outstanding.....	30	30
Additional paid-in capital.....	30,318,420	51,403,212
Accumulated deficit.....	(590,084)	(1,297,971)
Total stockholder's equity.....	29,728,366	50,105,271
TOTAL.....	$30,536,512	$51,963,640

Note: Please see page F-6, "Consolidated Statements of Stockholder's Equity," for activity occurring in the equity section of American Tower Systems Corporation (ATS).

Note: ATS is currently a wholly-owned subsidiary of American Radio Systems Corporation. In connection with a loan agreement maintained by the ATS' wholly owned subsidiary, American Tower Systems (Delaware), Inc. ATS has pledged its interest in such subsidiary.

See Notes to Consolidated Financial Statements.

SCHEDULE I

AMERICAN TOWER SYSTEMS CORPORATION
(PARENT COMPANY ONLY)

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED STATEMENTS OF OPERATIONS

	JULY 17, 1995 TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
Revenues	$ --	$ --	$ --
Equity in net loss as of subsidiaries	(110,411)	(479,673)	(707,887)
Net Loss	$(110,411)	$(479,673)	$(707,887)

CONDENSED STATEMENTS OF CASH FLOWS

	JULY 17, 1995 TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(110,411)	$ (479,673)	$ (707,887)
Adjustments to reconcile net loss to cash flows from operating activities:			
Equity in net losses of subsidiaries	110,411	479,673	707,887
Cash flows from operating activities	--	--	--
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash transfers to Parent	(179,426)	(4,866,226)	(4,150,000)
Investments by Parent	242,215	2,548,557	25,959,792
Cash Flows from investing activities	62,789	(2,317,669)	21,809,792
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash transfers from subsidiary	179,426	4,866,226	--
Investments in subsidiary	(242,215)	(2,548,557)	(21,809,792)
Cash flows from financing activities	(62,789)	2,317,669	(21,809,792)
CASH AND CASH EQUIVALENTS	$ --	$ --	$ --

Note: As of September 30, 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.

See Notes to Consolidated Financial Statements.

SCHEDULE II

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

PERIOD FROM JULY 17, 1995 (INCORPORATION) TO DECEMBER 31, 1995,
THE YEAR ENDED DECEMBER 31, 1996
AND THE NINE MONTHS ENDED SEPTEMBER 30, 1997

DESCRIPTION	COLUMN A BALANCE AT BEGINNING OF PERIOD	COLUMN B CHARGED TO COSTS AND EXPENSES	COLUMN C CHARGED TO OTHER ACCOUNTS	COLUMN D DEDUCTIONS	COLUMN E BALANCE AT END OF PERIOD
Allowance for Doubtful Accounts:					
Period from July 17, 1995 to December 31, 1995	$ --	$ --	$--	$ --	$ --
Year Ended December 31, 1996	$ --	$47,044	$--	$ --	$47,044
Nine Months Ended September 30, 1997	$47,044	$74,794	$--	$41,854	$79,984

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).

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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.....	Filed herewith as Exhibit 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 ("ATC"). (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 2.3
2.4	Proposed form of Amendment No. 1 to Agreement and Plan of Merger, dated as of February , 1998, among ATS and ATC....	To be filed by amendment.
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3(ii).2	By-Laws of ATS.....	Filed herewith as Exhibit 3(ii).2
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	Meridian Radio Sites, a California general partnership ("Meridian Radio"). (Schedules and Exhibits omitted).....	Filed herewith as Exhibit 10.5
10.6	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Radio.....	Filed herewith as Exhibit 10.6
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EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
10.22	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Suburban Cable T.V. Co. Inc.	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.23
10.24	Stock Purchase Agreement, dated 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).....	Filed herewith as Exhibit 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).....	Filed herewith as Exhibit 10.25
10.26	American Tower Systems Corporation 1997 Stock Option Plan, dated as of November 5, 1997, as amended.....	Filed herewith as Exhibit 26
10.27	American Tower Systems Corporation Stock Purchase Agreement, dated as of January 8, 1998, by and among ATS and the Purchasers.....	Filed herewith as Exhibit 27
10.28	Employment Agreement, dated as of January 22, 1998, by and between ATSI and J. Michael Gearon, Jr.	Filed herewith as Exhibit 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 ("Wit"), and Washington International Teleport, Inc., a Delaware corporation and a wholly-owned subsidiary of Wit..	Filed herewith as Exhibit 29
10.30	Proposed form of ARS-ATS Separation Agreement, dated as of January , 1998 by and among American Radio Systems Corporation, a Delaware Corporation, ATS, and CBS Corporation, a Pennsylvania corporation.....	Filed herewith as Exhibit 30
21	Subsidiaries of ATS.....	Filed herewith as Exhibit 21
23.0	Consents of Sullivan & Worcester LLP.....	Filed herewith as part of Exhibit 5 and Exhibit 8
23.1	Independent Auditors' 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 Rooney, Ida, Nolt & Ahern.....	Filed herewith as Exhibit 23.3
23.4	Consent of Ernst & Young LLP....	Filed herewith as Exhibit 23.4
23.5	Consent of KPMG Peat Marwick LLP.....	Filed herewith as Exhibit 23.5
23.6	Consent of Ernst & Young LLP....	Filed herewith as Exhibit 23.6

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
23.7	Consent of Price Waterhouse LLP	Filed herewith as Exhibit 23.7
23.8	Consent of Fred R. Lummis	Filed herewith as Exhibit 23.8
23.9	Consent of Randall Mays	Filed herewith as Exhibit 23.9
24	Power of Attorney	Filed herewith as page II-6 of the Registration Statement
27	Financial Data Schedule	Filed herewith as Exhibit 27
99	Consent of Credit Suisse First Boston	Filed herewith as Exhibit 99

EXHIBIT 2.1

AGREEMENT AND PLAN OF MERGER

By and Among

AMERICAN TOWER SYSTEMS CORPORATION,

AMERICAN TOWER SYSTEMS, INC.

GEARON & CO., INC.

and

J. MICHAEL GEARON, JR.

Dated as of

NOVEMBER 21, 1997

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AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger, dated as of November 21, 1997, by and among American Tower Systems Corporation, a Delaware 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").

W I T N E S S E T H:

WHEREAS, the respective Boards of Directors of ATS, ATSI and Gearon have approved the merger (the "Merger") of Gearon with and into ATSI on the terms and conditions set forth in this Agreement and Plan of Merger (this "Agreement") and have approved this Agreement; and

WHEREAS, the Board of Directors of ATS has approved and adopted this Agreement as the sole stockholder of ATSI, and the sole voting shareholder of Gearon has approved and adopted this Agreement; and

WHEREAS, this Agreement provides that Gearon shall be merged into ATSI, and ATSI shall be the surviving corporation; and

WHEREAS, as a condition of the willingness of ATS and ATSI to enter into this Agreement, and as an inducement thereto, the Gearon Stockholder is delivering his written consent approving and adopting the Merger and 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 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 shall have such meanings when used in the Gearon Disclosure Schedule, and 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. The term "either party" shall, unless the context otherwise requires, refer to ATS and ATSI, on the one hand, and Gearon and the Gearon Stockholder, on the other hand.

ARTICLE 2

THE MERGER

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DCL") and the Georgia Business Corporation Code (the "GBCC"), at the Effective Time, Gearon shall be merged with and into ATSI. As a result of the Merger, the separate corporate existence of Gearon shall cease and ATSI shall continue as the surviving corporation in the Merger (sometimes referred to, as such, as the "Surviving Corporation"). ATS and Gearon acknowledge and agree that it is the intention of the parties that the business of Gearon conducted prior to the Effective Time continue to be operated and expanded either as a distinct operating division of ATSI or as a wholly owned subsidiary of ATSI.

2.2 Closing. Unless this Agreement shall have been terminated pursuant to Section 9.1 and subject to the satisfaction or, to the extent permitted by Applicable Law, waiver of the conditions set forth in Article 8, the closing of the Merger (the "Closing") will take place, at 10:00 a.m., on the Closing Date, at the offices of Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, on the date that is the second (2nd) day after the date on which all of the conditions set forth in Article 8 (other than those which require delivery of opinions or documents at the Closing) shall have been satisfied or waived, unless another date, time or place is agreed to in writing by the parties. The date on which the Closing occurs is herein referred to as the "Closing Date."

2.3 Effective Time. Subject to the provisions of this Agreement, as promptly as practicable after the Closing, the parties hereto shall cause the Merger to be consummated by filing a Certificate of Merger and any related filings required under the DCL with the Secretary of State of the State of Delaware and Articles of Merger and any related filings required under the GBCC with the Secretary of State of the State of Georgia. The Merger shall become effective at such time as such documents are duly filed as aforesaid, or at such later time as is specified in such documents (the "Effective Time").

2.4 Effect of the Merger. The Merger shall have the effects provided for under the DCL and the GBCC.

2.5 Certificate of Incorporation. The Certificate of Incorporation of ATSI, as in effect immediately prior to the Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by Applicable Law.

2.6 Bylaws. The bylaws of ATSI in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with Applicable Law and the Organic Documents of ATSI.

2.7 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified, or upon their earlier resignation or removal, in accordance with Applicable Law and the Organic Documents of ATSI, and subject to satisfaction of the condition set forth in Sections 8.3(g) and 8.3(j), (a) the directors of ATSI at the Effective Time shall be the directors of the Surviving Corporation, and (b) the officers of ATSI at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 3

CONVERSION OF SHARES; EXCHANGE OF CERTIFICATES

3.1 Conversion of Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of ATS, ATSI or Gearon or their respective stockholders:

(a) Each share of Common Stock, par value $.01 per share, of ATSI issued and outstanding immediately prior to the Effective Time shall remain outstanding.

(b) Each share of Common Stock, no par value, of Gearon (the "Gearon Common Stock") issued and outstanding immediately prior to the Effective Time (other than shares held in the treasury of Gearon) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive its pro-rata share of the following:

(i) with respect to Dan King Brainard, Jeff Ebihara and Doug Wiest, 555,555, 16,666 and 33,333 shares, respectively, of Class A Common Stock, par value $.01 per share, of ATS (the "ATS Class A Common Stock") (being a number of shares of ATS Class A Common Stock with an agreed upon fair market value of $5,000,000, $150,000 and $300,000, respectively, based on an agreed upon per share value of the ATS Class A Common Stock of $9.00, which ATS represents is not more than the price per share at which shares are to be sold pursuant to the ATS Private Placement) to be issued to each such Gearon stockholder in proportion to the number of shares of Gearon Common Stock held by such stockholder to the number of shares of Gearon Common Stock held by all such stockholders (the "Gearon Employees Consideration" which term shall include any adjustment pursuant to the provisions of this Section); and

(ii) with respect to the Gearon Stockholder and the Gearon Family Partnership, (A) 4,727,778 shares of ATS Class A Common Stock (being a number of shares of ATS Class A Common Stock with an agreed upon fair market value of $42,550,000 based on an agreed upon per share value of the ATS Class A Common Stock of $9.00, which ATS represents is not more than the price per share at which shares are to be sold pursuant to the ATS Private Placement) (the "Gearon Common Stock Consideration"), and (B) $32.0 million in immediately available funds (the "Cash Consideration" and collectively, with the Gearon Common Stock Consideration, the "Merger Consideration" which term shall include any adjustment pursuant to the provisions of this Section).

Notwithstanding the foregoing, the Cash Consideration shall be (i) increased by an amount equal to the Net Working Capital of Gearon (if positive) on and as of the Closing Date, and (ii) decreased by an amount equal to the Net Working Capital of Gearon (if negative) on and as of the Closing Date. The term "Exchange Merger Consideration" shall mean an amount equal to the Gearon Employees Consideration or the Merger Consideration, as the case may be, divided by the aggregate number of shares of Gearon Common Stock (the "Gearon Shares") issued and outstanding at the Effective Time and held of record at the Effective Time by the Persons (x) named in paragraph (i), in the case of the Gearon Employees Consideration, and (y) named in paragraph (ii), in the case of the Gearon Common Stock Consideration and the Cash Consideration.

At the Effective Time, all Gearon Shares shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and certificates previously evidencing any such Gearon Shares (each, a "Certificate") shall thereafter represent the right to receive, upon the surrender of such Certificate in accordance with the provisions of Section 3.2, the Exchange Merger Consideration multiplied by the number of Gearon Shares represented by such Certificate, and a holder of more than one Certificate shall have the right to receive the Exchange Merger Consideration multiplied by the number of Gearon Shares represented by all such Certificates. In lieu of issuing fractional shares, ATS shall convert the holder's right to receive ATS Class A Common Stock pursuant to the provisions of this Section into a right to receive the highest whole number of shares of ATS Class A Common Stock constituting the Exchange Merger Consideration plus cash equal to the fraction of a share of ATS Class A Common Stock to which the holder would otherwise be entitled multiplied by $[i], and the Exchange Merger Consideration to which a holder is entitled shall be deemed to be such number of shares of ATS Class A Common Stock, the Cash Consideration and such cash. The holders of such Certificates previously evidencing Gearon Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Gearon Shares, except as otherwise provided herein or by Applicable Law.

3.2 Exchange of Certificates. At and after the Effective Time, each stockholder of Gearon, upon surrender of each of his Certificates, shall be issued a certificate of ATS Class A Common Stock and cash representing the Exchange Merger Consideration with respect to the Gearon Shares represented by such Certificate in accordance with the provisions of Section 3.1, plus cash in amount sufficient to make payment for fractional shares, subject, however, to the provisions of the Indemnity Escrow Agreement.

3.3 Stock Transfer Books. At the Effective Time, the stock transfer books of Gearon shall be closed, and there shall be no further transfer of shares of Gearon Common Stock thereafter on the records of Gearon. Any Certificates presented after the Effective Time for transfer shall be canceled and exchanged for the amount to which the Gearon Shares represented thereby shall be entitled pursuant to Sections 3.1 and 3.2.

3.4 Option Securities and Convertible Securities; Payment Rights. At the Effective Time, each outstanding Option Security and each Convertible Security of Gearon, if any, whether or not then exercisable for or convertible into Gearon Shares or other Gearon securities, outstanding immediately prior to the Effective Time, shall be canceled and retired and shall cease to exist, and the holder thereof shall not be entitled to receive any consideration therefor.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF GEARON

Gearon and the Gearon Stockholder, jointly and severally, hereby represent and warrant to ATS and ATSI as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Gearon is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Gearon has all requisite power and authority (corporate and other) and has in full force and effect all Governmental Authorizations and Private Authorizations necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of Gearon, including without limitation by the requisite approval of the stockholders of Gearon. This Agreement has been duly executed and delivered by Gearon and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Gearon will constitute, legal, valid and binding obligations of Gearon, enforceable in accordance with their respective terms, except as such enforceability may be subject to bankruptcy, moratorium, insolvency, reorganization, arrangement, voidable preference, fraudulent conveyance and other similar laws relating to or affecting the rights of creditors and except as the same may be subject to the effect of general principles of equity.

(c) Except as set forth in Section 4.1(c) of the Gearon Disclosure Schedule, neither the execution and delivery by Gearon of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Gearon:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Gearon or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Gearon; or

(ii) will require Gearon to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except as required by the Hart-Scott-Rodino Act.

(d) Except as set forth in Section 4.1(d) of the Gearon Disclosure Schedule, Gearon does not have any Subsidiaries.

4.2 Financial and Other Information. Gearon has heretofore furnished to ATS copies of the financial statements of Gearon listed in Section 4.2 of the Gearon Disclosure Schedule (the "Gearon Financial Statements"). The Gearon Financial Statements, including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 4.2 of the Gearon Disclosure Schedule, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by GAAP to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and fairly present the financial condition and the results of operations and cash flow of Gearon, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

4.3 Material Statements and Omissions; Absence of Events. Neither any representation or warranty made by Gearon contained in this Agreement or any certificate, document or other instrument

furnished or to be furnished by Gearon pursuant to the provisions hereof nor the Gearon Disclosure Schedule contains or will contain any untrue statement of a material fact or omits or will 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. Since the date of the most recent financial statements constituting a part of the Gearon Financial Statements, except to the extent specifically described in Section 4.3 of the Gearon Disclosure Schedule, there has been no material adverse change in Gearon. There is no Event known to Gearon which materially adversely affects, or (so far as Gearon can now reasonably foresee) is likely to materially adversely affect, Gearon, except to the extent specifically described in Section 4.3 of the Gearon Disclosure Schedule. Gearon is not aware of any impending or contemplated Event that would cause any of the representations and warranties made by it in this Article not to be true, correct and complete on the date of such Event as if made on that date.

4.4 Title to Properties; Leases.

(a) Section 4.4(a) of the Gearon Disclosure Schedule contains a true, accurate and complete description of all real property owned by Gearon that is part of the property and assets of Gearon (the "Gearon Assets"). Gearon has, to Gearon's knowledge, good indefeasible, marketable and insurable title to all real property (other than leasehold real property) and good indefeasible and marketable title to all other assets (other than real property), tangible and intangible, constituting a part of the Gearon Assets; all of such real property and other assets are so owned, in each case, free and clear of all Liens, except (i) Permitted Liens, and (ii) Liens set forth on Section 4.4(a) of the Gearon Disclosure Schedule. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 4.4(a) of the Gearon Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Gearon as debtor or which covers or purports to cover any of the Gearon Assets is on file in any state or other jurisdiction, and Gearon has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as disclosed in Section 4.4(a) of the Gearon Disclosure Schedule, all improvements on the real property owned or leased by Gearon are, to Gearon's knowledge, in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a material adverse effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 4.4(a) of the Gearon Disclosure Statement, all such improvements comply in all material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 4.4(a) of the Gearon Disclosure Statement, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements, if any, located on the real property owned or leased by Gearon are located entirely on such real property. There is no pending or, to Gearon's knowledge, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned by Gearon or, to Gearon's knowledge, any real property leased by Gearon. Except as set forth in Section 4.4(a) of the Gearon Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in Gearon's reasonable business judgment, been maintained in a manner consistent with generally accepted standards of sound engineering practice and currently permit the Gearon Business to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, Governmental Authorizations and Private Authorizations.

(b) Section 4.4(b) of the Gearon Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the business of Gearon (the "Gearon Business") is leased. Except as otherwise set forth in Section 4.4(b) of the Gearon Disclosure Schedule, each

Lease or other occupancy or other agreement under which Gearon holds real or personal property constituting a part of the Gearon Assets has been duly authorized, executed and delivered by Gearon and, to Gearon's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Gearon, and, to Gearon's knowledge, each of the other parties thereto, enforceable in accordance with its 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. Gearon has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. All of such Leases are valid and subsisting and in full force and effect; neither Gearon nor, to Gearon's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the Gearon Assets is subject to contracts of sale, and none is held by Gearon as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 4.4(b) of the Gearon Disclosure Schedule.

(c) Section 4.4(c) of the Gearon Disclosure Schedule contains a true, accurate and complete description of all material items of Personal Property of Gearon. Gearon owns and has good and marketable title to all of its Personal Property, in each case, free and clear of all Liens, except (i) Permitted Liens and (ii) Liens set forth on Section 4.4(c) of the Gearon Disclosure Schedule (which Liens shall be released prior to Closing). Except as set forth in Section 4.4(c) of the Gearon Disclosure Schedule, and except for any defects or damage that would not, in the aggregate, have a material adverse effect on Gearon, all of the Personal Property of Gearon is in a state of good repair and maintenance and is in good operating condition, normal wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice and currently permits the Gearon Business to be operated in accordance with the terms and conditions of all Applicable Laws.

4.5 Compliance with Private Authorizations. Section 4.5 of the Gearon Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the Gearon Assets or the Gearon Business. Gearon has obtained all Private Authorizations which are necessary for the ownership or operation of the Gearon Assets or the conduct of the Gearon Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect Gearon. All of such Private Authorizations are valid and in good standing and are in full force and effect. Gearon is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on Gearon. No such Private Authorization is the subject of any pending or, to Gearon's knowledge, threatened attack, revocation or termination.

4.6 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 4.6(a) of the Gearon Disclosure Schedule contains a true, complete and accurate description of each Governmental Authorization required under Applicable Law (i) to own and operate the Gearon Assets and conduct the Gearon Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, all of which are in full force and effect or (ii) that is necessary to permit Gearon to execute and deliver this Agreement and to perform its obligations hereunder. Gearon has obtained all Governmental Authorizations which are necessary for the ownership or operation of the Gearon Assets or the conduct of the Gearon Business as now conducted and which, if not obtained and maintained, would,

individually or in the aggregate, have any material adverse effect on Gearon. None of the Governmental Authorizations listed in Section 4.6(a) of the Gearon Disclosure Schedule is subject to any restriction or condition which would limit in any material respect the ownership or operations of the Gearon Assets or the conduct of the Gearon Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. The Governmental Authorizations listed in Section 4.6(a) of the Gearon Disclosure Schedule are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of Gearon or its officers, directors, employees or agents, and the ownership or operation of the Gearon Assets or the conduct of the Gearon Business are in accordance in all material respects with the Governmental Authorizations. All material reports, forms and statements required to be filed by Gearon with all Authorities with respect to the Gearon Business have been filed and are true, complete and accurate in all material respects. No such Governmental Authorization is the subject of any pending or, to Gearon's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. Gearon has no reason to believe that any such Governmental Authorization would not be renewed in the name of Gearon by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 4.6(b) of the Gearon Disclosure Schedule, neither Gearon nor any director or officer thereof (in connection with the ownership or operation of the Gearon Assets or the conduct of the Gearon Business) is in or is charged by any Authority with or, to Gearon's knowledge, at any time since January 1, 1995 has been in or has been charged by any Authority with, or, to Gearon's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Gearon Assets or the conduct of the Gearon Business. In particular, but without limiting the generality of the foregoing, there are no applications, Claims or Legal Actions pending or, to Gearon's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Gearon Assets or the conduct of the Gearon Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would adversely affect the ownership or operation of the Gearon Assets or the conduct of the Gearon Business; (y) involving charges of illegal discrimination by Gearon under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 4.6(b) of the Gearon Disclosure Schedule except, in each case, such applications, Claims or Legal Actions as do not and will not have, individually or in the aggregate, any material adverse effect on Gearon.

(c) Except as otherwise specifically described in Section 4.6(c) of the Gearon Disclosure Schedule, no Event exists or has occurred, which, to Gearon's knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on Gearon or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the Gearon Assets or the conduct of the Gearon Business, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on Gearon.

(d) With respect to matters, if any, of a nature referred to in Section 4.6(a), 4.6(b) or 4.6(c) of the Gearon Disclosure Schedule, except as otherwise specifically described in Section 4.6(d) of the Gearon Disclosure Schedule, all such information and matters set forth in the Gearon Disclosure Schedule, if adversely determined against Gearon, will not, individually or in the aggregate, have a materially adversely effect on Gearon.

4.7 Intangible Assets. Section 4.7 of the Gearon Disclosure Schedule sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the Gearon Assets or the conduct of the Gearon Business held or used by Gearon, including without limitation the nature of Gearon's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 4.7 of the Gearon Disclosure Schedule, no Intangible Assets (except Governmental Authorizations, Private Authorizations, and the Intangible Assets so set forth) are required for the ownership or operation of the Gearon Assets or the conduct of the Gearon Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. Gearon does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Gearon has not received any notice of any claim or infringement relating to any such Intangible Asset.

4.8 Related Transactions. Gearon is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Gearon Assets or the conduct of the Gearon Business between Gearon and any of its officers, directors, stockholders, employees or, to the knowledge of Gearon, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (a) Employment Arrangements listed or described in Section 4.14 of the Gearon Disclosure Schedule, (b) Contractual Obligations between Gearon and any of its directors, stockholders, officers, employees or Affiliates of Gearon or any of the foregoing, which will be terminated, at no cost or expense to Gearon, prior to the Closing, or (c) as specifically set forth in Section 4.8 of the Gearon Disclosure Schedule.

4.9 Insurance. Gearon maintains, with respect to the Gearon Assets and the Gearon Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 4.9 of the Gearon Disclosure Schedule.

4.10 Tax Matters.

(a) Gearon has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Gearon Financial Statements. The Tax Returns of Gearon have been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Gearon is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Gearon has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of Gearon for the fiscal years prior to and including the most recent fiscal year. Adequate provision has been made on the most recent balance sheet forming part of Gearon Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Gearon's knowledge, no past transactions or matters which could result in additional Taxes of a material nature to Gearon for which an adequate reserve has not been provided on such balance sheet. Gearon is not a "consenting corporation" within the meaning of Section 341(f) of the Code. Gearon has at all times been taxable as a Subchapter S corporation under the

Code, and has never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 4.10(a) of the Gearon Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of Gearon for each of the most recent two tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by Gearon to ATS) is true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Gearon have not been exam ined by the IRS or applicable state Authority, and Gearon has not been notified of any proposed examination, except as shown in Section 4.10(b) of the Gearon Disclosure Schedule.

(c) Gearon is not a party to any tax sharing agreement or arrangement.

4.11 Employee Retirement Income Security Act of 1974. Except as described in Section 4.11 of the Gearon Disclosure Schedule:

(a) Gearon (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement which is subject to ERISA.

(b) Gearon is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan.

(c) Gearon does not maintain any Plan that provides benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of Gearon.

(d) The execution, delivery and performance by Gearon of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

4.12 Absence of Sensitive Payments. Neither Gearon nor, to Gearon's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the Gearon Assets or the Gearon Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any illegal purpose or made any false or artificial entries on its books.

4.13 Bank Accounts, Etc. Section 4.13 of the Gearon Disclosure Schedule contains a true, accurate and complete list as of the date hereof of all banks, trust companies, savings and loan associations and brokerage firms in which Gearon has an account or a safe deposit box and the names of all Persons authorized to draw thereon, to have access thereto, or to authorize transactions therein, the names of all Persons, if any, holding valid and subsisting powers of attorney from Gearon and a summary statement as to the terms thereof. Gearon agrees that prior to the Closing Date it will not make or permit to be made any change affecting any bank, trust company, savings and loan association, brokerage firm or safe deposit box or in the names of the Persons authorized to draw thereon, to have access thereto or to authorize transactions therein or in such powers of attorney, or open any additional accounts or boxes or grant any additional powers of attorney, without in each case first notifying ATS in writing.

4.14 Employment Arrangements. Section 4.14 of the Gearon Disclosure Schedule contains a true, accurate and complete list of all Gearon employees (the "Gearon Employees"), together with each such employee's title or the capacity in which he or she is employed and each such employee's compensation. Gearon has no obligation or liability, contingent or other, under any Employment Arrangement with any Gearon Employee, other than (i) those listed or described in Section 4.14 of the Gearon Disclosure Schedule, (ii) those incurred in the ordinary and usual course of business, or (iii) such obligations or liabilities as do not and will not have, in the aggregate, any material adverse effect on Gearon. Except as described in Section 4.14 of the Gearon Disclosure Schedule, (a) none of the Gearon Employees is now, or since January 1, 1995 has been, represented by any labor union or other employee collective bargaining organization, and Gearon is not, and never has been, a party to any labor or other collective bargaining agreement with respect to any of the Gearon Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither Gearon nor any of such employees is now, or has since January 1, 1995 been, subject to or involved in or, to Gearon's knowledge, threatened with, any union elections, petitions therefor or other organizational or recruiting activities, in each case with respect to the Gearon Employees, and (d) none of the Gearon Employees has notified Gearon that he or she does not intend to continue employment with Gearon until the Closing or with ATS following the Closing. Gearon has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

4.15 Material Agreements. Listed on Section 4.15 of the Gearon Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Gearon Assets or the conduct of the Gearon Business or to which Gearon is a party or to which it is bound or which any of the Gearon Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by Gearon to ATS and Gearon has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 4.15 of the Gearon Disclosure Schedule, with respect to Material Agreements comprised of site leases and site licenses granted by Gearon to third parties and with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Gearon and, to Gearon's knowledge, all other parties thereto, 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. Gearon has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Gearon, Claim threatened in writing with which Gearon has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Gearon under any of such Material Agreements in any material respect.

4.16 Ordinary Course of Business. Gearon, from the end of its most recent fiscal quarter to the date hereof, except (i) as may be described on Section 4.16 of the Gearon Disclosure Schedule, (ii) as may be required or expressly contemplated by the terms of this Agreement, or (iii) as may be described in the Gearon Financial Statements, including the notes thereto, with respect to the Gearon Assets and the Gearon Business:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice;

(b) except in each case in the ordinary course of business, consistent with prior practice it being understood that the acquisition of communications sites and assets involved in the communications sites industry is part of the ordinary course of business of Gearon:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $50,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $50,000;

(iii) has not entered into any individual commitment having a value in excess of $50,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property, except for Permitted Liens;

(d) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(e) has not increased the compensation payable or to become payable to any of the Gearon Employees other than nonmaterial increases in the ordinary course of business, or otherwise materially altered, modified or changed the terms of their employment;

(f) has not suffered any material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(g) has not waived any rights of material value without fair and adequate consideration;

(h) has not experienced any work stoppage;

(i) except in the ordinary course of business, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Gearon;

(j) has not made, paid or declared any Distribution; and

(k) has not entered into any other transaction or series of related transactions which individually or in the aggregate is material to the Gearon Assets or the Gearon Business.

4.17 Material and Adverse Restrictions. Gearon is not a party to or subject to, nor is any of the Gearon Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which now has or, as far as Gearon can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material adverse effect on Gearon, except as set forth in Section 4.17 of the Gearon Disclosure Schedule.

4.18 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Merger in the capacity of broker, agent or finder or in any similar capacity on behalf of Gearon or the Gearon Stockholder which would entitle such Person to any compensation.

4.19 Solvency. As of the execution and delivery of this Agreement, Gearon is, and immediately prior to and immediately after giving effect to the consummation of the Merger will be, solvent.

4.20 Environmental Matters. With respect to the Gearon Assets and the Gearon Business, except as set forth in Gearon Disclosure Schedule 4.20 (it being understood that such Schedule 4.20 shall include the information set forth in the Phase I and Phase II Environmental Assessments which Gearon shall provide to ATSI and which it shall have a reasonable period to review pursuant to the provisions of Section 11.14) and except as the following representations may relate to the operations or conduct of (i) the owners of any property which is leased by Gearon or (ii) the clients or customers of Gearon on any property which is owned or leased by Gearon, in which such representations shall be limited to Gearon's knowledge, Gearon:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to Gearon's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law, except such Environmental Permits, applications, notices or other permits as do not and will not have, in the aggregate, any material adverse effect on Gearon;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) has obtained all Environmental Permits required under Environmental Laws, and has filed all applications, notices and other documents required to be filed prior to the date of this Agreement to effect the timely renewal or issuance of all Environmental Permits for the continued conduct of its business in the manner now conducted;

(e) is in compliance in all material respects with all Environmental Laws, and is not the subject of or, to Gearon's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability, including any Lien, with respect to violations or breaches of any Environmental Law;

(f) has not conducted or received any site assessment, audit or other investigation as to material environmental matters at any property currently owned, leased, operated or occupied by Gearon;

(g) has not installed or used any above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation on any property currently owned, leased or operated by Gearon and, to Gearon's knowledge, there are no above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation or any property currently owned, leased or operated by Gearon;

(h) has no knowledge of any past or present Event related to Gearon's properties, operations or business, which Event, individually or in the aggregate, may interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, may form the basis of any material Claim for or arising out of the release or threatened release into the environment of any Hazardous Material.

4.21 Capital Stock. The authorized and outstanding capital stock of Gearon is as set forth in Section 4.21 of the Gearon Disclosure Schedule. All of such outstanding capital stock has been duly authorized and validly issued, is fully paid and nonassessable and is not subject to any preemptive or similar rights and is owned of record and, to Gearon's knowledge, beneficially as shown in Section 4.21 of the Gearon Disclosure Schedule. Except as described in Section 4.21 of the Gearon Disclosure Schedule, Gearon has not granted or issued, nor has Gearon agreed to grant or issue, any shares of its capital stock or any Option Security or Convertible Security, and Gearon is not a party to or bound by any agreement, put or commitment pursuant to which it is obligated to purchase, redeem or otherwise acquire any shares of capital stock or any Option Security or Convertible Security.

4.22 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein or set forth in the Gearon Disclosure Schedule, except for such exceptions and qualifications including without limitation those set forth in the Gearon Disclosure Schedule which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to Gearon.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF ATS AND ATSI

Each of ATS and ATSI, jointly and severally, hereby represents and warrants to Gearon and the Gearon Stockholder as follows:

5.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Each of ATS and ATSI is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Each of ATS and ATSI has all requisite power and authority (corporate and other) and has in full force and effect all Governmental Authorizations and Private Authorizations necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS and ATSI. This Agreement has been duly executed and delivered by ATS and ATSI and constitutes, and each Collateral Document executed or required to be executed by each of them pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS and ATSI will constitute, legal, valid and binding obligations of each of ATS and ATSI, 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) Except to the extent specifically described in the ATS Information Statement, neither the execution and delivery by ATS and ATSI of this Agreement or any Collateral Document executed or required to be executed by each of them pursuant hereto or thereto, nor the consummation of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS and ATSI:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or ATSI or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS or ATSI; or

(ii) will require ATS or ATSI to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except as required by the Hart-Scott-Rodino Act or as contemplated by the Registration Rights Agreement.

5.2 Financial and Other Information. ATS has heretofore furnished to Gearon copies of the ATS Information Statement. The consolidated financial statements of ATS included in the ATS Information Statement (the "ATS Financial Statements"), including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by GAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the consolidated financial condition and the consolidated results of operations and cash flow of ATS, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

5.3 Material Statements and Omissions; Absence of Events. Neither any representation or warranty made by ATS or ATSI contained in this Agreement or any certificate, document or other instrument furnished or to be furnished by ATS or ATSI pursuant to the provisions hereof nor the ATS Information Statement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to make any statement contained herein or therein not misleading. Since the date of the most recent financial statements constituting a part of the ATS Financial Statements, except to the extent specifically described in the ATS Information Statement, there has been no material adverse change in ATS. There is no Event known to ATS which materially adversely affects, or (so far as ATS can now reasonably foresee) is likely to materially adversely affect, ATS, except to the extent specifically described in the ATS Information Statement. ATS is not aware of any impending or contemplated Event that would cause any of the representations and warranties made by it in this Article not to be true, correct and complete on the date of such Event as if made on that date.

5.4 Absence of Sensitive Payments. Neither ATS, ATSI nor, to ATS' and ATSI's knowledge, any of their officers, directors, employees, agents or other representatives, has with respect to the assets and business of ATS and ATSI (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any illegal purpose or made any false or artificial entries on its books.

5.5 Title to Properties; Leases. ATSI has, to ATS' knowledge, good indefeasible, marketable and insurable title to all real property (other than leasehold real property) and good indefeasible and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the ATSI Assets; all of such real property and other assets is so owned, in each case, free and clear of all Liens, except

(i) Permitted Liens, (ii) Liens set forth or described in the ATS Information Statement, and (iii) Liens that would not, individually or in the aggregate, have a material adverse effect on ATS.

5.6 Compliance with Private Authorizations. ATSI has obtained all Private Authorizations which are necessary for the ownership or operation of its assets or the conduct of its business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect ATS. All of such Private Authorizations are valid and in good standing and are in full force and effect. ATSI is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on ATS. No such Private Authorization which is material to the ownership and operation of ATSI's assets or the conduct of ATSI's business is the subject of any pending or, to ATSI's knowledge, threatened attack, revocation or termination.

5.7 Compliance with Governmental Authorizations and Applicable Law.

(a) ATSI has obtained all Governmental Authorizations which are necessary for the ownership or operation of its assets or the conduct of its business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material adverse effect on ATS. None of ATSI's Governmental Authorizations which is material to the ownership and operation of ATSI's assets or the conduct of ATSI's business is subject to any restriction or condition which would limit in any respect the ownership or operations of ATSI's assets or the conduct of ATSI 's business as currently conducted, except for restrictions and conditions (i) generally applicable to Governmental Authorizations of such type, and (ii) that would not, individually or in the aggregate, have a material adverse effect on ATS. ATSI's Governmental Authorizations which are material to the ownership and operation of ATSI's assets or the conduct of ATSI's business are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of ATSI or its officers, directors, employees or agents, and the ownership or operation of ATSI's assets or the conduct of ATSI's business are in accordance in all material respects with the Governmental Authorizations. All material reports, forms and statements required to be filed by ATSI with all Authorities with respect to ATSI's business have been filed and are true, complete and accurate in all material respects. No Governmental Authorization which is material to the ownership and operation of ATSI's assets or the conduct of ATSI's business is the subject of any pending or, to ATSI's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. ATSI has no reason to believe that any such Governmental Authorization would not be renewed in the name of ATSI by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in the ATS Information Statement, neither ATS or ATSI nor any director or officer thereof (in connection with the ownership or operation of ATSI's assets or the conduct of ATSI's business) is in or is charged by any Authority with or is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of ATSI's assets or the conduct of ATSI's business which, if determined adversely, individually or in the aggregate, would have a material adverse effect on ATSI. In particular, but without limiting the generality of the foregoing, there are no applications, Claims or Legal Actions pending or, to ATS' knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the ATS assets or the conduct of the ATS business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such

a nature as would adversely affect the ownership or operation of the ATS assets or the conduct of the ATS business; (y) involving charges of illegal discrimination by ATS under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except, in each case, such applications, Claims or Legal Actions as do not and will not have, individually or in the aggregate, any material adverse effect on ATS.

(c) Except as otherwise specifically described in the ATS Information Statement, no Event exists or has occurred, which, to ATS' knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the ATS assets or the conduct of the ATS business, except, in each case, for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on ATS.

5.8 Related Transactions. Neither ATS nor ATSI is a party or subject to any Contractual Obligation relating to the ownership or operation of ATSI's assets or the conduct of ATSI's business between either of them and any of its officers, directors, stockholders, employees or, to the knowledge of ATS, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than those described or referred to in the ATS Information Statement or that are not, individually or in the aggregate, material to the business of ATS or ATSI.

5.9 Tax Matters. Each of ATS and ATSI has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of ATS Financial Statements. The Tax Returns of ATS and ATSI have been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which ATS and ATSI is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Adequate provision has been made on the most recent balance sheet forming part of ATS Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to ATSI's knowledge, no past transactions or matters which could result in additional Taxes of a material nature to ATSI for which an adequate reserve has not been provided on such balance sheet.

5.10 Ordinary Course of Business. Each of ATS and ATSI, from the end of its most recent fiscal quarter to the date hereof, except (i) as may be described in the ATS Information Statement, or (ii) as may be required or expressly contemplated by the terms of this Agreement, has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice, it being understood that the acquisition of communications sites and other companies and assets involved in the communications sites industry is part of the ordinary course of business of each of ATS and ATSI.

5.11 Environmental Matters. Except for such matters as would not, individually or in the aggregate, have a material adverse effect on ATS, ATSI

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to ATSI's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) has obtained all Environmental Permits required under Environmental Laws, and has filed all applications, notices and other documents required to be filed prior to the date of this Agreement to effect the timely renewal or issuance of all Environmental Permits for the continued conduct of its business in the manner now conducted;

(e) is in compliance in all material respects with all Environmental Laws, and is not the subject of or, to ATSI's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability, including any Lien, with respect to violations or breaches of any Environmental Law;

(f) has not conducted or received any site assessment, audit or other investigation as to material environmental matters at any property currently owned, leased, operated or occupied by ATSI;

(g) has not installed or used any above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation on any property currently owned, leased or operated by ATSI and, to ATSI's knowledge, there are no above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation or any property currently owned, leased or operated by ATSI;

(h) there has been no disposal, release, spill or burial of any Hazardous Materials by ATSI (or any Person acting on its behalf) in violation of Environmental Laws on any property or facility owned, leased, operated or occupied by ATSI or to ATSI's knowledge at any facility or site to which Hazardous Materials from or generated by ATSI may have been taken at any time in the past;

(i) to ATSI's knowledge, there has been no disposal, release, spill or burial of any Hazardous Materials by ATSI (or any Person acting on its behalf) on any property which could reasonably be expected to result or has resulted in contamination which requires investigation, remediation or other response activity on or beneath any properties or facilities currently owned, leased, operated or occupied by ATSI; and

(j) has no knowledge of any past or present Event related to ATSI's properties, operations or business, which Event, individually or in the aggregate, may interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, may form the basis of any material Claim for or arising out of the release or threatened release into the environment of any Hazardous Material.

5.12 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein, or set forth in the ATS Information Statement, except for such exceptions and qualifications including without limitation those set forth in the ATS Information Statement which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to ATS.

5.13 Material and Adverse Restrictions. Neither ATS nor ATSI is a party to or subject to, nor is any of the assets of ATS or ATSI subject to, any Applicable Law, governmental authorization, contractual obligation, employment arrangement, material agreement or private authorization, or any other obligation or restriction of any kind or character, which now has or, as far as ATS or ATSI can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material adverse effect on ATS or ATSI, except as set forth in the ATS Information Statement.

5.14 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS or ATSI.

5.15 Solvency. As of the execution and delivery of this Agreement, each of ATS and ATSI is, and immediately prior to and immediately after giving effect to the consummation of the Transactions will be, solvent.

5.16 Capital Stock.

(a) The authorized and outstanding capital stock of ATS is as set forth in the ATS Information Statement. All of such outstanding capital stock has been, and, when issued in accordance with the terms of this Agreement, the Common Stock Consideration will be, duly authorized and validly issued, fully paid and nonassessable and is not subject to any preemptive or similar rights. Except as described in the ATS Information Statement, ATS has not granted or issued, nor has ATS agreed to grant or issue, any shares of its capital stock or any Option Security or Convertible Security, and ATS is not a party to or bound by any agreement, put or commitment pursuant to which it is obligated to purchase, redeem or otherwise acquire any shares of capital stock or any Option Security or Convertible Security.

(b) All of the issued and outstanding capital stock of ATSI is owned by ATS. ATS has no plan or intention (i) to cause ATSI to issue additional shares of its capital stock that would result in ATS' losing "control" of ATSI within the meaning of Section 368(c) of the Code; (ii) to liquidate ATSI; (iii) to merge ATSI with and into another corporation other than as contemplated by this Agreement (and certain other potential transaction which would not, however, involve the issuance by ATSI of any securities to parties other than ATS); (iv) to sell or otherwise dispose of any capital stock of ATSI; or (v) to cause ATSI to sell or otherwise dispose of any of the assets of Gearon to be acquired pursuant to the Merger, except for dispositions made in the ordinary course of business or transfers described in Section 368(a)(2)(C) of the Code. Following the Merger, ATSI will continue the historical business of Gearon or use a significant portion of the Gearon Assets in its business.

5.17 Employment Arrangements. Neither ATS nor ATSI has any obligation or liability, contingent or other, under any employment arrangement with any employee of ATS or ATSI, other than (i) those incurred in the ordinary and usual course of business, or (ii) such obligations or liabilities as do not and will not have, in the aggregate, any material adverse effect on ATS or ATSI. Except as described in the ATS Information Statement, (a) none of the employees of ATS or ATSI is now, or since January 1, 1995 has been,

represented by any labor union or other employee collective bargaining organization, and neither ATS nor ATSI is, nor have they ever been, a party to any labor or other collective bargaining agreement with respect to any of the employees of ATS or ATSI, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, and (c) neither ATS, ATSI nor any of such employees is now, or has since January 1, 1995 been, subject to or involved in or, to ATS' or ATSI's knowledge, threatened with, any union elections, petitions therefor or other organizational or recruiting activities, in each case with respect to such employees. Each of ATS and ATSI has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

5.18 Investment Representation.

(a) ATSI is an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act and has been furnished with and had access to all information, financial and other, and has the opportunity to ask questions of the management of Gearon with respect to Gearon and ATSI's proposed investment therein.

(b) ATSI is acquiring the Gearon Notes to be purchased by it for its own account for investment with no present intention of distributing or reselling the same, subject, nevertheless, to its right to dispose of the Gearon Notes or any part thereof in its sole discretion; provided, however, that notwithstanding the foregoing, ATSI may pledge any or all of the Gearon Notes to any bona fide lender to ATSI. ATSI understands that Gearon is not and will not be required to file a registration statement under the Securities Act in connection with any sale, transfer or other disposition of the Gearon Notes.

5.19 Covenant Regarding Transfer. ATSI covenants and agrees that it will not sell, assign, transfer or otherwise dispose of any of the Gearon Notes in violation of the Securities Act.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE GEARON STOCKHOLDER RELATING TO THE SUBJECT STOCK

The Gearon Stockholder represents and warrants to ATS and ATSI as follows:

6.1 Enforceability. This Agreement has been duly executed and delivered by the Gearon Stockholder and constitutes, and each Collateral Document executed or required to be executed by such Stockholder pursuant hereto or thereto when executed and delivered by the Gearon Stockholder will constitute, legal, valid and binding obligations of the Gearon Stockholder, enforceable in accordance with their respective terms, except as such enforceability may be subject to bankruptcy, moratorium, insolvency, reorganization, arrangement, voidable preference, fraudulent conveyance and other similar laws relating to or affecting the rights of creditors and except as the same may be subject to the effect of general principles of equity.

6.2 Title to Shares. The Gearon Stockholder owns the Gearon Shares set forth opposite his name in Section 4.21 of the Gearon Disclosure Schedule. Except as set forth in Section 4.21 of the Gearon

Disclosure Schedule, the Gearon Stockholder owns and has good and marketable title to such Gearon Shares as so set forth, free and clear of all Liens.

6.3 No Conflict; Required Filings and Consents. Except for consents as set forth in Section 4.1(c) of the Gearon Disclosure Schedule, neither the execution and delivery by the Gearon Stockholder of this Agreement or any Collateral Document executed or required to be executed by the Gearon Stockholder pursuant hereto or thereto, nor the consummation of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by the Gearon Stockholder:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the 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 acceleration in, any Contractual Obligation of the Gearon Stockholder;

(ii) will result in or permit the creation or imposition of any Lien upon any property or asset of the Gearon Stockholder, except for such Liens as do not and will not have, in the aggregate, a material adverse effect on the Gearon Stockholder; or

(iii) will require any Governmental Authorization or Governmental Filing or Private Authorization of the Gearon Stockholder, except as required by the Hart-Scott-Rodino Act.

ARTICLE 7

COVENANTS

7.1 Access to Information; Confidentiality.

(a) Each party shall afford to the other party and its accountants, counsel, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of its (and its Subsidiaries') properties, books, contracts, commitments and records (including without limitation Tax Returns) and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any party pursuant to the requirements of any Applicable Law (including without limitation the FCA) or filed by it with any Authority in connection with the Merger or any other report, schedule or documents which may have a material effect on the businesses, operations, properties, prospects, personnel, condition, (financial or other), or results of operations of their respective businesses, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed or controlled by it or its accountants deemed by each party or its Representatives necessary or useful for the purpose of performing an audit of the business and assets of Gearon and ATS, as applicable, and, in the case of ATS, certifying financial statements and financial information pursuant to the provisions of Section 8.2(g), and (iii) such other information concerning any of the foregoing as ATS or Gearon shall reasonably request. All Confidential Information furnished pursuant to the provisions of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of the party disclosing such Confidential Information, be disclosed by the other party in any manner whatsoever, in whole or in part, and, except as required by Applicable Law (including without limitation in connection with any registration,

proxy or information statement or similar document filed pursuant to any federal or state securities Law) shall not be used for any purposes, other than in connection with the Merger. Except as otherwise herein provided, each party agrees to reveal such Confidential Information only to those of its Representatives or other Persons who need to know such Confidential Information for the purpose of evaluating and consummating the Merger who are informed of its confidential nature. For purposes of this Agreement, "Confidential Information" shall mean any and all information (excluding information that (i) has been or is obtained from a source independent of the disclosing party, (ii) is or becomes generally available to the public other than as a result of unauthorized disclosure by the receiving party, or (iii) is independently developed by the receiving party without reliance in any way on information provided by the disclosing party) related to the business or businesses of ATS, ATSI and their respective Affiliates, on the one hand, or Gearon and its Affiliates, on the other hand, including any of their respective successors and assigns. For the period beginning on the date of this Agreement and ending on the earlier to occur of (A) the Closing Date and (B) the date that is eighteen (18) months from the date this Agreement is terminated, ATS and ATSI, on the one hand, and Gearon and the Gearon Stockholder, on the other hand, agree that neither it nor any of its Affiliates will solicit or actively seek to hire any person who during such period is employed by the other party (or any of them), whether or not such individual would commit a breach of such individual's employment agreement or contract in leaving such employment; provided, however, that the foregoing shall not prevent any party (or its Affiliates) from (i) taking any such action with respect to any person who is not employed by the other party on the date the first such action is taken, or (ii) placing general advertisements in the media.

(b) Notwithstanding the provisions of Section 7.1(a), each party may disclose such information as it may reasonably determine to be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed, including without limitation in any registration, proxy or information statement or other document required to be filed under any federal or state securities Law. In the event that this Agreement is terminated in accordance with its terms, each party shall promptly redeliver all written Confidential Information provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Merger and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for such party.

(c) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of any party or any condition to the obligations of the parties hereto.

7.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Merger, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, anything which could impede or impair the consummation of the Merger or the consummation of the other Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Merger by all such applicable Authorities, (ii) to obtain all necessary or appropriate waivers, consents and approvals, (iii) to effect all necessary registrations, filings and submissions (including without limitation, if required, filings within five (5) business days of the date of this Agreement under the Hart-Scott-Rodino Act and all filings necessary for ATSI to own and operate the Gearon Assets and the Gearon Business), (iv) to lift any injunction or other legal bar to the Merger (and, in such case, to proceed with the Merger as expeditiously as possible), and (v)

to obtain the satisfaction of the conditions specified in Article 8, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another in the preparation of all Tax Returns, questionnaires, applications or other documents regarding any Taxes or transfer, recording, registration or other fees which become payable in connection with the Merger that are required to be filed on or before the Closing Date.

(c) Gearon shall cooperate and use its reasonable business efforts to cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have Gearon or ATS' independent accountants prepare audited financial statements for Gearon described in Section 8.2(g). Gearon and the Gearon Stockholder, jointly and severally, represent and warrant that such financial statements will have been prepared in accordance with GAAP applied on a basis consistent with the Gearon Financial Statements and will present fairly the financial condition, results of operation and cash flow of Gearon. Without limiting the generality of the foregoing, Gearon agrees that it will (i) consent to the use of such audited financial statements in any registration, proxy or information statement or other document filed by ATS or any of its Affiliates under the Securities Act or the Exchange Act and (ii) execute and deliver, and cause its officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS' or Gearon's independent accountants may reasonably request under the circumstances.

7.3 Public Announcements. Until the Closing or the termination of this Agreement, each party shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Merger and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, the parties acknowledge and agree that they may, without each other's prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, they will consult with the other regarding the nature, content and form of such press release or public statement.

7.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be reasonably likely to cause (a) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any material respect or (b) any failure made by it to comply with or satisfy, or be able to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement in any material respect, such that, in any such case, one or more of the conditions of Closing would not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the rights and remedies available hereunder to the party receiving such notice or the obligations of the party delivering such notice and shall not, in any event, affect the representations, warranties, covenants and agreements of the parties or the conditions to their respective obligations under this Agreement.

7.5 No Solicitation. Neither Gearon nor the Gearon Stockholder shall, nor shall it or any of them knowingly permit any of its or any of their Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it or any of them) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data

relating to, it for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in or likely to result in (i) any change of control of Gearon, (ii) any merger, consolidation or other business combination of Gearon, regardless of whether Gearon is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as Gearon was, (iii) any tender offer or exchange offer for, or any acquisitions of, any securities of Gearon, (iv) any sale or other disposition of all or any substantial part of the assets or business of Gearon, (v) any issue or sale, or any agreement to issue or sell, any capital stock, Convertible Securities or Option Securities by Gearon, or (vi) any sale, transfer, pledge, assignment or other conveyance or any agreement to sell, transfer, pledge, assign or otherwise convey, any Gearon Shares, Convertible Securities or Option Securities of Gearon. If Gearon, the Gearon Stockholder or its or any of their Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect, Gearon or the Gearon Stockholder shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

7.6 Conduct of Business by ATSI Pending the Merger. Except as otherwise contemplated by this Agreement, or as has been publicly disclosed prior to the date hereof or is described in the ATS Information Statement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement unless Gearon shall otherwise agree in writing, ATS shall, and shall cause its Subsidiaries, to:

(a) conduct their respective businesses in the ordinary and usual course of business and consistent with past practice, which includes the acquisition of other businesses or assets in the communications site industry;

(b) not amend or propose to amend its Organic Documents, except that ATS may amend its Restated Certificate of Incorporation to change the authorized number of shares of capital stock and otherwise in a manner not adverse to the holders of the ATS Class A Common Stock;

(c) use reasonable business efforts to preserve intact their respective business organizations and goodwill, keep available the services of their respective present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely affect the transactions contemplated by this Agreement;

(d) confer on a regular and frequent basis with one or more representatives of Gearon to report material operational matters; and

(e) not authorize or enter into any agreement that would violate any of the foregoing.

7.7 Conduct of Business by Gearon Pending the Merger. Except as set forth in Section 7.7 of the Gearon Disclosure Schedule or as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise consent in writing, Gearon shall:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice which includes the acquisition and construction of communications sites and towers;

(b) not (i) amend or propose to amend their respective Organic Documents, (ii) split, combine or reclassify (whether by stock dividend or otherwise) its outstanding capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of, or in substitution for shares of its capital stock, or (iii) declare, set aside or pay any dividend or distribution payable in cash, stock, property or otherwise;

(c) not issue, sell, pledge or dispose of, or agree to issue, sell, pledge or dispose of, any shares of Gearon Common Stock, Convertible Securities or Option Securities;

(d) not (i) incur or become contingently liable with respect to any indebtedness other than short-term unsecured borrowings not to exceed the excess of (x) $5,000,000 in the aggregate outstanding at any one time over (y) the principal amount at the time outstanding under the Gearon Notes, (ii) redeem, purchase, acquire or offer to purchase or acquire any shares of its capital stock, Convertible Securities or Option Securities, (iii) sell, lease, license, pledge, dispose of or encumber any properties or assets or sell any businesses other than pursuant to agreements in effect on the date hereof and set forth in Section 7.7 of the Gearon Disclosure Schedule or Liens arising in accordance with the provisions of indebtedness in effect on the date hereof and in accordance with their present terms, or (iv) make any loans, advances or capital contributions to, or investments in, any other Person, except to officers and employees of Gearon for travel, business or relocation expenses in the ordinary course of business;

(e) use reasonable business efforts to preserve intact its business organization and goodwill, keep available the services of its present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely impact the transactions contemplated by this Agreement;

(f) confer on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(g) not adopt, enter into, amend or terminate any employment, severance, special pay arrangement with respect to termination of employment or other similar arrangements or agreements with any directors, officers or key employees;

(h) maintain with financially responsible insurance companies insurance on the Gearon Assets and the Gearon Business in such amounts and against such risks and losses as are consistent with past practice;

(i) not make any Tax election that could reasonably be likely to have a material adverse effect on Gearon or settle or compromise any material income Tax liability;

(j) except in the ordinary course of business or except as would not reasonably be likely to have a material adverse effect on Gearon, not modify, amend or terminate any Material Agreement to which Gearon is a party or by which any of the Gearon Assets may be bound or to which any of them may be subject or waive, release or assign any material rights or claims thereunder;

(k) not make any material change to its accounting methods, principles or practices, except as may be required by GAAP;

(l) not acquire or agree to acquire (i) by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any Person or other business organization or division thereof or (ii) any assets that, individually or in the aggregate, are material to Gearon, in each case, other than pursuant to agreements in effect on the date hereof and set forth in the Section 7.7 of the Gearon Disclosure Schedule (ATS agrees not to unreasonably withhold, delay or condition a consent to any matters described in this paragraph);

(m) except as set forth in Section 4.6(a) or Section 4.14 of the Gearon Disclosure Schedule, (i) not grant to any executive officer or other key employee of Gearon any increase in compensation, except for normal increases in the ordinary course of business consistent with past practice or as required under Benefit Arrangements in effect as of September 30, 1997, (ii) not grant to any such executive officer any increase in severance or termination pay, except as was required under any Benefit Arrangements in effect as of September 30, 1997, (iii) not adopt or amend any Plan or Benefit Arrangement (including change any actuarial or other assumption used to calculate funding obligations with respect to any Plan, or change the manner in which contributions to any Plan are made or the basis on which such contributions are determined) and (iv) except in the ordinary course, not enter into, amend in any material respect or terminate any Governmental Authorization (except as would not be reasonably likely to have a material adverse effect on Gearon), material Private Authorization or Contract;

(n) not voluntarily take or permit to be taken any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 4.16 of the Gearon Disclosure Schedule, other than pursuant to the conduct of its business in the ordinary and usual course of business and consistent with past practice; and

(o) not authorize or enter into any agreement that would violate any of the foregoing.

7.8 Preliminary Title Reports. As promptly as practicable after the execution of this Agreement, Gearon shall, at ATS' sole cost and expense, deliver or cause to be delivered to ATS a standard preliminary title report (the "Title Reports") dated on or after the date of this Agreement issued by such title company or companies as Gearon and ATS shall mutually reasonably agree with respect to those assets of Gearon comprised of the parcels of real property owned by Gearon, as described in Section 7.8 of the Gearon Disclosure Schedule.

7.9 Environmental Site Assessments. As promptly as practicable after the execution of this Agreement, ATS may at its own cost and expense obtain, and deliver to Gearon full and complete copies of, Phase I environmental site assessment reports (the "Environmental Reports") on any or all of those certain parcels of real property described on Section 7.9 of the Gearon Disclosure Schedule. Site assessments shall be conducted by such consultants and professionals as ATS and Gearon shall mutually agree and shall be arranged at times mutually convenient to the parties. Each of Gearon and ATS shall be entitled to have representatives present at the time such site assessments are conducted, and to have copies of all correspondence with the Environmental Company.

7.10 Interim Financing for Gearon. ATSI agrees to provide interim debt financing to Gearon in an aggregate amount at any one time outstanding not to exceed $5,000,000 as from time to time requested on not less than three (3) business days notice from Gearon. Any such financing shall be advanced against a

secured note substantially in the form of Exhibit A attached hereto and made a part hereof (the "Gearon Notes") and shall be secured by a security agreement substantially in the form attached hereto as Exhibit B and made a part hereof (the "Gearon Security Agreement"). Gearon shall use the proceeds of the sale of the Gearon Notes to ATSI hereunder to complete the development of new communication sites and capital improvements to its existing communication sites, and for other general corporate purposes (other than the repayment of any Indebtedness for Money Borrowed). The parties acknowledge that, simultaneously with the execution and delivery of this Agreement, (a) Gearon has executed and delivered the Gearon Note to ATSI, (b) Gearon and ATSI have executed and delivered the Security Agreement, and (c) ATSI has not advanced any funds.

ARTICLE 8

CLOSING CONDITIONS

8.1 Conditions to Obligations of Each Party. The respective obligations of each party to effect the Merger shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) As of the Closing Date, no Legal Action shall be pending before any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Merger or the other Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Merger, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a Legal Action pending before any such Authority; and

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by any of the parties with any Authority, prior to the consummation of the Merger, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 8.1(b) of the Gearon Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on Gearon.

8.2 Conditions to Obligations of ATS and ATSI. The obligation of ATS to cause ATSI to, and of ATSI to, effect the Merger 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) Gearon shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date, of King &

Spalding, counsel for Gearon and the Gearon Stockholder, with respect to the matters set forth in Sections 4.1(a), (b) and (c), 4.6(b) and 4.21, Article 6 and with respect to such other matters arising after the date of this Agreement and incident to the Merger, as ATS or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of Gearon and the Gearon Stockholder contained in this Agreement or otherwise made in writing by or on behalf of it or any of them pursuant hereto or otherwise made in connection with the Merger shall be true and correct at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Gearon, the Gearon Stockholder or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by Gearon or the Gearon Stockholder hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and Gearon and the Gearon Stockholder shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 8.2(d) of the Gearon Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Merger, including without limitation those required in order for Gearon to continue to own all of the Gearon Assets and continue to operate the Gearon Business as conducted immediately prior to the Closing (including without limitation, at the cost and expense of Gearon, all modifications, if any, of Private Authorizations, Leases and Material Agreements of Gearon set forth in Section 8.2(d) of the Gearon Disclosure Schedule) shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could materially adversely affect Gearon;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in Gearon from that reflected in the most recent Gearon Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the assets or the conduct of the business of Gearon shall not have been materially and adversely affected by any act, or failure to act, of Gearon;

(f) The Gearon Stockholder and Gearon shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by the Gearon Stockholder or Gearon to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from its independent accountants (i) an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets for each of the fiscal year ended December 31, 1996 and the nine month period ended September 30, 1997, and statements of operations and cash flow for each of the year ended December 31, 1996 and the nine month period ended September 30, 1997) of Gearon which financial statements shall have been prepared in conformity with GAAP and

Regulation S-X under the Securities Act, or (ii) such other documentation as shall be reasonably satisfactory to ATS indicating that such an unqualified report could be issued if requested by ATS;

(h) As of the Closing Date, except as otherwise set forth in Section 4.6(a) of the Gearon Disclosure Schedule, no Legal Action shall be pending before any Authority which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material adverse effect on Gearon, it being understood and agreed that a written request by any Authority for information with respect to the Merger, which information could be used in connection with such Legal Action, shall not be deemed to be a Legal Action pending before any such Authority;

(i) J. Michael Gearon, Jr. shall have executed and delivered to ATS an agreement substantially in the form attached hereto as Exhibit C and made a part hereof (the "ATS Noncompetition Agreements");

(j) Gearon shall have delivered to ATS all use permits, consents or other Governmental Authorizations of and all Leases from the United States Forest Service set forth in Section 8.2(j) of the Gearon Disclosure Schedule;

(k) The Environmental Reports shall not disclose any exception, and no Event or Events shall have occurred subsequent to the date hereof, which, individually or in the aggregate, would cause the representations and warranties of Gearon set forth in Section 4.20 (without regard to knowledge) to be inaccurate or incomplete in any material respect;

(l) ATS shall have received, at its expense, a copy of the standard ALTA title insurance policy insuring Gearon's fee simple or leasehold interest, as the case may be, in the land and improvements located at each of the locations described in Section 8.2 (l) of the Gearon Disclosure Schedule and the Title Reports shall not disclose any exception, and no Event or Events shall have occurred subsequent to the date hereof, which, individually or in the aggregate, would cause the representations and warranties of Gearon set forth in Section 4.4 (without regard to knowledge) to be inaccurate or incomplete in any material respect;

(m) All Convertible Securities and Option Securities of Gearon, if any, outstanding immediately prior to the Closing shall be canceled and, from and after the Closing, shall no longer be of any force or effect;

(n) Michael Gearon, Jr., the chief executive officer of Gearon and the Gearon Stockholder, shall have executed and delivered to ATS an agreement substantially in the form attached hereto as Exhibit D and made a part hereof (the "Gearon Employment Agreement");

(o) The Gearon Stockholder shall have executed and delivered to ATS an agreement substantially in the form attached hereto as Exhibit E and made a part hereof (the "Indemnity Escrow Agreement");

(p) The Gearon Stockholder shall have executed and delivered to ATS an agreement substantially in the form attached hereto as Exhibit F and made a part hereof (the "Registration Rights Agreement");

(q) The merger of Communications Towers, Inc., a Georgia corporation ("CTI"), with and into ATSI (the "CTI Merger") with ATSI as the surviving entity shall have been consummated

in accordance with the GBCC and on terms and conditions reasonably satisfactory to ATS; provided, however, that to the extent any consideration is paid by ATS or ATSI pursuant to the CTI Merger, the Exchange Merger Consideration shall be reduced by an equal amount; and

(r) Each of the stockholders of Gearon shall have executed and delivered to ATS an investment letter substantially in the form of Exhibit G attached hereto and made a part hereof (the "Gearon Investment Letters").

8.3 Conditions to Obligations of Gearon. The obligation of Gearon to effect the Merger 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Gearon and its counsel, and Gearon and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished Gearon, with favorable opinions, dated the Closing Date, of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 5.1 (a), (b) and (c), 5.7(b) and 5.16(a) and with respect to such other matters arising after the date of this Agreement and incident to the Merger, as Gearon or its counsel may reasonably request;

(c) The representations and warranties of ATS and ATSI contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Merger shall be true and correct at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Gearon, the Gearon Stockholder or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS and ATSI hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS and ATSI shall have furnished Gearon with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Gearon or their counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Gearon all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Gearon at or prior to the Closing pursuant to the terms of this Agreement;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in ATS from that reflected in the most recent ATS Financial Statements;

(f) As of the Closing Date, no Legal Action shall be pending before any Authority which might, in the reasonable business judgment of Gearon, based upon the advice of counsel, have a material adverse effect on ATS, it being understood and agreed that a written request by any Authority

for information with respect to the Merger, which information could be used in connection with such Legal Action, shall not be deemed to be a Legal Action pending before any such Authority;

(g) ATSI shall have executed and delivered the Gearon Employment Agreement to Gearon, and pursuant thereto the Gearon Stockholder shall have been elected a director of ATS and a senior executive officer of ATSI;

(h) Gearon shall have received evidence of the consummation of the ATS Private Placement;

(i) ATS shall have executed and delivered to Gearon the Registration Rights Agreement;

(j) The persons named in Section 8.3(j) of the Gearon Disclosure Schedule shall have been elected to the positions with ATSI set forth opposite their respective names, and ATSI shall have executed and delivered an employment agreement in a form reasonably satisfactory to ATS and Gearon; and

(k) Options to purchase an aggregate of not more than 1,000,000 shares of ATS Class A Common Stock pursuant to the 1997 ATS Stock Option Plan shall have been granted to employees of Gearon named in Section 8.3(k) of the Gearon Disclosure Schedule on terms and conditions reasonably satisfactory to Gearon.

ARTICLE 9

TERMINATION, AMENDMENT AND WAIVER

9.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Gearon and ATS; or

(b) by either ATS or Gearon if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Merger shall have become final and nonappealable; or

(c) by Gearon in the event (i) neither Gearon nor the Gearon Stockholder are in material breach of this Agreement and none of its of their representations or warranties shall have become and continue to be untrue in any manner that would cause the condition set forth in Section 8.2(c) not to be satisfied, and (ii) either (A) the Merger has not been consummated prior to the Termination Date, or (B) ATS is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any manner that would cause the conditions set forth in Section 8.3(c) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Merger by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any manner that would cause the condition set forth in Section 8.3(c) not to be satisfied, and (ii) either (A) the Merger has not been consummated prior to the Termination Date, or (B) Gearon or the Gearon Stockholder

are in material breach of this Agreement or any of Gearon's or any of the Gearon Stockholder's representations or warranties shall have become and continue to be untrue in any manner that would cause the conditions set forth in Section 8.2(c) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Merger by or beyond the Termination Date.

The term "Termination Date" shall mean February 28, 1998 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Gearon to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

9.2 Effect of Termination.

(a) Except as provided in Sections 7.1 (with respect to confidentiality), 7.3 and 11.2 and this Section, in the event of the termination of this Agreement pursuant to Section 9.1, or in the event the Merger shall not have been consummated prior to the end of business on the Termination Date, except as otherwise provided in Section 9.2(b), this Agreement shall forthwith become void, there shall be no liability on the part of any party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of any party shall cease; provided, however, that such termination shall not relieve any party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Gearon pursuant to the provisions of Section 9.1(c), then Gearon shall be entitled to liquidated damages in an amount equal to (i) if such termination occurs on or before January 2, 1998, $5,000,000, and (ii) if such termination occurs after January 2, 1998, $10,000,000; the parties agree that such amount shall constitute full payment for any and all damages suffered by Gearon by reason of ATS' failure to consummate the Merger. ATS and Gearon agree in advance that actual damages would be difficult to ascertain and that such liquidated damages is a fair and equitable amount to reimburse Gearon for damages sustained due to ATS' failure to consummate the Merger for the above-stated reasons. Notwithstanding the foregoing, Gearon shall have the right to seek specific performance pursuant to the provisions of Section 11.4.

(c) In the event this Agreement is terminated pursuant to the provisions of Section 9.1(a), 9.1(b) or 9.1(d), except as provided in Section 9.2(a), none of the parties shall have any further rights or remedies.

ARTICLE 10

INDEMNIFICATION

10.1 Survival. The representations and warranties of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period of eighteen (18) months after the Closing Date, except that in the case of matters of a nature referred to in Sections 4.1, 4.10, 4.11, 4.20 and 4.21, Sections 5.1, 5.9, 5.11 and 5.16 and Article 6 which shall survive and remain operative and in full force and effect for the applicable statute of limitations,

regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing (unless any such covenant or agreement by its express terms in this Agreement does not so survive) and shall remain operative and in full force and effect for the statute of limitations applicable to contractual obligations. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud or intentional and willful breach or misrepresentation, may be asserted after the expiration of the Indemnity Period. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

10.2 Indemnification.

(a) The Gearon Stockholder agrees that on and after the Closing he shall indemnify and hold harmless ATS and ATSI and their respective stockholders, directors, officers, employees and representatives (collectively, the "ATS Indemnified Parties") from and against any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for all reasonable attorneys', accountants' and experts' fees and expenses incurred, including those incurred to enforce the terms of this Agreement or any Collateral Document (collectively, "Loss and Expense"), suffered by the ATS Indemnified Parties by reason of, or arising out of any breach of representation or warranty made by Gearon or the Gearon Stockholder pursuant to this Agreement or any Collateral Document or any failure by Gearon or the Gearon Stockholder to perform or fulfill any of its or any of their covenants or agreements set forth in this Agreement or any Collateral Document.

(b) ATS and ATSI, jointly and severally, agree that on and after the Closing they will indemnify the Gearon Stockholder and hold him harmless from and against all Loss and Expense suffered by any of them by reason of, or arising out of :

(i) any breach of representation or warranty made by ATS or ATSI pursuant to this Agreement or any Collateral Document or any failure by ATS or ATSI to perform or fulfill any of its covenants or agreements set forth in this Agreement or any Collateral Document; or

(ii) any Legal Action or other Claim by any third party relating to ATS or ATSI or the ownership or operations of Gearon's business and properties subsequent to the Closing, including without limitation any and all obligations and liabilities under Governmental Authorizations, Private Authorizations, Leases, Material Agreements, Employment Arrangements, Plans, Benefit Arrangements and Contractual Obligations.

10.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 10.2, after the Closing, except as otherwise provided in Section 10.6, the ATS Indemnified Parties, on the one hand, and Gearon, on the other hand, shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $100,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $100,000).

(b) In the case any event shall occur which would otherwise entitle any party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

10.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable Indemnity Period specified in Section 10.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

10.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party, which consent shall not unreasonably be withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the indemnified party is an ATS Indemnified Party, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the Gearon Assets or the conduct of the Gearon Business in substantially the manner then being theretofore owned, operated and conducted by ATS or Gearon (or any successor or assign). No matter whether an indemnifying party defends or prosecutes any third party Legal Action or Claim, the indemnified and indemnifying parties shall cooperate in the defense or prosecution thereof. Such cooperation shall include access during normal business hours afforded to the indemnifying party to, and reasonable retention by the indemnified party of, records and information which are reasonably relevant to such third party Legal Action or Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the indemnifying party shall reimburse the indemnified party for all its reasonable out-of-pocket expenses in connection therewith.

10.6 Exclusive Remedy. Except for fraud, willful or intentional misrepresentation or willful or intentional breach of warranty, covenant or agreement or as otherwise provided in Section 11.4, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to any party against the other party for any Claim under this Agreement.

ARTICLE 11

GENERAL PROVISIONS

11.1 Waivers; Amendments. Changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the parties hereto. No delay on the part of either party at any time or times in the exercise of any right or remedy shall operate as a waiver thereof. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Agreement or to exercise any right or remedy thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or default in connection therewith. The waiver of any covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

11.2 Fees, Expenses and Other Payments. All Hart-Scott-Rodino filing fees shall be borne equally by Gearon and ATS, and all costs of preliminary title reports to a date reasonably proximate to the Closing Date and all costs of environmental studies shall be borne by ATS. All costs and expenses, incurred in connection with any transfer taxes, sales taxes, recording or documentary taxes, stamps or other charges levied by any Authority in connection with this Agreement and the consummation of the Merger shall be borne by ATS and all other costs and expenses incurred in connection with this Agreement and the consummation of the Merger, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

11.3 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 deemed to have been delivered (a) three (3) days after being mailed by first-class or express mail, postage prepaid, (b) the next day when sent overnight by recognized courier service, (c) upon confirmation when sent by telex, telegram, 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 (d) upon delivery when 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to Gearon or the Gearon Stockholder:

1760 The Exchange, N.W.
Suite 200
Atlanta, Georgia 30339
Attention: J. Michael Gearon, Jr., President
Telecopier No.: (770) 952-4999

with a copy to:

King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763
Attention: William H. Hess, Esq.
Telecopier No.: (404) 572-5100

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.

11.4 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Section 9.2(b) or Article 10, 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 pursuant to the provisions of this Agreement or Applicable Law 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.

11.5 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 effect of which is to affect materially and adversely any party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

11.6 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 such counterparts.

11.7 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.

11.8 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.

11.9 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 any 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.

11.10 Entire Agreement. This Agreement (together with the Gearon Disclosure Schedule, the Exhibits 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. 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) none of the parties has relied or will 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 (or such of the foregoing as are delivered at the Closing, (b) there are no covenants or agreements by or on behalf of any party or any of its respective Affiliates or representatives other than those expressly set forth in this Agreement and the 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 and the Collateral Documents. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NONE OF THE PARTIES 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.

11.11 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

11.12 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 11.11.

11.13 Mutual Drafting. This Agreement is the result of the joint efforts of Gearon and ATS, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there shall be no construction against any party based on any presumption of that party's involvement in the drafting thereof.

11.14 Due Diligence. Each of the parties shall have the right, during the period between the date hereof and 11:59 p.m., Eastern Standard Time, on December 1, 1997 (the "Due Diligence Period") (a) to continue their respective due diligence investigation of the other party and (b) to give notice to the other party that it is terminating this Agreement because such due diligence investigation has indicated that (i) a material adverse change in the other party has occurred of which the terminating party was unaware as of the date of this Agreement, (ii) a material breach of the representations and warranties of the other party has occurred of which the terminating party was unaware as of the date of this Agreement and the terminating party reasonably believes that such breach is not capable of being cured by the Termination Date, or (iii) in the case of ATS and ATSI, as the terminating party, ATS has reasonably determined that the Operating Cash Flow of Gearon for the quarter ending December 31, 1997 set forth in the financial projection included in Section 11.14 of the Gearon Disclosure Schedule is not likely to be achieved and the amount of such negative variance is reasonably likely to exceed 5 percent (5%); provided, however, that such negative variance shall not give rise to a termination right pursuant to the provisions of this Section if the amount of such variance is reasonably likely to be recouped in all material respects on or prior to March 31, 1998. In the event of any such termination, the terminating party shall give the other party written notice thereof prior to the expiration of the Due Diligence Period and, thereafter, the parties shall negotiate in good faith to determine the validity of the grounds of such termination and, if necessary, an adjustment in the Merger Consideration. If the parties are unable within ten (10) business days following the giving of any such termination notice to resolve their differences, either party may termination this Agreement, whereupon it shall become void, there shall be no liability on the part of any party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of any party shall cease; provided, however, that such termination shall not relieve any party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

American Tower Systems Corporation

By: /s/ Joseph L. Winn
Name: Joseph L. Winn
Title: Chief Financial Officer

American Tower Systems, Inc.

By: /s/ Joseph L. Winn
Name: Joseph L. Winn
Title: Chief Financial Officer

Gearon & Co., Inc.

By: /s/ J. Michael Gearon, Jr.
Name: J. Michael Gearon, Jr.
Title: President

Gearon Stockholder

/s/ J. Michael Gearon, Jr.
J. Michael Gearon, Jr.

DEFINITIONS

adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of the relevant party, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Merger, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Gearon Business or the business of ATS or ATSI, as applicable, or (c) impair such party's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of such party under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to constitute such a change, affect or effect.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, five percent (5%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, five percent (5%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Gearon Disclosure Schedule, the ATS Information Statement and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Alternative Transaction shall have the meaning given to it in Section 7.5.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

ATS shall have the meaning given to it in the Preamble.

ATS Class A Common Stock shall have the meaning given to it in Section 3.1(b).

ATS Financial Statements shall have the meaning given to it in Section 5.2

ATS Indemnified Parties shall have the meaning given to it in Section 10.2(a)

ATS Information Statement shall mean the Information Statement, draft dated November 17, 1997, describing the business of ATS and certain other matters heretofore delivered by ATS to Gearon.

ATS' knowledge (or words of similar import) shall mean the actual knowledge of any director or executive officer of ATS or ATSI, as such knowledge exists on the date of this Agreement, after reasonable review of appropriate ATS and ATSI records and after reasonable inquiry of appropriate ATS and ATSI employees.

ATS Noncompetition Agreements shall have the meaning given to it in Section 8.2(i).

ATS Private Placement shall mean the issue and sale by ATS of shares of ATS Common Stock to certain officers and directors of ATS (or their Affiliates) for an aggregate consideration of not less than $75.0 million, all as described in the ATS Information Statement.

ATSI shall have the meaning given to it in the Preamble.

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, or comparable agency or Entity, commission, corporation, court, department, instrumentality, mediator, panel, system or other political unit or subdivision or other Entity of any of the foregoing, whether domestic or foreign, including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the assets of Gearon or the conduct of the business of Gearon.

Cash Consideration shall have the meaning given to it in Section 3.1(b).

Certificate shall have the meaning given to it in Section 3.1(b).

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.2.

Closing Date shall have the meaning given to it in Section 2.2.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Documents shall mean the Indemnity Escrow Agreement, the ATS Noncompetition Agreements, the Gearon Employment Agreement, the Gearon Notes, the Gearon Security Agreement, the Gearon Investment Letters, the Certificate of Merger, the Articles of Merger, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Confidential Information shall have the meaning given to it in Section 7.1(a).

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the assets of Gearon or the conduct of the business of Gearon.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

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.

CTI shall have the meaning given to it in Section 8.2(q).

CTI Merger shall have the meaning given to it in Section 8.2(q).

GBCC shall have the meaning given to it in Section 2.1.

DCL shall have the meaning given to it in Section 2.1.

Distribution shall mean, with respect to any Person, (a) the declaration or payment of any dividend (except dividends payable in common stock of such Person) on or in respect of any shares of any class of capital stock of such Person or any shares of capital stock of any Subsidiary owned by a Person other than the Company or a Subsidiary, (b) the purchase, redemption or other retirement of any shares of any class of capital stock of such Person or any shares of capital stock of any Subsidiary of such Person owned by a Person other than such Person or a Subsidiary of such Person, and (c) any other distribution on or in respect of any shares of any class of capital stock of such Person or any shares of capital stock of any Subsidiary of such Person owned by a Person other than such Person or a Subsidiary of such Person.

Due Diligence Period shall have the meaning given to it in Section 11.14.

Effective Time shall have the meaning given to it in Section 2.3.

Employment Arrangement shall mean, with respect to Gearon, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Gearon or any Affiliate), or

providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Gearon Assets or the conduct of the Gearon Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Reports shall have the meaning given to it in Section 7.9.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Gearon under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Exchange Merger Consideration shall have the meaning given to it in Section 3.1(b).

FCA shall mean the Communications Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean generally accepted accounting principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Gearon shall have the meaning given to it in the Preamble and shall include CTI, it being understood, without limiting the generality of the foregoing, that the representations and warranties set forth in Article 4 and the Gearon Disclosure Schedule assume that the CTI Merger had been consummated immediately prior to the date of this Agreement, except as otherwise set forth in the Gearon Disclosure Schedule.

Gearon Assets shall have the meaning given to it in Section 4.4(a).

Gearon Business shall have the meaning given to it in Section 4.4(b).

Gearon Common Stock Consideration shall have the meaning given to it in Section 3.1(b).

Gearon Disclosure Schedule shall mean the Gearon Disclosure Schedule dated as of the date of this Agreement delivered by Gearon to ATS.

Gearon Employees shall have the meaning given it in Section 4.14.

Gearon Employees Consideration shall have the meaning given to it in Section 3.1(b).

Gearon Employment Agreement shall have the meaning given to it in Section 8.2(n).

Gearon Financial Statements shall have the meaning given to it in Section 4.2.

Gearon Investment Letters shall have the meaning given to it in Section 8.2(r).

Gearon Notes shall have the meaning given to it in Section 7.10.

Gearon Security Agreement shall have the meaning given to it in Section 7.10.

Gearon Shares shall have the meaning given to it in Section 3.1(b).

Gearon Stockholder shall have the meaning given to it in the Preamble.

Gearon's knowledge (or words of similar import) shall mean the actual knowledge of the Gearon Stockholder or any Gearon director or officer, as such knowledge exists on the date of this Agreement, after reasonable review of appropriate Gearon records and after reasonable inquiry of appropriate Gearon employees.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the Gearon Assets or the conduct of the Gearon Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Improvement Act of 1976, as from time to time in effect, or any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such

Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Gearon, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agreement shall have the meaning given to it in Section 8.2(o).

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other action, code, consent decree, constitution, decree, directive, enactment, finding, 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 of any Authority, domestic or foreign; (b) the common law, or other legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to

the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 10.2(a).

material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Gearon, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $50,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the Gearon Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the Gearon Business during the current fiscal year, (f) is with the United States Forest Service or any other Authority, or (g) involves the management by Gearon of any communication tower of any other Person.

Merger shall have the meaning given to it in the first Whereas paragraph.

Merger Consideration shall have the meaning given to it in Section 3.1(b).

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Net Working Capital shall mean, with respect to Gearon, the amount by which (a) the sum of (i) the current assets of Gearon and (ii) all amounts paid by Gearon subsequent to October 31, 1997 with respect to the construction of communications towers, exceeds (or is less than) (b) the sum of (i) the current liabilities of Gearon, and, without duplication, (ii) the principal on any Indebtedness, all as determined in accordance with GAAP consistently applied with the Gearon Financial Statements.

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, whether or not the right to subscribe for, purchase or otherwise acquire is immediately exercisable or is

conditioned upon the passage of time, the occurrence or non-occurrence or the existence or non-existence of some other Event.

Operating Cash Flow shall mean, with respect to Gearon, for any period: (a) net revenues of Gearon, determined in accordance with GAAP, for such period, less (b) operating expenses (inclusive of taxes and corporate overhead, selling and administrative expenses); provided, however, that such corporate overhead, selling and administrative expenses shall not include (i) non-cash operating expenses, (ii) any expense attributable to the issue of shares of Gearon Common Stock to the Gearon stockholders listed in Section 3.1(b)(i), or (iii) any expenses attributable to special cash bonuses paid to Gearon stockholders to the extent such bonuses are funded out of the sum of Net Working Capital at September 30, 1997 and cash capital contributions made to Gearon by the Gearon Stockholder subsequent to September 30, 1997.

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the Gearon Business or the businesses of ATS and ATSI, as the case may be, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Gearon and used or useful as of the date hereof in the conduct of the business or operations of the Gearon Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Gearon Assets or the conduct of the business of the Gearon Business.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned or used by Gearon as of the date hereof, in the operations of the Gearon Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Registration Rights Agreement shall have the meaning given to it in Section 8.2(p)

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 7.1(a).

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.

Settlement Proposal shall have the meaning given to it in Section 10.5.

Solvent shall mean, with respect to any Person on a particular date, that on such date (i) the fair value of the assets of such Person (both at fair valuation and at present fair saleable value) is, on the date of determination, greater than the total amount of liabilities, including, without limitation, contingent and unliquidated liabilities, of such Person, (ii) such Person is able to pay all liabilities of such Person as they mature, and (iii) such Person does not have unreasonably small capital with which to carry on its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. For purposes of this definition, "indebtedness" shall mean any liability on a claim, and "claim" shall mean (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal equitable, secured or unsecured, or (b) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Surviving Corporation shall have the meaning given to it in Section 2.1.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll,

employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Title Reports shall have the meaning given to it in Section 7.8.

Termination Date shall have the meaning given to it in Section 9.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the Merger and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 2.2

AMENDMENT NO. 1
TO
AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT No. 1 TO AGREEMENT AND PLAN OF MERGER is made as of January 22, 1998, among American Tower Systems Corporation, a Delaware corporation ("ATS"), American Tower Systems (Delaware), Inc., a Delaware corporation formerly known as American Tower Systems, Inc. ("ATSI"), Gearon & Co., Inc., a Georgia corporation ("Gearon"), and J. Michael Gearon, Jr. (the "Gearon Stockholder").

W I T N E S S E T H:

WHEREAS, ATS, ATSI, Gearon and the Gearon Stockholder are parties to an Agreement and Plan of Merger dated as of November 21, 1997 (the "Merger Agreement"); and

WHEREAS, ATS, ATSI, Gearon and the Gearon Stockholder have agreed to amend the Merger Agreement as set forth herein pursuant to Section 11.1 of the Merger Agreement;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.1(b) of the Merger Agreement is hereby deleted and the following new Section 3.1(b) is inserted in its place:

> "(b) Each share of Common Stock, no par value, of Gearon (the "Gearon Common Stock") issued and outstanding immediately prior to the Effective Time (other than shares held in the treasury of Gearon) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive its pro-rata share of the following:
>
> (i) with respect to Dan King Brainard, Jeff Ebihara and Doug Wiest, 555,555, 22,221 and 44,444 shares, respectively, of Class A Common Stock, par value $.01 per share, of ATS (the "ATS Class A Common Stock") (being a number of shares of ATS Class A Common Stock with an agreed upon fair market value of $5,000,000, $200,000 and $400,000, respectively, based on an agreed upon per share value of the ATS Class A Common Stock of $9.00, which ATS represents is not more than the price per share at which shares are to be sold pursuant to the ATS Private Placement) to be issued to each such Gearon stockholder in proportion to the number of shares of Gearon Common Stock held by such stockholder to the number of shares of Gearon Common Stock held by all such stockholders (the "Gearon Employees Consideration"); and

(ii) with respect to the Gearon Stockholder and The 1997 Gearon Family Trust, (A) 4,240,002 and 471,111 shares, respectively, of ATS Class A Common Stock (being a number of shares of ATS Class A Common Stock with an agreed upon fair market value of $42,400,000 based on an agreed upon per share value of the ATS Class A Common Stock of $9.00, which ATS represents is not more than the price per share at which shares are to be sold pursuant to the ATS Private Placement) (the "Gearon Common Stock Consideration"), and (B) $28.8 million and $3.2 million, respectively, in immediately available funds (the "Cash Consideration" and collectively, with the Gearon Common Stock Consideration, the "Merger Consideration" which term shall include any adjustment pursuant to the provisions of this Section).

Notwithstanding the foregoing, the Cash Consideration shall be (i) increased by an amount equal to the Net Working Capital of Gearon (if positive) on and as of the Closing Date, and (ii) decreased by an amount equal to the Net Working Capital of Gearon (if negative) on and as of the Closing Date. The term "Exchange Merger Consideration" shall mean an amount equal to the Gearon Employees Consideration or the Merger Consideration, as the case may be, divided by the aggregate number of shares of Gearon Common Stock (the "Gearon Shares") issued and outstanding at the Effective Time and held of record at the Effective Time by the Persons (x) named in paragraph (i), in the case of the Gearon Employees Consideration, and (y) named in paragraph (ii), in the case of the Gearon Common Stock Consideration and the Cash Consideration.

At the Effective Time, all Gearon Shares shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and certificates previously evidencing any such Gearon Shares (each, a "Certificate") shall thereafter represent the right to receive, upon the surrender of such Certificate in accordance with the provisions of Section 3.2, the Exchange Merger Consideration multiplied by the number of Gearon Shares represented by such Certificate, and a holder of more than one Certificate shall have the right to receive the Exchange Merger Consideration multiplied by the number of Gearon Shares represented by all such Certificates. In lieu of issuing fractional shares, ATS shall convert the holder's right to receive ATS Class A Common Stock pursuant to the provisions of this Section into a right to receive the highest whole number of shares of ATS Class A Common Stock constituting the Exchange Merger Consideration plus cash equal to the fraction of a share of ATS Class A Common Stock to which the holder would otherwise be entitled multiplied by $9.00, and the Exchange Merger Consideration to which a holder is entitled shall be deemed to be such number of shares of ATS Class A Common Stock, the Cash Consideration and such cash. The holders of such Certificates previously evidencing Gearon Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Gearon Shares, except as otherwise provided herein or by Applicable Law. "

2. The definitions of "Collateral Documents" and "Gearon" appearing in Appendix A of the Merger Agreement are each hereby deleted and the following new definitions are inserted in their places, respectively:

"Collateral Documents shall mean the Agreement and Plan of Merger by and among ATSI, Communications Towers, Inc. and the Gearon Stockholder, the Indemnity Escrow Agreement, the ATS Noncompetition Agreements, the Gearon Employment Agreement, the Gearon Notes, the Gearon Security Agreement, the Gearon Investment Letters, the Certificate of Merger, the Articles of Merger, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document."

"Gearon shall have the meaning given to it in the Preamble and shall include CTI, unless the context otherwise implies."

3. All references in the Merger Agreement and each Collateral Document to "American Tower Systems, Inc." are hereby deleted and replaced by the name "American Tower Systems (Delaware), Inc.," and all references to "ATSI" in the Merger Agreement and each Collateral Document shall be deemed to refer to American Tower Systems (Delaware), Inc.

4. Each of ATS, ATSI, Gearon and the Gearon Stockholder represents and warrants that all requisite corporate and other action necessary for the valid execution and delivery of this Amendment No. 1 has been duly and effectively taken.

5. Each capitalized term used herein without definition shall have the same meaning herein as is given to such term in the Merger Agreement.

6. The Merger Agreement as amended hereby is ratified and confirmed in all respects and shall continue in full force and effect.

7. This Amendment No. 1 may be executed in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems Corporation

By:_____
Name:
Title:

American Tower Systems (Delaware), Inc.

By:_____
Name:
Title:

Gearon & Co., Inc.

By:_____
Name:
Title:

Gearon Stockholder

J. Michael Gearon, Jr.

EXHIBIT 2.3

AGREEMENT AND PLAN OF MERGER

By and Between

AMERICAN TOWER SYSTEMS CORPORATION

and

AMERICAN TOWER CORPORATION

Dated as of

DECEMBER 12, 1997

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AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger, dated as of December 12, 1997, by and among American Tower Systems Corporation, a Delaware corporation ("ATS"), and American Tower Corporation, a Delaware corporation ("ATC").

W I T N E S S E T H:

WHEREAS, the Boards of Directors of ATC and ATS have determined that the merger (the "Merger") of ATC into ATS on the terms and conditions set forth in this Agreement and Plan of Merger (this "Agreement") is consistent with and in furtherance of the long-term business strategy of each, and is fair to, and in the best interests of, ATS, ATC and the stockholders of each; and

WHEREAS, this Agreement provides that ATC shall be merged with and into ATS, and ATS shall be the surviving corporation; and

WHEREAS, the Boards of Directors of ATC and ATS have approved and adopted this Agreement and have directed that this Agreement be submitted to the stockholders of ATC and ATS, respectively, for their adoption and approval; and

WHEREAS, the Board of Directors of American Radio Systems Corporation, a Delaware corporation ("ARS"), has approved and adopted this Agreement and approved the Merger on behalf of ARS as the sole stockholder of ATS;

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 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 shall have such meanings when used in the ATC Disclosure Schedule, the ATS Disclosure Schedule and each Collateral Document executed pursuant hereto or thereto or otherwise delivered 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.

ARTICLE 2

THE MERGER

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DCL"), ATC shall be merged with and into ATS. As a result of the Merger, the separate corporate existence of ATC shall cease and ATS shall continue as the surviving corporation in the Merger (sometimes referred to, as such, as the "Surviving Corporation").

2.2 Closing. Unless this Agreement shall have been terminated pursuant to Section 8.1 and subject to the satisfaction or, to the extent permitted by Applicable Law, waiver of the conditions set forth in Article 7, the closing of the Merger (the "Closing") will take place, at 10:00 a.m., on the Closing Date, at the offices of Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, on the date on which the Tower Distribution occurs (whether by reason of the CBS Merger or otherwise), unless another date, time or place is agreed to in writing by the parties. The date on which the Closing occurs is herein referred to as the "Closing Date."

2.3 Effective Time. Subject to the provisions of this Agreement, as promptly as practicable after the Closing, the parties hereto shall cause the Merger to be consummated by filing a Certificate of Merger in the form attached hereto as Exhibit A and made a part hereof (the "Certificate of Merger") and any related filings required under the DCL with the Secretary of State of the State of Delaware. The Merger shall become effective at such time as such documents are duly filed as aforesaid, or at such later time as is specified in such documents (the "Effective Time").

2.4 Effect of the Merger. The Merger shall have the effects provided for under the DCL.

2.5 Certificate of Incorporation. Subject to the consummation of the Merger, ATS shall file with the Secretary of State of the State of Delaware an Amended and Restated Certificate of Incorporation, in the form attached hereto as Exhibit B-1 and made a part hereof (the "ATS Existing Restated Certificate"), as amended to incorporate the principles set forth on Exhibit B-2 and made a part hereof, which principles will be incorporated in an Amended and Restated Certificate of Incorporation of ATS (the "ATS Restated Certificate") and which principles will control over any provision in the Existing ATS Restated Certificate, which shall be the Certificate of Incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by Applicable Law.

2.6 Bylaws. The bylaws of ATS in the form included as part of Section 2.5 of the ATS Disclosure Schedule modified to reflect the change of ATS' name to "American Tower Corporation" shall be the bylaws of the Surviving Corporation until amended in accordance with Applicable Law and the Organic Documents of ATS.

2.7 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified, or upon their earlier resignation or removal, in accordance with Applicable Law and the Organic Documents of ATS, (a) the directors of ATS at the Effective Time shall be the directors of the Surviving Corporation and Fred. R. Lummis and Randall Mays, and (b) the officers of ATS at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 3

CONVERSION OF SHARES; EXCHANGE OF CERTIFICATES

3.1 Conversion of Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of ATS or ATC or their respective stockholders:

(a) Each share of Common Stock, par value $.01 per share, of ATS (the "ATS Common Stock") issued and outstanding immediately prior to the Effective Time shall remain outstanding.

(b) Each share (each, an "ATC Share" and collectively the "ATC Shares") of Class A Common Stock, par value $.01 per share, of ATC and Class B Common Stock, par value $.01 per share, of ATC (collectively for both such classes, the "ATC Common Stock") issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive the number of shares (the "Merger Consideration") of Class A Common Stock, par value $.01 per share, of ATS (the "ATS Class A Common Stock") obtained by dividing the Aggregate Merger Shares by the number of shares of ATC Common Stock determined on a Fully-Diluted Basis immediately prior to the Effective Time (the "Exchange Ratio"). The parties acknowledge that the Exchange Ratio has been determined to give the ATC stockholders (assuming there are no Dissenting Shares) in the aggregate shares of ATS Class A Common Stock representing 35% of the Surviving Corporation's outstanding common stock determined on a Fully-Diluted Basis.

(c) Each share of ATC Common Stock owned by ATS or any of its Subsidiaries or ATC or any of its Subsidiaries immediately prior to the Effective Time shall automatically be canceled and extinguished without any conversion thereof and no payment shall be made with respect thereto.

(d) Each share of Senior Preferred Stock, par value $.01 per share, of ATC (the "ATC Preferred Stock"), issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive cash or other immediately available funds in the amount of $200.00 (the "Preferred Stock Merger Consideration").

In the event either the Gearon Transaction or the ATS Private Placement has not been consummated prior to the Effective Time, the parties hereto will negotiate in good faith to determine the net effect, if any, of the failure to so consummate either or both of the foregoing on the enterprise value of ATS. If the parties agree that the net effect of the failure of either or both of the Gearon Transaction and the ATS Private Placement to occur is a reduction in the ATS enterprise value, the parties shall also determine an appropriate adjustment of the number of Aggregate Merger Shares so that the Aggregate Merger Shares, as adjusted, constitute a higher percentage to reflect the relative enterprise values of ATS and ATC. The parties shall negotiate in good faith for fifteen (15) days following the request by either party to do so. Any mater not resolved within such fifteen (15)-day period shall be submitted to a nationally recognized, independent investment banking firm selected by agreement of the parties hereto. Within five (5) days after the selection of such firm, ATC and ATS shall each submit to such firm and the other its calculation of its proposed adjustment, together with its methodology. The parties shall instruct such to render a final and binding decision by selecting one of the two submitted adjustment proposals that more fairly represents, in the opinion of such firm, the adjustment required by reason of the enterprise reductions solely attributable to the items set forth above. The investment banking firm shall not have any discretion to select an adjustment other than one

of the two proposed. The parties shall instruct such firm to render its decision within fifteen (15) days after submission of the adjust. Each party shall cooperate in all reasonable respects with such firm in making its determination. The Termination Date shall be extended to allow for the foregoing discussions for the later of the fifteen (15)-day period the parties negotiate in good faith or, if they fail to reach agreement, for the period required by the investment banking firm to render its decision.

At the Effective Time, all ATC Shares shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and certificates previously evidencing any such ATC Shares (each, a "Certificate") shall thereafter represent the right to receive, upon the surrender of such Certificate in accordance with the provisions of Section 3.2, the Merger Consideration multiplied by the number of ATC Shares represented by such Certificate, and a holder of more than one Certificate shall have the right to receive the Merger Consideration multiplied by the number of ATC Shares represented by all such Certificates, or, in the case of a holder of Dissenting Shares, the right to perfect the right to receive payment for Dissenting Shares pursuant to Section 262 of the DCL. In lieu of any such fractional shares, each holder of ATC Common Stock who would otherwise have been entitled to receive a fraction of a share of ATS Class A Common Stock, upon surrender of Certificates for exchange pursuant to this Article, shall be entitled to receive a cash payment equal to such fraction multiplied by the closing price per share of ATS Class A Common Stock on the Nasdaq National Market ("Nasdaq") or, if not then traded on Nasdaq, on the principal stock exchange on which the ATS Class A Common Stock is admitted to trading, as reported by the Wall Street Journal, for the first trading day immediately following the Effective Time, and the Merger Consideration to which a holder is entitled shall be deemed to be such number of shares of ATS Class A Common Stock and such cash. The holders of such Certificates previously evidencing ATC Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such ATC Shares, except as otherwise provided herein or by Applicable Law.

At the Effective Time, all shares of ATC Preferred Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and certificates previously evidencing any such shares shall thereafter represent the right to receive, upon the surrender of certificates representing such shares in accordance with the provisions of Section 3.2, the Preferred Stock Merger Consideration multiplied by the number of shares of ATC Preferred Stock represented by such certificate, and a holder of more than one certificate shall have the right to receive the Preferred Stock Merger Consideration multiplied by the number of ATC Preferred Stock represented by all such certificates. The holders of such certificates previously evidencing shares of ATC Preferred Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such shares, except as otherwise provided herein or by Applicable Law.

3.2 Surrender of Certificates; Payment of Merger Consideration and Preferred Stock Merger Consideration. At and after the Effective Time, the Surviving Corporation shall issue to each holder of ATC Common Stock, upon surrender of each of his or its Certificates, a certificate of ATS Class A Common Stock representing the Merger Consideration with respect to the ATC Shares represented by such Certificate in accordance with the provisions of Section 3.1, plus cash in amount sufficient to make payment for fractional shares. In addition, the Surviving Corporation shall pay to each holder of ATC Preferred Stock, upon surrender of his or its stock certificate evidencing ownership of ATC Preferred Stock, in cash or immediately available funds by wire transfer to an account or accounts designated by ATC to ATS at least two (2) Business Days prior to the Closing, the sum of $200.00 multiplied by the number of shares of ATC Preferred Stock evidenced by such certificate. In the event any ATC stockholder has not delivered the certificate referred to in Section 6.28, the Surviving Corporation shall be entitled to withhold from delivery certificates for the ATS Class A Common Stock to which such stockholder would otherwise be entitled, a number of shares of ATS

Class A Common Stock required to enable the Surviving Corporation to comply with the applicable provisions of the Code.

3.3 Stock Transfer Books. At the Effective Time, the stock transfer books of ATC shall be closed, and there shall be no further transfer of shares of ATC Common Stock or ATC Preferred Stock thereafter on the records of ATC. Any Certificates representing ATC Shares or certificates representing shares of ATC Preferred Stock presented after the Effective Time for transfer shall be canceled and exchanged for the amount to which the ATC Shares or shares of ATC Preferred Stock represented thereby shall be entitled pursuant to Sections 3.1 and 3.2.

3.4 Dissenting Shares.

(a) Notwithstanding any other provision of this Agreement to the contrary, shares of ATC Common Stock that are outstanding immediately prior to the Effective Time and which are held by ATC stockholders who shall have not voted in favor of the Merger or consented thereto in writing and who shall be entitled to and shall have demanded properly in writing appraisal rights for such shares of ATC Common Stock in accordance with Section 262 of the DCL and who shall not have withdrawn such demand or otherwise have forfeited appraisal rights (collectively, the "Dissenting Shares"), shall not be converted into or represent the right to receive the Merger Consideration payable in respect of each share of ATC Common Stock represented thereby. Such ATC stockholders shall be entitled to receive payment of the appraised value of such shares of ATC Common Stock held by them in accordance with the provisions of the DCL; provided, however, that all Dissenting Shares held by ATC stockholders who shall have failed to perfect or who effectively shall have withdrawn, forfeited or lost their appraisal rights with respect to such shares of ATC Common Stock under the DCL shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive, without any interest thereon, the Merger Consideration upon surrender, in the manner provided in Section 3.2, of the Certificates with respect to such shares.

(b) ATC shall give ATS prompt notice of any demands for appraisal rights received by it, withdrawals of such demands, and any other instruments served pursuant to the DCL and received by ATC and relating thereto. ATC shall give ATS the opportunity to direct all negotiations and proceedings with respect to demands for appraisal rights under the provisions of the DCL. ATC shall not, except with the prior written consent of ATS, make any payment with respect to any demands for appraisal rights, or offer to settle, or settle, any such demands.

3.5 Option Securities and Convertible Securities; Payment Rights. At the Effective Time, subject to the provisions of Section 6.10, each outstanding Option Security and each Convertible Security of ATC, if any, whether or not then exercisable for or convertible into ATC Shares or other ATC securities, outstanding immediately prior to the Effective Time, shall be canceled and retired and shall cease to exist, and the holder thereof shall not be entitled to receive any consideration therefor.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATC

ATC hereby represents and warrants to ATS as follows (it being understood and agreed by the parties that, except as the context otherwise requires, the representations and warranties of ATC set forth in this Article shall apply to each of its Subsidiaries with the same force and effect as though each of them were named in each Section hereof):

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATC is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and is duly qualified and in good standing as a foreign corporation in each other jurisdiction (as shown on Section 4.1(a) of the ATC Disclosure Schedule) in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, except for such qualifications the failure of which to obtain, individually or in the aggregate, would not have a Material Adverse Effect on ATC.

(b) ATC has all requisite power and authority (corporate and other) and has in full force and effect all Governmental Authorizations and Private Authorizations necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto and to consummate the Transactions to which ATC is a party; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATC, other than the approval of the stockholders of ATC, and no other corporate proceedings on the part of ATC are necessary to authorize this Agreement or the transactions contemplated hereby or to consummate the Merger or the other transactions so contemplated (other than, with respect to the Merger, the ATC Required Vote). This Agreement has been duly executed and delivered by ATC and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATC will constitute, legal, valid and binding obligations of ATC, enforceable in accordance with their respective terms, except as such enforceability may be subject to bankruptcy, moratorium, insolvency, reorganization, arrangement, voidable preference, fraudulent conveyance and other similar laws relating to or affecting the rights of creditors and except as the same may be subject to the effect of general principles of equity. The provisions of Section 203 of the DCL will not apply to ATC by reason of this Agreement or the Merger. As of the date hereof, the Board of Directors of ATC, at a meeting duly called and held at which a quorum was present throughout, has approved the Merger and this Agreement, and has recommended that the ATC stockholders approve and adopt this Agreement and the transactions contemplated hereby, including without limitation the Merger and the ATC Voting Agreement and the acquisition by ATS of the "beneficial" ownership contemplated thereby.

(c) Except as set forth in Section 4.1(c) of the ATC Disclosure Schedule, neither the execution and delivery by ATC of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation of the Transactions by ATC, nor compliance with the terms, conditions and provisions hereof or thereof by ATC:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATC or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Material Agreement of ATC; or

(ii) will require ATC to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except as required by the Hart-Scott-Rodino Act and other than any of the foregoing that have been obtained.

(d) Except as set forth in Section 4.1(d) of the ATC Disclosure Schedule, ATC does not have any Subsidiaries, each of which is (i) wholly-owned unless noted otherwise in Section 4.1(d) of the ATC Disclosure Schedule, (ii) a corporation which is duly organized, validly existing and in good standing under the laws of the respective state of incorporation set forth opposite its name on Section 4.1(d) of the ATC Disclosure Schedule, and (iii) duly qualified and in good standing as a foreign corporation in each other jurisdiction (as shown on Section 4.1(d) of the ATC Disclosure Schedule) in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, with full power and authority (corporate and other) to carry on the business in which it is engaged, except for such qualifications the failure of which to obtain, individually or in the aggregate, would not have a Material Adverse Effect on ATC. ATC owns, directly or indirectly, all of the outstanding capital stock and equity interests (as shown in Section 4.1(d) of the ATC Disclosure Schedule) of each Subsidiary, free and clear of all Liens (except for Permitted Liens or except as described in the notes to the ATC Financial Statements or set forth in Section 4.1(d) of the ATC Disclosure Schedule), and all such stock or other equity interests has been duly authorized and validly issued and is fully paid and nonassessable. There are no outstanding Option Securities or Convertible Securities, or agreements or understandings of any nature whatsoever, relating to the authorized and unissued or outstanding capital stock or equity interests of any Subsidiary of ATC.

4.2 Financial and Other Information. The financial statements of ATC, furnished by ATC, and included in the ATS Information Statement (the "ATC Financial Statements"), including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 4.2 of the ATC Disclosure Schedule, and fairly present in all material respects the financial condition and the results of operations and cash flow of ATC, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

4.3 Material Statements and Omissions; Absence of Events. Neither any representation or warranty made by ATC contained in this Agreement or any certificate, document or other instrument or other information furnished or to be furnished by ATC pursuant to the provisions hereof (including without limitation information with respect to ATC furnished for inclusion in the ATS Prospectus and the ATS Registration Statement) nor the ATC Disclosure Schedule or the ATC Business Description contains or will contain any untrue statement of a material fact or omits or will 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 to the extent that any such information contains any financial projections, ATC represents and warrants only that such projections have been prepared in good faith on the basis of the ATC Financial Statements and other information and assumptions which ATC believes to be reasonable. Since the date of the most recent financial statements constituting a part of the ATC Financial Statements, except to the extent specifically described in Section 4.3 of the ATC Disclosure Schedule, there has been no change in ATC which has had a Material Adverse Effect on ATC. There is no Event known to ATC which has had, or (so far as ATC can now reasonably foresee) is likely to have, a Material Adverse Effect on ATC, except to the extent specifically described in Section 4.3 of the ATC Disclosure Schedule and except for matters affecting the tower rental, ownership and construction industry generally, including without limitation competition, regulation and resources or events arising out of the execution or public announcement of this Agreement.

4.4 Title to Properties; Leases.

(a) ATC has, to ATC's knowledge, good and indefeasible title to all of its real property (other than leasehold real property) and good title to all of its other assets (other than real property), tangible and intangible (the "ATC Assets"); all of such real property and other assets are so owned, in each case, free and clear of all Liens, except (i) Permitted Liens, and (ii) Liens described in the notes to the ATC Financial Statements or set forth on Section 4.4(a) of the ATC Disclosure Schedule. Except for financing statements evidencing Liens referred to in the preceding sentence, no financing statements under the Uniform Commercial Code and no other filing which names ATC as debtor or which covers or purports to cover any of the ATC Assets is on file in any state or other jurisdiction, and ATC has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as disclosed in Section 4.4(a) of the ATC Disclosure Schedule, all improvements on the real property owned or leased by ATC are, to ATC's knowledge, in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a Material Adverse Effect on ATC. Except as described in the notes to the ATC Financial Statements or disclosed in Section 4.4(a) of the ATC Disclosure Statement, all such improvements comply with all Applicable Laws, ATC Governmental Authorizations and ATC Private Authorizations, except where noncompliance is not reasonably likely to have a Material Adverse Effect on ATC. There is no pending or, to ATC's knowledge, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property constituting a material portion of the real property owned by ATC or, to ATC's knowledge, any real property leased by ATC. Except as described in the notes to the ATC Financial Statements or set forth in Section 4.4(a) of the ATC Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in ATC's reasonable business judgment, been maintained in a manner consistent with customary industry practices and currently permit the business of ATC (the "ATC Business") to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, ATC Governmental Authorizations and ATC Private Authorizations.

(b) Each Lease or other occupancy or other agreement under which ATC holds real or personal property constituting a part of the ATC Assets has been duly authorized, executed and delivered by or assigned to ATC and, to ATC's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of ATC, and, to ATC's knowledge, each of the other parties thereto, enforceable in accordance with its 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 , and except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATC. ATC has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property, subject to the terms of each such Lease and Applicable Law and except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATC. All of such Leases are valid and subsisting and in full force and effect, and neither ATC nor, to ATC's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATC.

4.5 Compliance with Private Authorizations. ATC has obtained all Private Authorizations (collectively, the "ATC Private Authorizations") which are necessary for the ownership or operation of the ATC Assets or the conduct of the ATC Business which, if not obtained and maintained, could, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ATC. All of the ATC Private Authorizations are valid and in good standing and are in full force and effect, except for such exceptions as are not reasonably likely to have a Material Adverse Effect on ATC. ATC is not in breach or violation of, or in default in the performance, observance or fulfillment of, any ATC Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any ATC Private Authorization, except for such defaults, breaches or violations as do not and are not reasonably likely to have in the aggregate a Material Adverse Effect on ATC. No ATC Private Authorization is the subject of any pending or, to ATC's knowledge, threatened attack, revocation or termination, except for such exceptions as are not reasonably likely to have a Material Adverse Effect on ATC.

4.6 Compliance with Governmental Authorizations and Applicable Law.

(a) ATC has obtained all Governmental Authorizations (collectively, the "ATC Governmental Authorizations") which are necessary for the ownership or operation of the ATC Assets or the conduct of the ATC Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any Material Adverse Effect on ATC. None of the ATC Governmental Authorizations is subject to any restriction or condition which would limit in a material respect the ownership or operations of the ATC Assets or the conduct of the ATC Business as currently conducted, except for restrictions and conditions generally applicable to ATC Governmental Authorizations of such type. The ATC Governmental Authorizations are valid and in good standing, are in full force and effect and are not impaired by any act or omission of ATC or its officers, directors, employees or agents, and the ownership or operation of the ATC Assets or the conduct of the ATC Business are in accordance with the ATC Governmental Authorizations, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATC. All material reports, forms and statements required to be filed by ATC with all Authorities with respect to the ATC Business have been filed and are true, complete and accurate in all material respects. No ATC Governmental Authorization is the subject of any pending or, to ATC's knowledge, threatened challenge or proceeding to revoke or terminate any ATC Governmental Authorization which, if revoked or terminated, would have a Material Adverse Effect on ATC.

(b) ATC is in compliance with all Applicable Laws, except where such noncompliance, individually or in the aggregate, has not had and is not reasonably like to have a Material Adverse Effect on ATC. Except as set forth in Section 4.6(b) of the ATC Disclosure Schedule, there are no Legal Actions of any kind pending or, to the knowledge of ATC, threatened at law, in equity or before any Authority against ATC.

4.7 Intangible Assets. Except as set forth in Section 4.7 of the ATC Disclosure Schedule, no Intangible Assets (except ATC Governmental Authorizations and ATC Private Authorizations) are required for the ownership or operation of the ATC Assets or the conduct of the ATC Business as currently owned, operated and conducted, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATC. ATC does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and ATC has not received any notice of any claim or infringement relating to any such Intangible Asset, except from ATS and except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATC.

4.8 Related Transactions. ATC is not a party or subject to any Contractual Obligation relating to the ownership or operation of the ATC Assets or the conduct of the ATC Business between ATC and any of its officers, directors or stockholders or, to the knowledge of ATC, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 4.14 of the ATC Disclosure Schedule, (ii) Contractual Obligations between ATC and any of its directors, stockholders or officers or any Affiliate of any of the foregoing, which will be terminated, at no cost or expense to ATC, prior to the Closing, (iii) as specifically set forth in Section 4.8 of the ATC Disclosure Schedule, or (iv) transactions related to payments that are a part of the $5.0 million allowance described in Section 6.0(a)(iv)(A).

4.9 Insurance. ATC maintains, with respect to the ATC Assets and the ATC Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are customary for companies engaged in similar businesses.

4.10 Tax Matters.

(a) ATC has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of ATC Financial Statements. The Tax Returns of ATC have been prepared in all material respects in accordance with all Applicable Laws. All Taxes which ATC is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. ATC has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of ATC for the fiscal years prior to and including the most recent fiscal year. ATC is not a "consenting corporation" within the meaning of Section 341(f) of the Code. ATC has at all times been taxable as a Subchapter C corporation under the Code, and has never been a member of any

consolidated group for Tax purposes, except as otherwise set forth in Section 4.10(a) of the ATC Disclosure Schedule.

(b) Federal and state income Tax Returns of ATC have not been examined by the IRS or applicable state Authority, and ATC has not been notified of any proposed examination, except as shown in Section 4.10(b) of the ATC Disclosure Schedule.

(c) ATC is not a party to any tax sharing agreement or arrangement with any other Person.

(d) All of the ATC stockholders are "U.S. persons" within the meaning of Section 7701(a)(30) of the Code. 4.11 Employee Retirement Income Security Act of 1974.

(a) ATC (which for purposes of this Section shall include any ERISA Affiliate of ATC) currently sponsors, maintains and contributes only to the Plans and Benefit Arrangements set forth in Section 4.11(a) of the ATC Disclosure Schedule. ATC has delivered or made available to ATS true, complete and correct copies of (i) each Plan and Benefit Arrangement (or, in the case of any unwritten Plans or Benefit Arrangements, reasonable descriptions thereof), (ii) the two most recent annual reports on Form 5500 (including all schedules and attachments thereto) filed with the Internal Revenue Service with respect to each Plan (if any such report was required by Applicable Law), (iii) the most recent summary plan description (or similar document) for each Plan for which such a summary plan description is required by Applicable Law or was otherwise provided to plan participants or beneficiaries, and (iv) each trust agreement and insurance or annuity contract or other funding or financing arrangement relating to any Plan. To the knowledge of ATC, each such Form 5500 and each such summary plan description (or similar document) does not, as of the date hereof, contain any material misstatements. ATC does not contribute to or have an obligation to contribute to, and has not at any time within six (6) years prior to the date of this Agreement contributed to or had an obligation to contribute to, and no Plan listed in Section 4.11(a) of the ATC Disclosure Schedule is, (i) an employee pension benefit plan within the meaning of Section 3(2) of ERISA, (ii) a Multiemployer Plan, or (iii) a Plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA. ATC has no actual or potential liability under Title IV of ERISA. ATC does not maintain any Plan that provides for post-retirement medical or life insurance benefits, and ATC does not have any obligation or liability with respect to any such Plan previously maintained by ATC, except as the provisions of COBRA may apply to any former employees of ATC. Except as set forth in Section 4.11(a) of the ATC Disclosure Schedule, as to all Plans and Benefit Arrangements listed in Section 4.11(a) of the ATC Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation in accordance with their respective terms, and with all Applicable Laws, in all material respects, and ATC has not received any notice from any Authority disputing or investigating such compliance;

(ii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iii) there are no Claims (other than routine Claims for benefits or actions seeking qualified domestic relations orders) pending or, to ATC's knowledge, threatened involving such Plans or the assets of such Plans, and, to ATC's knowledge, no facts exist which are reasonably likely to give rise to any such Claims (other than routine Claims for benefits or actions seeking qualified domestic relations orders);

(iv) all material contributions to, and material payments from, the Plans and Benefit Arrangements that may have been required to be made in accordance with the terms of the Plans and Benefit Arrangements, and any applicable collective bargaining agreement, have been made. All such contributions to, and payments from, the Plans and Benefit Arrangements, except those payments to be made from a trust qualified under Section 401(a) of the Code, for any period ending before the Closing Date that are not yet, but will be, required to be made, will be properly accrued and reflected on the financial books and records of ATC;

(v) No act, omission or transaction has occurred which would result in imposition on ATC of (A) any breach of fiduciary duty liability damages under Section 409 of ERISA, (B) a civil penalty assessed pursuant to subsections (c), (i) or (l) of Section 502 of ERISA or (C) a tax imposed pursuant to Chapter 43 of Subtitle D of the Code;

(vi) ATC has not incurred any material liability to a Plan (other than for contributions not yet due) which liability has not been fully paid or accrued for payment as of the date hereof;

(vii) except as otherwise contemplated by this Agreement or the ATC Disclosure Schedule, no current or former employee of ATC will be entitled to any additional benefits or any acceleration of the time of payment or vesting of any benefits under any Plan or Benefit Arrangement as a result of the transactions contemplated by this Agreement;

(viii) no compensation payable by ATC to any of its employees under any existing Plan, Benefit Arrangement (including by reason of the transactions contemplated hereby) will be subject to disallowance under Section 162(m) of the Code;

(ix) any amount that could be received (whether in cash or property or the vesting of property) as a result of any of the transactions contemplated by this Agreement by any employee, officer, director or independent contractor of ATC who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation Section 1.280G-1) under any employment arrangement would not be characterized as an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code), except for any amount that is approved by the stockholders of ATC on or before the Closing Date in the manner provided in Section 280G(b)(5) of the Code; and

(x) there are no outstanding options (or contractual obligations to issue options) to acquire ATC Common Stock or other ATC securities other than options held by employees or directors of ATC and issued under Benefit Arrangements (the aggregate number of which are as set forth in Section 4.11(a) of the ATC Disclosure Schedule).

(b) The execution, delivery and performance by ATC of this Agreement and the Collateral Documents executed or required to be executed by ATC pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code with respect to any Plan listed in Section 4.11(a) of the ATC Disclosure Schedule.

4.12 Absence of Sensitive Payments. Neither ATC nor, to ATC's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the ATC Assets or the ATC Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any illegal purpose or made any false or artificial entries on its books.

4.13 Bank Accounts, Etc. Section 4.13 of the ATC Disclosure Schedule contains a true, accurate and complete list as of the date hereof of all banks, trust companies, savings and loan associations and brokerage firms in which ATC has an account or a safe deposit box and the names of all Persons authorized to draw thereon, to have access thereto, or to authorize transactions therein, the names of all Persons, if any, holding valid and subsisting powers of attorney from ATC and a summary statement as to the terms thereof.

4.14 Employment Arrangements. Section 4.14 of the ATC Disclosure Schedule contains a true, accurate and complete list of all employees of ATC and its Subsidiaries as of the date of this Agreement (the "ATC Employees"), together with each such employee's title or the capacity in which he or she is employed and each such employee's compensation. ATC has no obligation or liability, contingent or other, under any Employment Arrangement with any ATC Employee, other than (i) those listed or described in Section 4.11(a) or Section 4.14 of the ATC Disclosure Schedule, (ii) those incurred in the ordinary and usual course of business, or (iii) such obligations or liabilities as do not and will not have, in the aggregate, any Material Adverse Effect on ATC. Except as described in Section 4.14 of the ATC Disclosure Schedule, (a) none of the ATC Employees is now, or since January 1, 1995 has been, represented by any labor union or other employee collective bargaining organization, and ATC is not, and never has been, a party to any labor or other collective bargaining agreement with respect to any of the ATC Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither ATC nor any of such employees is now, or since January 1, 1995 has been, subject to or involved in or, to ATC's knowledge, threatened with, any union elections, petitions therefor or other organizational or recruiting activities, in each case with respect to the ATC Employees, and (d) none of the ATC Employees has notified ATC that he or she does not intend to continue employment with ATC until the Closing or with ATS following the Closing. ATC has performed in all material respects all obligations required to be performed under all Employment Arrangements of ATC and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

4.15 Material Agreements. Listed on Section 4.15 of the ATC Disclosure Schedule are all Material Agreements relating to the ownership or operation of the ATC Assets or the conduct of the ATC Business or to which ATC is a party or to which it is bound or which any of the ATC Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by ATC to ATS. All of such Material Agreements are valid, binding and legally enforceable obligations of ATC, 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. ATC has complied with all of the material terms and conditions of each such Material Agreement and has not done or

performed, or failed to do or perform (and there is no pending or, to the knowledge of ATC, threatened in writing Claim with which ATC has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of ATC under any of such Material Agreements, except for such noncompliances, acts or omissions that, individually or in the aggregate, have not had and will not have a Material Adverse Effect on ATC. Without limiting the generality of the foregoing, Section 4.15 of the ATC Disclosure Schedule sets forth a true, correct and complete description of all material acquisitions pending or which are actively being negotiated and the current status of all such acquisitions, except for those which ATC cannot disclose due to its obligations to maintain the same in confidence, none of which, if consummated on the terms and conditions currently being negotiated, will have a Material Adverse Effect on ATC.

4.16 Ordinary Course of Business. Since September 30, 1997, except (i) as may be described on Section 4.16 of the ATC Disclosure Schedule, or (ii) as may be required or expressly permitted or contemplated by the terms of this Agreement, ATC:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with past practice, it being understood that the acquisition and financing of communications sites and related assets and other business involved in the communications sites industry and the construction of communications towers and related assets is part of the ordinary course of business of ATC;

(b) except in each case in the ordinary course of business, consistent with past practice, it being understood that the acquisition and financing of communications sites and related assets and other business involved in the communications sites industry and the construction of communications towers and related assets is part of the ordinary course of business of ATC:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $100,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $100,000;

(iii) has not entered into any individual commitment having a value in excess of $100,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property, except for Permitted Liens;

(d) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(e) except in the ordinary course of business consistent with past practice, has not increased the compensation payable or to become payable to any of the ATC Employees or otherwise materially altered, modified or changed the terms of their employment;

(f) has not suffered any damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority that has had or is reasonably likely to have a Material Adverse Effect on ATC;

(g) has not waived any rights of material value without fair and adequate consideration;

(h) has not experienced any work stoppage;

(i) except in the ordinary course of business, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of ATC; and

(j) has not made, paid or declared any Distribution.

4.17 Material and Adverse Restrictions. ATC is not a party to or subject to, nor is any of the ATC Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which now has or, as far as ATC can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any Material Adverse Effect on ATC, except as set forth in Section 4.17 of the ATC Disclosure Schedule and except for matters affecting the tower rental and construction industry generally.

4.18 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Merger in the capacity of broker, agent or finder or in any similar capacity on behalf of ATC or, to the knowledge of ATC, any of the ATC stockholders which, in any case, will result in liability to the Surviving Corporation which was not reflected in the financial information heretofore furnished by ATC to ATS.

4.19 Solvency. As of the execution and delivery of this Agreement, ATC is, and immediately prior to the consummation of the Merger will be, Solvent.

4.20 Environmental Matters. Except as set forth in Section 4.20 of the ATC Disclosure Schedule, with respect to the ATC Assets and the ATC Business, ATC:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to ATC's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) has obtained all Environmental Permits required under Environmental Laws, and has filed all applications, notices and other documents required to be filed prior to the date of this

Agreement to effect the timely renewal or issuance of all Environmental Permits for the continued conduct of its business in the manner now conducted;

(e) is in compliance in all material respects with all Environmental Laws, and is not the subject of or, to ATC's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability, including any Lien, with respect to violations or breaches of any Environmental Law;

(f) has provided ATS with copies of all environmental site assessments, audits or other investigatory reports in its possession that pertain to any property currently owned, leased, operated or occupied by ATC;

(g) has not installed or used any above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation on any property currently owned, leased or operated by ATC and, to ATC's knowledge, there are no above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation or any property currently owned, leased or operated by ATC;

(h) has not disposed of, released, spilled or buried any Hazardous Materials (nor has any Person acting on its behalf done so) in violation of Environmental Laws on any property or facility owned, leased, operated or occupied by ATC or to ATC's knowledge at any facility or site to which Hazardous Materials from or generated by ATC may have been taken at any time in the past;

(i) has no knowledge of any disposal, release, spill or burial of any Hazardous Materials by ATC (or any Person acting on its behalf) on any property which could reasonably be expected to result or has resulted in contamination which requires investigation, remediation or other response activity on or beneath any properties or facilities currently owned, leased, operated or occupied by ATC; and

(j) has no knowledge of any past or present Event related to ATC's properties, operations or business, which Event, individually or in the aggregate, could reasonably be expected to interfere with or prevent continued material compliance with all Environmental Laws applicable to the conduct of ATC's business in the manner now conducted, or which, individually or in the aggregate, could reasonably be expected to form the basis of any material Claim against ATC in connection with the release or threatened release into the environment of any Hazardous Material.

4.21 Capital Stock. The authorized and outstanding capital stock of ATC is as set forth in Section 4.21 of the ATC Disclosure Schedule. All of such outstanding capital stock has been duly authorized and validly issued, is fully paid and nonassessable and is owned of record and, to ATC's knowledge, beneficially as shown in Section 4.21 of the ATC Disclosure Schedule. Except as described in Section 4.21 of the ATC Disclosure Schedule, ATC has not granted or issued, nor has ATC agreed to grant or issue, any shares of its capital stock or any Option Security or Convertible Security, and ATC is not a party to or bound by any agreement, put or commitment pursuant to which it is obligated to purchase, redeem or otherwise acquire any shares of capital stock or any Option Security or Convertible Security. The affirmative vote of the holders of a majority of the shares of ATC Common Stock (the "ATC Required Vote") is the only unobtained vote necessary to approve and adopt this Agreement and the transactions contemplated by this Agreement. As of the date of this Agreement, [e] votes constituted a majority of the outstanding voting power of the ATC Common Stock.

4.22 State Takeover Statutes. To ATC's knowledge, no state takeover Law, statute or similar statute or regulation applies or purports to apply to the Merger, this Agreement or any of the transactions contemplated by this Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF ATS

ATS hereby represents and warrants to ATC as follows (it being understood and agreed by the parties that, except as the context otherwise requires, the representations and warranties of ATS set forth in this Article shall apply to each of its Subsidiaries with the same force and effect as though each of them were named in each Section hereof):

5.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, except for such qualifications the failure of which to obtain, individually or in the aggregate, would not have a Material Adverse Effect on ATS.

(b) ATS has all requisite power and authority (corporate and other) and has in full force and effect all Governmental Authorizations and Private Authorizations necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto and to consummate the Transactions to which ATS is a party; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS, including without limitation by the requisite approval of ARS, as the sole stockholder of ATS, and no other corporate proceedings on the part of ATS are necessary to authorize this Agreement or the transactions contemplated hereby or to consummate the Merger or the other transactions so contemplated. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, enforceable in accordance with their respective terms, except as such enforceability may be subject to bankruptcy, moratorium, insolvency, reorganization, arrangement, voidable preference, fraudulent conveyance and other similar laws relating to or affecting the rights of creditors and except as the same may be subject to the effect of general principles of equity.

(c) Except as set forth in Section 5.1(c) of the ATS Disclosure Schedule, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation of the Transactions by ATS, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Material Agreement of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except as required by the Hart-Scott-Rodino Act and other than any of the foregoing that have been obtained.

(d) Except as set forth in Section 5.1(d) of the ATS Disclosure Schedule, ATS does not have any Subsidiaries, each of which is (i) wholly-owned unless noted otherwise in Section 5.1(d) of the ATS Disclosure Schedule, (ii) an Entity which is duly organized, validly existing and in good standing under the laws of the respective state of organization, and (iii) duly qualified and in good standing as a foreign corporation or other Entity in each other jurisdiction in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, with full power and authority (corporate and other) to carry on the business in which it is engaged, except for such qualifications the failure of which to obtain, individually or in the aggregate, would not have a Material Adverse Effect on ATS. ATS owns, directly or indirectly, all of the outstanding capital stock and equity interests of each Subsidiary, free and clear of all Liens (except for Permitted Liens or except as set forth on Section 5.1(d) of the ATS Disclosure Schedule), and all such stock or other equity interests has been duly authorized and validly issued and is fully paid and nonassessable. There are no outstanding Option Securities or Convertible Securities, or agreements or understandings of any nature whatsoever, relating to the authorized and unissued or outstanding capital stock or equity interests of any Subsidiary of ATS, except as set forth in Section 5.1(d) of the ATS Disclosure Schedule with respect to the noncorporate Subsidiaries of ATS.

5.2 Financial and Other Information. The financial statements of ATS, furnished by ATS, and included in the ATS Information Statement (the "ATS Financial Statements"), including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 5.2 of the ATS Disclosure Schedule, and fairly present in all material respects the financial condition and the results of operations and cash flow of ATS, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

5.3 Material Statements and Omissions; Absence of Events. Neither any representation or warranty made by ATS contained in this Agreement or any certificate, document or other instrument or other information furnished or to be furnished by ATS pursuant to the provisions hereof (including without limitation information with respect to ATS included in the ATS Prospectus and the ATS Registration Statement) nor the ATS Disclosure Schedule or the ATS Information Statement contains or will contain any untrue statement of a material fact or omits or will 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 to the extent that any such information contains any financial projections, ATS represents and warrants only that such projections have been prepared in good faith on the basis of the

ATS Financial Statements and other information and assumptions which ATS believes to be reasonable. Since the date of the most recent financial statements constituting a part of the ATS Financial Statements, except to the extent specifically described in Section 5.3 of the ATS Disclosure Schedule, there has been no change in ATS which has had a Material Adverse Effect on ATS. There is no Event known to ATS which has had, or (so far as ATS can now reasonably foresee) is likely to have, a Material Adverse Effect on ATS, except to the extent specifically described in Section 5.3 of the ATS Disclosure Schedule and except for matters affecting the tower rental, ownership and construction industry generally, including without limitation competition, regulation and resources or events arising out of the execution or public announcement of this Agreement.

5.4 Title to Properties; Leases.

(a) ATS has, to ATS' knowledge, good and indefeasible title to all of its real property (other than leasehold real property) and good title to all of its other assets (other than real property), tangible and intangible (the "ATS Assets"); all of such real property and other assets are so owned, in each case, free and clear of all Liens, except (i) Permitted Liens, and (ii) Liens set forth on Section 5.4(a) of the ATS Disclosure Schedule. Except for financing statements evidencing Liens referred to in the preceding sentence, no financing statements under the Uniform Commercial Code and no other filing which names ATS as debtor or which covers or purports to cover any of the ATS Assets is on file in any state or other jurisdiction, and ATS has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as disclosed in Section 5.4(a) of the ATS Disclosure Schedule, all improvements on the real property owned or leased by ATS are, to ATS' knowledge, in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a Material Adverse Effect on ATS. Except as disclosed in Section 5.4(a) of the ATS Disclosure Statement, all such improvements comply with all Applicable Laws, ATS Governmental Authorizations and ATS Private Authorizations, except where noncompliance is not reasonably likely to have a Material Adverse Effect on ATS. There is no pending or, to ATS' knowledge, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property constituting a material portion of the real property owned by ATS or, to ATS' knowledge, any real property leased by ATS. Except as set forth in Section 5.4(a) of the ATS Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in ATS' reasonable business judgment, been maintained in a manner consistent with customary industry practices and currently permit the business of ATS (the "ATS Business") to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, ATS Governmental Authorizations and ATS Private Authorizations.

(b) Each Lease or other occupancy or other agreement under which ATS holds real or personal property constituting a part of the ATS Assets has been duly authorized, executed and delivered by or assigned to ATS and, to ATS' knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of ATS, and, to ATS' knowledge, each of the other parties thereto, enforceable in accordance with its 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 , and except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse

Effect on ATS. ATS has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property, subject to the terms of each such Lease and Applicable Law and except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATS. All of such Leases are valid and subsisting and in full force and effect, and neither ATS nor, to ATS' knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATS.

5.5 Compliance with Private Authorizations. ATS has obtained all Private Authorizations (collectively, the "ATS Private Authorizations") which are necessary for the ownership or operation of the ATS Assets or the conduct of the ATS Business which, if not obtained and maintained, could, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ATS. All of the ATS Private Authorizations are valid and in good standing and are in full force and effect, except for such exceptions as are not reasonably likely to have a Material Adverse Effect on ATS. ATS is not in breach or violation of, or in default in the performance, observance or fulfillment of, any ATS Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any ATS Private Authorization, except for such defaults, breaches or violations as do not and are not reasonably likely to have in the aggregate a Material Adverse Effect on ATS. No ATS Private Authorization is the subject of any pending or, to ATS' knowledge, threatened attack, revocation or termination, except for such exceptions as are not reasonably likely to have a Material Adverse Effect on ATS.

5.6 Compliance with Governmental Authorizations and Applicable Law.

(a) ATS has obtained all Governmental Authorizations (collectively, the "ATS Governmental Authorizations") which are necessary for the ownership or operation of the ATS Assets or the conduct of the ATS Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any Material Adverse Effect on ATS. None of the ATS Governmental Authorizations is subject to any restriction or condition which would limit in a material respect the ownership or operations of the ATS Assets or the conduct of the ATS Business as currently conducted, except for restrictions and conditions generally applicable to ATS Governmental Authorizations of such type. The ATS Governmental Authorizations are valid and in good standing, are in full force and effect and are not impaired by any act or omission of ATS or its officers, directors, employees or agents, and the ownership or operation of the ATS Assets or the conduct of the ATS Business are in accordance with the ATS Governmental Authorizations, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATS. All material reports, forms and statements required to be filed by ATS with all Authorities with respect to the ATS Business have been filed and are true, complete and accurate in all material respects. No ATS Governmental Authorization is the subject of any pending or, to ATS' knowledge, threatened challenge or proceeding to revoke or terminate any ATS Governmental Authorization which, if revoked or terminated, would have a Material Adverse Effect on ATS.

(b) ATS is in compliance with all Applicable Laws, except where such noncompliance, individually or in the aggregate, has not had and is not reasonably like to have a Material Adverse Effect on ATS. Except as set forth in Section 5.6(b) of the ATS Disclosure Schedule, there are no

5.7 Intangible Assets. Except as set forth in Section 5.7 of the ATS Disclosure Schedule, no Intangible Assets (except ATS Governmental Authorizations and ATS Private Authorizations) are required for the ownership or operation of the ATS Assets or the conduct of the ATS Business as currently owned, operated and conducted, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATS. ATS does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and ATS has not received any notice of any claim or infringement relating to any such Intangible Asset, except for such exceptions to the foregoing as, individually or in the aggregate, have not had and will not have any Material Adverse Effect on ATS.

5.8 Related Transactions. ATS is not a party or subject to any material Contractual Obligation relating to the ownership or operation of the ATS Assets or the conduct of the ATS Business between ATS and any of its officers, directors or stockholders or, to the knowledge of ATS, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 5.13 of the ATS Disclosure Schedule, (ii) Contractual Obligations between ATS and any of its directors, stockholders or officers or any Affiliate of any of the foregoing, which are on arms' length terms and conditions, (iii) as specifically set forth in Section 5.8 of the ATS Disclosure Schedule; provided, however, that the foregoing representation and warranty shall not apply to the fact that prior to the consummation of the CBS Merger, all administrative, accounting, corporate, data processing and other informational, financial, human resources services, legal and other support services will have been provided by ARS to ATS and without which services ATS could not operate in the ordinary course of business. Following consummation of the Merger, a sufficient number of the individuals presently providing such services to ATS on behalf of ARS will continue to be available to provide services consistent with past practice to ATS so that ATS will be able to operate in the ordinary course of business.

5.9 Insurance. ATS maintains, with respect to the ATS Assets and the ATS Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are customary for companies engaged in similar businesses.

5.10 Tax Matters.

(a) ATS has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of ATS Financial Statements. The Tax Returns of ATS have been prepared in all material respects in accordance with all Applicable Laws. All Taxes which ATS is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. ATS has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of ATS for the fiscal years prior to and including the most recent fiscal year. ATS is not a "consenting corporation" within the meaning of Section 341(f) of the Code.

ATS has at all times been taxable as a Subchapter C corporation under the Code, and has never been a member of any consolidated group for Tax purposes, except as a member of the consolidated group with ARS and all of its Subsidiaries which can be consolidated for Federal income tax purposes.

(b) Federal and state income Tax Returns of ATS have not been examined by the IRS or applicable state Authority, and ATS has not been notified of any proposed examination, except as shown in Section 5.10(b) of the ATS Disclosure Schedule.

(c) ATS is not a party to any tax sharing agreement or arrangement with any other Person, except as set forth in Section 5.10(c) of the ATS Disclosure Schedule.

5.11 Employee Retirement Income Security Act of 1974.

(a) ATS (which for purposes of this Section shall include any ERISA Affiliate of ATS) currently sponsors, maintains and contributes only to the Plans and Benefit Arrangements set forth in Section 5.11(a) of the ATS Disclosure Schedule. ATS has delivered or made available to ATC true, complete and correct copies of (i) each Plan and Benefit Arrangement (or, in the case of any unwritten Plans or Benefit Arrangements, reasonable descriptions thereof), (ii) the two most recent annual reports on Form 5500 (including all schedules and attachments thereto) filed with the Internal Revenue Service with respect to each Plan (if any such report was required by Applicable Law), (iii) the most recent summary plan description (or similar document) for each Plan for which such a summary plan description is required by Applicable Law or was otherwise provided to plan participants or beneficiaries, and (iv) each trust agreement and insurance or annuity contract or other funding or financing arrangement relating to any Plan. To the knowledge of ATS, each such Form 5500 and each such summary plan description (or similar document) does not, as of the date hereof, contain any material misstatements. ATS does not contribute to or have an obligation to contribute to, and has not at any time within six (6) years prior to the date of this Agreement contributed to or had an obligation to contribute to, and no Plan listed in Section 5.11(a) of the ATS Disclosure Schedule is, (i) a Multiemployer Plan, or (ii) a Plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA. ATS has no actual or potential liability under Title IV of ERISA. ATS does not maintain any Plan that provides for post-retirement medical or life insurance benefits, and ATS does not have any obligation or liability with respect to any such Plan previously maintained by ATS, except as the provisions of COBRA may apply to any former employees of ATS. Except as set forth in Section 5.11(a) of the ATS Disclosure Schedule, as to all Plans and Benefit Arrangements listed in Section 5.11(a) of the ATS Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation in accordance with their respective terms, and with all Applicable Laws, in all material respects, and ATS has not received any notice from any Authority disputing or investigating such compliance;

(ii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iii) there are no Claims (other than routine Claims for benefits or actions seeking qualified domestic relations orders) pending or, to ATS' knowledge, threatened involving such Plans or the assets of such Plans, and, to ATS' knowledge, no facts exist which are

reasonably likely to give rise to any such Claims (other than routine Claims for benefits or actions seeking qualified domestic relations orders);

(iv) all material contributions to, and material payments from, the Plans and Benefit Arrangements that may have been required to be made in accordance with the terms of the Plans and Benefit Arrangements, and any applicable collective bargaining agreement, have been made. All such contributions to, and payments from, the Plans and Benefit Arrangements, except those payments to be made from a trust qualified under Section 401(a) of the Code, for any period ending before the Closing Date that are not yet, but will be, required to be made, will be properly accrued and reflected on the financial books and records of ATS;

(v) No act, omission or transaction has occurred which would result in imposition on ATS of (A) any breach of fiduciary duty liability damages under Section 409 of ERISA, (B) a civil penalty assessed pursuant to subsections (c), (i) or (l) of Section 502 of ERISA or (C) a tax imposed pursuant to Chapter 43 of Subtitle D of the Code;

(vi) ATS has not incurred any material liability to a Plan (other than for contributions not yet due) which liability has not been fully paid or accrued for payment as of the date hereof;

(vii) except as otherwise contemplated by this Agreement or the ATS Disclosure Schedule, no current or former employee of ATS will be entitled to any additional benefits or any acceleration of the time of payment or vesting of any benefits under any Plan or Benefit Arrangement as a result of the transactions contemplated by this Agreement;

(viii) no compensation payable by ATS to any of its employees under any existing Plan, Benefit Arrangement (including by reason of the transactions contemplated hereby) will be subject to disallowance under Section 162(m) of the Code;

(ix) any amount that could be received (whether in cash or property or the vesting of property) as a result of any of the transactions contemplated by this Agreement by any employee, officer, director or independent contractor of ATS who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation Section 1.280G-1) under any employment arrangement would not be characterized as an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code),;

(x) all such Plans maintained by ATS that are intended to comply with Sections 401 and 501 of the Code comply in all material respects with all applicable requirements of such sections, and no Event has occurred which is known to ATS which will give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code and each such Plan has been the subject of a determination letter from the Internal Revenue Service to the effect that such Plan and related trust is qualified and exempt from Federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code; no such determination letter has been revoked, and, to the knowledge of ATS, revocation has not been threatened. ATS has delivered or made available to ATC a copy of the most recent determination letter received with respect to each Plan for which such a letter has been issued, as well as a copy of any pending application for a determination letter. ATS has also

provided or made available to ATC a list of all Plan amendments as to which a favorable determination letter has not yet been received;

(xi) no Plan which is an employee stock ownership plan (an "ESOP") constitutes a leveraged employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code and there are no unallocated shares of stock of ATS currently held under any such ESOP in a suspense account; and

(xii) there are no outstanding options (or contractual obligations to issue options) to acquire ATS Common Stock or other ATS securities other than options held by employees or directors of ATS and issued under Benefit Arrangements (the aggregate number of which are as set forth in Section 5.11(a) of the ATS Disclosure Schedule).

(b) The execution, delivery and performance by ATS of this Agreement and the Collateral Documents executed or required to be executed by ATS pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code with respect to any Plan listed in Section 5.11(a) of the ATS Disclosure Schedule.

5.12 Absence of Sensitive Payments. Neither ATS nor, to ATS' knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the ATS Assets or the ATS Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any illegal purpose or made any false or artificial entries on its books.

5.13 Employment Arrangements. ATS has no obligation or liability, contingent or other, under any Employment Arrangement with any employee of ATS or any of its Subsidiaries (the "ATS Employees"), other than (i) those listed or described in Section 5.11(a) or Section 5.13 of the ATS Disclosure Schedule, (ii) those incurred in the ordinary and usual course of business, or (iii) such obligations or liabilities as do not and will not have, in the aggregate, any Material Adverse Effect on ATS. Except as described in Section 5.13 of the ATS Disclosure Schedule, (a) none of the ATS Employees is now, or since its organization has been, represented by any labor union or other employee collective bargaining organization, and ATS is not, and never has been, a party to any labor or other collective bargaining agreement with respect to any of the ATS Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threat of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither ATS nor any of such employees is now, or since its organization has been, subject to or involved in or, to ATS' knowledge, threatened with, any union elections, petitions therefor or other organizational or recruiting activities, in each case with respect to the ATS Employees, and (d) none of the ATS Employees has notified ATS that he or she does not intend to continue employment with ATS until the Closing or with ATS following the Closing. ATS has performed in all material respects all obligations required to be performed under all Employment Arrangements of ATS and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

5.14 Material Agreements. Listed on Section 5.14 of the ATS Disclosure Schedule are all Material Agreements relating to the ownership or operation of the ATS Assets or the conduct of the ATS Business or to which ATS is a party or to which it is bound or which any of the ATS Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by ATS to ATC. All of such

Material Agreements are valid, binding and legally enforceable obligations of ATS, 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. ATS has complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of ATS, threatened in writing Claim with which ATS has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of ATS under any of such Material Agreements, except for such noncompliances, acts or omissions that, individually or in the aggregate, have not had and will not have a Material Adverse Effect on ATS. Without limiting the generality of the foregoing, Section 5.14 of the ATS Disclosure Schedule sets forth a true, correct and complete description of all material acquisitions pending or which are actively being negotiated and the current status of all such acquisitions, except for those which ATS cannot disclose due to its obligations to maintain the same in confidence, none of which, if consummated on the terms and conditions currently being negotiated, will have a Material Adverse Effect on ATS.

5.15 Ordinary Course of Business. Since September 30, 1997, except (i) as may be described on Section 5.15 of the ATS Disclosure Schedule, or (ii) as may be required or expressly permitted or contemplated by the terms of this Agreement, ATS:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with past practice, it being understood that the acquisition and financing of communications sites and related assets and other business involved in the communications sites industry and the construction of communications towers and related assets is part of the ordinary course of business of ATS;

(b) except in each case in the ordinary course of business, consistent with past practice, it being understood that the acquisition and financing of communications sites and related assets and other business involved in the communications sites industry and the construction of communications towers and related assets is part of the ordinary course of business of ATS:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $100,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $100,000;

(iii) has not entered into any individual commitment having a value in excess of $100,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property, except for Permitted Liens;

(d) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(e) except in the ordinary course of business consistent with past practice, has not increased the compensation payable or to become payable to any of the ATS Employees or otherwise materially altered, modified or changed the terms of their employment;

(f) has not suffered any damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority that has had or is reasonably likely to have a Material Adverse Effect on ATS;

(g) has not waived any rights of material value without fair and adequate consideration;

(h) has not experienced any work stoppage;

(i) except in the ordinary course of business, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of ATS; and

(j) has not made, paid or declared any Distribution.

5.16 Material and Adverse Restrictions. ATS is not a party to or subject to, nor is any of the ATS Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which now has or, as far as ATS can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any Material Adverse Effect on ATS, except as set forth in Section 5.16 of the ATS Disclosure Schedule and except for matters affecting the tower rental and construction industry generally.

5.17 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Merger in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS or, to the knowledge of ATS, ARS which, in each case, will result in liability to the Surviving Corporation which was not reflected in the financial information heretofore furnished by ATS to ATC.

5.18 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to the consummation of the Merger will be, Solvent.

5.19 Environmental Matters. Except as set forth in Section 5.19 of the ATS Disclosure Schedule, with respect to the ATS Assets and the ATS Business, ATS:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to ATS' knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) has obtained all Environmental Permits required under Environmental Laws, and has filed all applications, notices and other documents required to be filed prior to the date of this Agreement to effect the timely renewal or issuance of all Environmental Permits for the continued conduct of its business in the manner now conducted;

(e) is in compliance in all material respects with all Environmental Laws, and is not the subject of or, to ATS' knowledge, threatened with any Legal Action involving a demand for damages or other potential liability, including any Lien, with respect to violations or breaches of any Environmental Law;

(f) has provided ATC with copies of all environmental site assessments, audits or other investigatory reports in its possession that pertain to any property currently owned, leased, operated or occupied by ATS;

(g) has not installed or used any above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation on any property currently owned, leased or operated by ATS and, to ATS' knowledge, there are no above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation or any property currently owned, leased or operated by ATS;

(h) has not disposed of, released, spilled or buried any Hazardous Materials (nor has any Person acting on its behalf done so) in violation of Environmental Laws on any property or facility owned, leased, operated or occupied by ATS or to ATS' knowledge at any facility or site to which Hazardous Materials from or generated by ATS may have been taken at any time in the past;

(i) has no knowledge of any disposal, release, spill or burial of any Hazardous Materials by ATS (or any Person acting on its behalf) on any property which could reasonably be expected to result or has resulted in contamination which requires investigation, remediation or other response activity on or beneath any properties or facilities currently owned, leased, operated or occupied by ATS; and

(j) has no knowledge of any past or present Event related to ATS' properties, operations or business, which Event, individually or in the aggregate, could reasonably be expected to interfere with or prevent continued material compliance with all Environmental Laws applicable to the conduct of ATS' business in the manner now conducted, or which, individually or in the aggregate, could reasonably be expected to form the basis of any material Claim against ATS in connection with the release or threatened release into the environment of any Hazardous Material.

5.20 Capital Stock. The authorized and outstanding capital stock of ATS is as set forth in Section 5.20 of the ATS Disclosure Schedule. All of such outstanding capital stock has been duly authorized and validly issued, is fully paid and nonassessable and is owned of record and, to ATS' knowledge, beneficially by ARS. Except as described in Section 5.20 of the ATS Disclosure Schedule, ATS has not granted or issued, nor has ATS agreed to grant or issue, any shares of its capital stock or any Option Security or Convertible Security, and ATS is not a party to or bound by any agreement, put or commitment pursuant to which it is obligated to purchase, redeem or otherwise acquire any shares of capital stock or any Option Security or

Convertible Security. The shares of ATS Class A Common Stock to be issued pursuant to consummation of the Merger or upon exercise of the ATS Options have been duly authorized and, when so issued, will be validly issued, fully paid and nonassumable, and all such shares have been duly reserved for issuance pursuant to such consummation or exercise.

5.21 State Takeover Statutes. To ATS' knowledge, no state takeover Law, statute or similar statute or regulation applies or purports to apply to the Merger, this Agreement or any of the transactions contemplated by this Agreement.

5.22 ATS Private Placement. ATS and the Persons named in the ATS Information Statement (and possible other Persons) intend to enter into binding and definitive documentation substantially on the terms and conditions described in the ATS Information Statement with respect to the ATS Private Placement. Pursuant to such documentation, ATS and such Persons will have agreed to purchase shares of ATS Class B Common Stock for a per share purchase price of not less than $9.00 per share and for an aggregate purchase price equal to not less than $80.0 million on such other terms and conditions not materially less favorable, in the aggregate, to ATS than those described in the ATS Information Statement.

5.23 ARS Organization and Business; Power and Authority; Effect of Transaction.

(a) ARS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted and is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which the character of the property owned or leased by it or the nature of its business or operations requires such qualification, except for such qualifications the failure of which to obtain, individually or in the aggregate, would not have a Material Adverse Effect on ARS.

(b) ARS has all requisite power and authority (corporate and other) and has in full force and effect all Governmental Authorizations and Private Authorizations necessary to enable it to execute and deliver, and to perform its obligations under, the CBS Merger Agreement and each agreement or other document executed or required to be executed by it pursuant thereto, including without limitation the ATS Separation Agreement, and to consummate the CBS Merger and the Tower Distribution; and the execution, delivery and performance of the CBS Merger Agreement and each agreement or other document executed or required to be executed by ARS pursuant thereto, including without limitation the ATS Separation Agreement, have been duly authorized by all requisite corporate or other action on the part of ARS, and no other corporate proceedings on the part of ARS, including without limitation that of the ARS common stockholders, are necessary to authorize the CBS Merger Agreement or the transactions contemplated thereby, including without limitation the ATS Separation Agreement, or to consummate the CBS Merger and the Tower Distribution. The CBS Merger Agreement has been duly executed and delivered by ARS and constitutes, and each agreement or other document executed or required to be executed by it pursuant thereto or to consummate the CBS Merger and the Tower Distribution, when executed and delivered by ARS will constitute, legal, valid and binding obligations of ARS, enforceable in accordance with their respective terms, except as such enforceability may be subject to bankruptcy, moratorium, insolvency, reorganization, arrangement, voidable preference, fraudulent conveyance and other similar laws relating to or affecting the rights of creditors and except as the same may be subject to the effect of general principles of equity. No consent or approval from the stockholders of ARS is required to consummate the Merger (including the issuance of the Merger Consideration) or the Tower Distribution, except

that a waiver of the restricted payments covenant of the Certificate of Designation with respect to the ARS Cumulative Preferred Stock (the "ARS Preferred Certificate") will be required from the holders thereof in order to effect the Tower Distribution, whether pursuant to the CBS Merger Agreement or otherwise.

(c) Except as set forth in Section 5.23(c) of the ATS Disclosure Schedule or in Section 5.23(b), neither the execution and delivery by ARS of the CBS Merger Agreement or any agreement or other document executed or required to be executed by it pursuant thereto, nor the consummation of the CBS Merger or the Tower Distribution by ARS, nor compliance with the terms, conditions and provisions hereof or thereof by ARS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ARS or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Material Agreement of ARS; or

(ii) will require ARS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except as required by the Hart-Scott-Rodino Act and other than any of the foregoing that have been obtained.

ARTICLE 6

COVENANTS

6.1 Access to Information; Confidentiality.

(a) Each party shall afford to the other party and its accountants, counsel, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of its (and its Subsidiaries') properties, books, contracts, commitments and records (including without limitation Tax Returns), but excluding any of the foregoing that are or may become the subject of, and not disclosable under, the terms of any confidential agreement (the "Restricted Information") and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by either party pursuant to the requirements of any Applicable Law (including without limitation the FCA) or filed by it with any Authority in connection with the Merger or any other report, schedule or documents which may have a material effect on the businesses, operations, properties, prospects, personnel, condition, (financial or other), or results of operations of their respective businesses, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed or controlled by it or its accountants deemed by each party or its Representatives necessary or useful for the purpose of performing an audit of the business and assets of ATC and ATS, as applicable, and, in the case of ATS, certifying financial statements and financial information pursuant to the provisions of Section 7.2(d), and (iii) such other information concerning any of the foregoing as ATS or ATC shall reasonably request, other than any Restricted Information. All Confidential Information furnished pursuant to the provisions of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior

written consent of the party disclosing such Confidential Information, which consent shall not be unreasonably withheld, delayed or conditioned, be disclosed by the other party in any manner whatsoever, in whole or in part, and, except as required by Applicable Law, shall not be used for any purposes, other than in connection with the Merger (including without limitation in connection with any registration, proxy or information statement or similar document filed pursuant to any federal or state securities Law) . Except as otherwise herein provided, each party agrees to reveal such Confidential Information only to those of its Representatives or other Persons who need to know such Confidential Information for the purpose of evaluating and consummating the Merger who are informed of its confidential nature. For purposes of this Agreement, "Confidential Information" shall mean any and all information (excluding information that (i) has been or is obtained from a source independent of the disclosing party, (ii) is or becomes generally available to the public other than as a result of unauthorized disclosure by the receiving party, or (iii) is independently developed by the receiving party without reliance in any way on information provided by the disclosing party) related to the business or businesses of ATS and its Affiliates, on the one hand, or ATC and its Affiliates, on the other hand, including any of their respective successors and assigns.

(b) In the event that this Agreement is terminated in accordance with its terms, each party shall promptly redeliver all written Confidential Information provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Merger and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than, in the event any Legal Action or Claim is then pending, threatened or reasonably likely to be asserted, one copy thereof which shall be delivered to independent counsel for such party.

(c) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto.

(d) The provisions of this Section shall apply to all Subsidiaries of ATC and ATS.

6.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Merger according to the terms and subject to the conditions hereof, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, anything which could impede or impair the consummation of the Merger according to the terms and subject to the conditions hereof or the consummation of the other Transactions according to the terms and subject to the conditions hereof, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Merger by all such applicable Authorities, (ii) to obtain all necessary or appropriate waivers, consents and approvals, (iii) to effect all necessary registrations, filings and submissions (including without limitation, if required, filings within ten (10) business days of the date of this Agreement under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the ATC Assets and the ATC Business), (iv) to lift any injunction or other legal bar to the Merger (and, in such case, to proceed with the Merger as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 7, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date (other than those that

speak as of a specific date which need only be true and correct as of such date) of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) ATC shall cooperate and use its reasonable business efforts to cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have ATC's or ATS' independent accountants prepare audited financial statements for ATC described in Section 7.2(d). ATC will use its reasonable business efforts to ensure that such financial statements will have been prepared in accordance with GAAP applied on a basis consistent with the ATC Financial Statements and will present fairly in all material respects the financial condition, results of operation and cash flow of ATC. Without limiting the generality of the foregoing, ATC agrees that it will (i) consent to the use of such audited financial statements in any registration, proxy or information statement or other document filed by ATS or any of its Affiliates under the Securities Act or the Exchange Act and (ii) execute and deliver, and cause its officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS' or ATC's independent accountants may reasonably request under the circumstances.

(c) Without limiting the generality of the foregoing, as promptly as practicable after the execution of this Agreement, ATS and ATC shall, at the written request of the other made from time to time within thirty (30) days of the date of this Agreement, deliver or cause to be delivered to ATC or ATS, as the case may be, copies of (i) all title report and title insurance and (ii) Phase I environmental site assessment reports or other environmental reports or studies in their possession with respect to real property owned or leased by such party. Each of ATS and ATC (an "investigating party") may at its own cost and expense obtain, and deliver to the other party (the "owning party") full and complete copies of, preliminary title reports and/or Phase I environmental site assessment reports (or other environmental reports or studies) with respect to any real property owned or leased by the owning party (i) which is not covered by a title or environmental report delivered to the investigating party or (ii) with respect to which the title or environment report so furnished, in the reasonable business judgment of the investigating party, raises questions of (x) defects in title, in the case of title reports, or (y) potential liability, in the case of Phase I environmental site assessment reports (or other environmental reports or studies) which, in the case of title defects or potential liability has had or could reasonably be expected to have a Material Adverse Effect on the owning or leasing party. Site assessments shall be conducted by such consultants and professionals as ATS and ATC shall mutually agree and shall be arranged at times mutually convenient to the parties. Each of ATC and ATS shall be entitled to have representatives present at the time such site assessments are conducted, and to have copies of all correspondence with any environmental company conducting the site assessment pursuant to the provisions of this Section.

(d) ATC agrees that prior to the Closing Date it will not make or permit to be made any change affecting any bank, trust company, savings and loan association, brokerage firm or safe deposit box or in the names of the Persons authorized to draw thereon, to have access thereto or to authorize transactions therein or in such powers of attorney, or open any additional accounts or boxes or grant any additional powers of attorney, without in each case notifying ATS in writing on or prior to the Closing Date.

6.3 Public Announcements. Until the Closing or the termination of this Agreement, each party shall consult with the other before issuing any press release or otherwise making any public statements with

respect to this Agreement or the Merger and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, the parties acknowledge and agree that they may, without each other's prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case the disclosing party shall use its reasonable business efforts to consult with the other party and agree upon the nature, content and form of such disclosure, press release or other statement.

6.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event of which such party becomes aware the occurrence or non-occurrence of which would be reasonably likely to cause (a) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any material respect or (b) any failure made by it to comply with or satisfy, or be able to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement in any material respect, such that, in any such case, one or more of the conditions of Closing would not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the rights and remedies available hereunder to the party receiving such notice or the obligations of the party delivering such notice and shall not, in any event, affect the representations, warranties, covenants and agreements of the parties or the conditions to their respective obligations under this Agreement.

6.5 No Solicitation. Neither ATC nor ATS shall, nor shall either of them knowingly permit any of its or any of their Representatives or, with respect to ATS, permit ARS (including, without limitation, any officer, director, stockholder or any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction applicable to it, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction applicable to it, or agree to or endorse any Alternative Transaction applicable to it. If ATC or ATS or any of its Representatives receives any inquiry with respect to an Alternative Transaction applicable to it while this Agreement is in effect, ATC or ATS, as the case may be, shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to such an Alternative Transaction. The provisions of this Section shall apply to all Subsidiaries of ATC and ATS.

6.6 Conduct of Business by ATS Pending the Merger. Without limiting any other covenant or agreement of ATS set forth in this Agreement, except as otherwise permitted or contemplated by this Agreement, including without limitation pursuant to the ATS Separate Agreement and, in the case of paragraphs (a) and (b)(ii) and (iii), the Tower Distribution, after the date hereof and prior to the Closing Date or earlier termination of this Agreement unless ATC shall otherwise agree in writing, ATS shall, and shall cause its Subsidiaries, to:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, it being understood that the acquisition of communications sites and related assets and other business involved in the communications sites industry and the construction and maintenance of communications towers and related assets is part of the ordinary course of business of ATS; provided, however, that any such acquisition or construction activity shall be subject to the other paragraphs of this Section, including without limitation paragraphs (d) and (l);

(b) not (i) amend or propose to amend their respective Organic Documents, (ii) split, combine or reclassify (whether by stock dividend or otherwise) its outstanding capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of, or in substitution for shares of its capital stock, or (iii) declare, set aside or pay any dividend or distribution payable in cash, stock, property or otherwise;

(c) not issue, sell, transfer, assign, convey, pledge or dispose of, or agree to issue, sell, transfer, assign, convey, pledge or dispose of, any shares of ATS Common Stock, Convertible Securities, Option Securities or other equity securities;

(d) not (i) incur or become contingently liable with respect to any Indebtedness for Money Borrowed other than (x) borrowings, in addition to those permitted or consented to pursuant to the provisions of clause (y) immediately following, not to exceed the sum of (I) the principal amount of borrowings presently outstanding and (II) $5.0 million in the aggregate outstanding at any one time, and (y) borrowings necessary to finance acquisitions and construction projects permitted or consented pursuant to the provisions of paragraph (l) below, (ii) redeem, purchase, acquire or offer to purchase or acquire any shares of its capital stock, Convertible Securities or Option Securities (iii) sell, lease, license, pledge, dispose of or encumber any properties or assets or sell any businesses other than (A) pursuant to agreements which are described in Section 6.6(d) of the ATS Disclosure Schedule, (B) Liens arising in accordance with the provisions of indebtedness in effect on the date hereof and in accordance with their present terms, and (C) leases of towers and shelter space to third-party customers, or (iv) make any loans, advances or capital contributions to, or investments in, any other Person, except to officers and employees of ATS for travel, business or relocation expenses in the ordinary course of business consistent with past practices;

(e) use reasonable business efforts to preserve intact its business organization and goodwill, keep available the services of its present officers and key employees, and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely impact the transactions contemplated by this Agreement;

(f) at ATC's reasonable request, confer on a regular basis with one or more representatives of ATC to report material operational matters and the general status of ongoing operations, including without limitation the status of pending and prospective acquisitions and of the CBS Merger, including the satisfaction of the conditions to consummation thereof, to the extent permitted or not restricted by confidentiality provisions;

(g) not adopt, enter into, amend or terminate any employment, severance, special pay arrangement with respect to employment or termination of employment or other similar arrangements or agreements with any directors, officers or key employees;

(h) maintain with financially responsible insurance companies insurance on the ATS Assets and the ATS Business in such amounts and against such risks and losses as are consistent with past practice;

(i) not make any Tax election that could reasonably be likely to have a Material Adverse Effect on ATS or settle or compromise any material income Tax liability;

(j) except in the ordinary course of business, not modify or amend in any material adverse manner or terminate any Material Agreement to which ATS is a party or by which any of the ATS Assets may be bound or to which any of them may be subject or waive, release or assign any material rights or claims thereunder;

(k) not make any material change to its accounting methods, principles or practices, except as may be required by GAAP;

(l) not enter into or agree to enter into any Restricted Transaction (or group of related Restricted Transactions), whether for its own account or for any other Person, if (i) the aggregate amount reasonably expected to be expended by ATS or any of its Subsidiaries in connection with such individual Restricted Transaction (together with any group of related Restricted Transactions) exceeds $5.0 million, or (ii) the aggregate amount to be expended in connection with all Restricted Transactions (together with any group of related Restricted Transactions) exceeds $20.0 million; provided, however, that the foregoing restriction shall not apply to any Restricted Transaction pursuant to agreements which are described in Section 6.6(l) of the ATS Disclosure Schedule. (ATC agrees not to unreasonably withhold, delay or condition a consent to any Restricted Transaction as to which ATS has requested its consent pursuant to the provisions of this Section, it being understood that any such consent shall not, however, relieve ATS from the obligation to comply with the provisions of this Agreement (other than, to the extent so consented to, paragraph (d) hereof) and shall not be deemed to be a waiver of any condition of ATC's obligations to consummate the Merger set forth in Section 7.3);

(m) except as set forth in Section 5.13 of the ATS Disclosure Schedule, (i) not grant to any executive officer or other key employee of ATS any increase in compensation, except for normal increases in the ordinary course of business consistent with past practice, (ii) not grant to any such executive officer any increase in severance or termination pay, (iii) not adopt or amend any Plan or Benefit Arrangement (including change any actuarial or other assumption used to calculate funding obligations with respect to any Plan, or change the manner in which contributions to any Plan are made or the basis on which such contributions are determined) and (iv) except in the ordinary course, not enter into, amend in any material respect or terminate any Governmental Authorization, material Private Authorization or Contract, except, for purposes of this clause (iv) only, as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ATS;

(n) not voluntarily take or permit to be taken any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 5.15 of the ATS Disclosure Schedule, other than as permitted or not restricted by the preceding provisions of this Section 6.6; and

(o) not authorize or enter into any agreement that would violate any of the foregoing.

6.7 Conduct of Business by ATC Pending the Merger. Without limiting any other covenant or agreement of ATC set forth in this Agreement, except as otherwise permitted or contemplated by this Agreement, or as set forth or described in the ATC Disclosure Schedule, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise consent in writing, ATC shall, and shall cause its Subsidiaries to:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, it being understood that the acquisition of communications sites and related assets and other business involved in the communications sites industry and the construction and maintenance of communications towers and related assets is part of the ordinary course of business of ATC; provided, however, that any such acquisition or construction activity shall be subject to the other paragraphs of this Section, including without limitation paragraphs (d) and (l);

(b) not (i) amend or propose to amend their respective Organic Documents, (ii) split, combine or reclassify (whether by stock dividend or otherwise) its outstanding capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of, or in substitution for shares of its capital stock, or (iii) declare, set aside or pay any dividend or distribution payable in cash, stock, property or otherwise;

(c) not issue, sell, transfer, assign, convey, pledge or dispose of, or agree to issue, sell, transfer, assign, convey, pledge or dispose of, any shares of ATC Common Stock, Convertible Securities, Option Securities or other equity securities;

(d) not (i) incur or become contingently liable with respect to any Indebtedness for Money Borrowed other than (x) borrowings, in addition to those permitted or consented to pursuant to the provisions of clause (y) immediately following, not to exceed $2.5 million in the aggregate outstanding at any one time, (y) borrowings necessary to fund finance acquisitions or construction projects permitted pursuant to the provisions of paragraph (l) below or to fund bonus payments and transaction fees permitted by the provisions of this Agreement, and (z) up to $4.5 million of subordinated borrowings to exercise redemption rights with respect to ATC's preferred stock, (ii) redeem, purchase, acquire or offer to purchase or acquire any shares of its capital stock, Convertible Securities or Option Securities (iii) sell, lease, license, pledge, dispose of or encumber any properties or assets (except for nonstrategic assets that in the aggregate have a fair market value of less than $1.0 million) or sell any businesses other than (A) pursuant to agreements which are described in Section 6.7(d) of the ATC Disclosure Schedule, (B) Liens arising in accordance with the provisions of indebtedness in effect on the date hereof and in accordance with their present terms, and (C) leases of towers and shelter space to third-party customers or (iv) make any loans, advances or capital contributions to, or investments in, any other Person, except to officers and employees of ATC for travel, business or relocation expenses in the ordinary course of business consistent with past practices;

(e) use reasonable business efforts to preserve intact its business organization and goodwill, keep available the services of its present officers and key employees (other than individuals identified to ATS prior to date hereof with specific reference to this provision), and preserve the goodwill and business relationships with customers and others having business relationships with them and not engage in any action, directly or indirectly, with the intent to adversely impact the transactions contemplated by this Agreement;

(f) at ATS' reasonable request, confer on a regular basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations, including without limitation the status of pending and prospective acquisitions to the extent permitted or not restricted by confidentiality provisions;

(g) not adopt, enter into, amend or terminate any employment, severance, special pay arrangement with respect to employment or termination of employment or other similar arrangements or agreements with any directors, officers or key employees;

(h) maintain with financially responsible insurance companies insurance on the ATC Assets and the ATC Business in such amounts and against such risks and losses as are consistent with past practice;

(i) not make any Tax election that could reasonably be likely to have a Material Adverse Effect on ATC or settle or compromise any material income Tax liability;

(j) except in the ordinary course of business, not modify or amend in a manner materially adverse to ATC or terminate any Material Agreement to which ATC is a party or by which any of the ATC Assets may be bound or to which any of them may be subject or waive, release or assign any material rights or claims thereunder;

(k) not make any material change to its accounting methods, principles or practices, except as may be required by GAAP;

(l) not enter into or agree to enter into any Restricted Transactions (or group of related Restricted Transactions), whether for its own account or for any other Person, if (i) the aggregate amount reasonably expected to be expended by ATC or any of its Subsidiaries in connection with such individual Restricted Transaction (together with any group of related Restricted Transactions) exceeds $5.0 million, or (ii) the aggregate amount to be expended in connection with all Restricted Transactions (together with any group of related Restricted Transactions) exceeds $20.0 million; provided, however, that the foregoing restriction shall not apply to any Restricted Transaction pursuant to agreements which are described in Section 6.7(l) of the ATC Disclosure Schedule. (ATS agrees not to unreasonably withhold, delay or condition a consent to any Restricted Transaction as to which ATC has requested its consent pursuant to the provisions of this Section, it being understood that any such consent shall not, however, relieve ATC from the obligation to comply with the provisions of this Agreement (other than, to the extent so consented to, paragraph (d) hereof) and shall not be deemed to be a waiver of any condition of ATS' obligations to consummate the Merger set forth in Section 7.2);

(m) except as set forth in Section 4.14 of the ATC Disclosure Schedule, (i) not grant to any executive officer or other key employee of ATC any increase in compensation, except for normal increases in the ordinary course of business consistent with past practice or as required under Benefit Arrangements in effect as of September 30, 1997, (ii) not grant to any such executive officer any increase in severance or termination pay, except as was required under any Benefit Arrangements in effect as of September 30, 1997, (iii) not adopt or amend any Plan or Benefit Arrangement (including change any actuarial or other assumption used to calculate funding obligations with respect to any Plan, or change the manner in which contributions to any Plan are made or the basis on which such contributions are determined) and (iv) except in the ordinary course, not enter into, amend in any material respect or terminate any Governmental Authorization, material Private Authorization or Contract, except, for purposes of this clause (iv) only, as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on ATC;

(n) not voluntarily take or permit to be taken any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 4.16 of the ATC Disclosure Schedule, other than as permitted or not restricted pursuant to the provisions of this Section 6.7; and

(o) not authorize or enter into any agreement that would violate any of the foregoing.

6.8 Directors', Officers' and Employees' Indemnification and Insurance.

(a) The Organic Documents of ATS shall contain provisions no less favorable with respect to indemnification than are set forth in the Organic Documents of ATS, as in effect on the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years from the Effective Time in any manner that would affect adversely the rights thereunder of individuals who at any time prior to the Effective Time were directors, officers or employees of ATC or any of its Subsidiaries, unless such modification shall be required by Applicable Law.

(b) From and after the Effective Time, ATS shall indemnify, defend and hold harmless the present and former officers, directors and employees of ATC or any of its Subsidiaries (collectively, the "Indemnified Parties") against all losses, expenses, claims, damages, liabilities or amounts that are paid in settlement of, or otherwise in connection with any claim, action, suit, proceeding or investigation (as used in this Section, a "claim"), based in whole or in part on the fact that the Indemnified Party (or the Person controlled by the Indemnified Party) is or was a director, officer or employee of ATC or any of its Subsidiaries and arising out of actions or omissions occurring at or prior to the Effective Time (including, without limitation, in connection with this Agreement, the Merger and the transactions contemplated hereby), whether asserted or claimed prior to, at or after the Effective Time, in each case to the fullest extent permitted under the DCL (and shall pay any expenses, as incurred, in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted under the DCL). Without limiting the foregoing, in the event any such claim is brought against any of the Indemnified Parties, (i) such Indemnified Parties may retain counsel (including local counsel) satisfactory to them and which shall be reasonably satisfactory to ATS and ATS shall pay all reasonable fees and expenses of such counsel for such Indemnified Parties; and (ii) ATS shall use its best efforts to assist in the defense of any such claim; provided, however, that ATS shall not be liable for any settlement effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

(c) ATS will use its best efforts to cause to be maintained for a period of not less than six (6) years from the Effective Time a directors' and officers' insurance and indemnification policy that provides coverage for events occurring on or prior to the Effective Time ("D&O Insurance") for all Persons who are directors and officers of ATC or any of its Subsidiaries on the date of this Agreement, so long as the annual premium therefor would not be in excess of $500,000. If any then existing D&O Insurance expires, is terminated or canceled during such six-year period, ATS will use its best efforts to cause to be obtained as much D&O Insurance as can be obtained for the remainder of such period for an annualized premium not in excess of $500,000, on terms and conditions no less advantageous to the covered Persons than the then existing D&O Insurance.

(d) In the event ATS or any of their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any

person, then and in each such case, proper provisions shall be made so that the successors and assigns of ATS shall assume the obligations set forth in this Section.

(e) This Section is intended to be for the benefit of, and shall be enforceable by, the Indemnified Parties, their heirs and personal representatives and shall be binding on ATS and its successors and assigns. ATS shall furnish ATC with a copy of the D&O insurance complying with the provisions of this Section 6.8 at or prior to the Closing.

6.9 ATC Employees and Benefit Plans.

(a) Notwithstanding any provision in this Agreement to the contrary, on or prior to the Closing Date, ATC may (i) take any action permitted under Paragraph VIII(c) of ATC's 1995 Stock Option Plan with respect to any or all Option Securities issued and outstanding under such plan, (ii) accelerate the vesting and exercisability of any or all of such Option Securities, (iii) amend any or all such Option Securities to provide that such Option Security shall continue to be exercisable for its entire stated term without regard to the employment status or death of the holder of such Option Security, and (iv) pay bonuses to the employees of ATC and its Subsidiaries in such amounts as ATC shall determine in its sole discretion; provided, however, that (A) the aggregate amount of the bonuses paid pursuant to clause (iv) of this sentence, when added to any fees or expense reimbursements paid or payable to any financial advisers in connection with the Merger or related financial advice, shall not exceed $5.0 million (which amount shall not include nor be reduced by any performance bonuses paid to employees of ATC and its Subsidiaries with respect to calendar year 1997 on a basis consistent with past practices), and (B) ATC shall have any action or payment described in this sentence approved by the stockholders of ATC in accordance with the provisions of Section 280G(b)(5) of the Code to the extent necessary to ensure that no actions taken with respect to the employees of ATC and its Subsidiaries or payments made to such employees would result in imposition of the sanctions imposed under Sections 280G and 4999 of the Code. Any bonus paid pursuant to clause (iv) of the preceding sentence may be paid in cash, by reducing the purchase price of shares of ATC Common Stock that may be acquired under an Option Security issued under ATC's 1995 Stock Option Plan, or any combination of the foregoing. Any actions taken or payments made by ATC pursuant to the provisions of this Section 6.9(a) may vary among the individual employees of ATC and its Subsidiaries and may vary among the Option Securities held by any individual employee, all as determined by ATC in its sole discretion.

(b) ATS shall take such action as may be necessary so that at the Effective Time and for twelve (12) months thereafter the individuals employed by ATC and its Subsidiaries immediately prior to the Effective Time (the "Continued Employees") shall receive base compensation (i.e., salary and wages) at a rate that is not less than that received by such Continued Employees immediately prior to the Closing Date; provided, however, that the foregoing provisions shall not impair ATS' ability to terminate any such Continued Employee for cause. If, within the twelve-month period beginning at the Effective Time, the employment of any Continued Employee is terminated by ATS or any of its Subsidiaries other than for cause, or any Continued Employee is required to accept a material reduction in his or her title or responsibilities or to transfer to a job location that is more than thirty-five (35) miles from his or her job location immediately prior to the Effective Time, but refuses such reduction or transfer within fifteen (15) days of notice of such reduction or transfer, then ATS shall continue to pay such Continued Employee his or her base rate of pay for the balance of such twelve-month period (without mitigation for any subsequent employment by such continued

employee). The provisions of this Section 6.9(b) shall not be applicable with respect to Fred R. Lummis.

(c) ATS shall take such action as may be necessary so that on and after the Effective Time and for twelve (12) months thereafter, officers and employees of ATC and its Subsidiaries shall be provided employee benefits, plans and programs (excluding equity incentive arrangements) which are no less favorable in the aggregate than those generally available pursuant to those employee benefit plans and programs in effect for such officers and employees immediately prior to the Effective Time; it being understood that ATS shall determine the types and levels of specific benefits to be so provided. For purposes of eligibility to participate, vesting and benefit determinations (other than benefit accruals under any defined benefit plan) in all benefits provided to officers and employees of ATC and its Subsidiaries, such officers and employees of ATC and its Subsidiaries will be credited with their service with ATC and its Subsidiaries and their respective predecessors. Upon termination of any health plan of ATC or any of its Subsidiaries, individuals who were officers or employees of ATC or its Subsidiaries at the Effective Time shall if employed by ATS or its Subsidiaries become eligible to participate in such health plans as may be established or maintained by ATS or its Subsidiaries to the extent that such individuals and their eligible dependents were eligible to participate in the applicable health plan of ATC or its Subsidiaries immediately prior to the Effective Time. Amounts paid during the calendar year in which such change of coverage occurs by officers and employees of ATC and its Subsidiaries under any health plans of ATC shall after such change be taken into account in applying deductible and out-of-pocket limits applicable under the health plans of ATS or its Subsidiaries provided during such calendar year to the same extent as if such amounts had been paid under such health plans of ATS or its Subsidiaries and ATS shall cause to be waived under its health plans any pre-existing conditions as of the date of termination of the ATC health plan and eligibility to participate in such health plan to the extent such conditions would be waived under the applicable plans of ATC and its Subsidiaries as in effect on the date hereof. Nothing in this Agreement shall be construed as granting to any employee of ATC or its Subsidiaries any rights of continuing employment.

6.10 ATC Stock Options. Prior to the Effective Time, ATS and ATC shall take such action as may be necessary to cause each unexpired and unexercised option to purchase ATC Common Stock that is outstanding immediately prior to the Merger (each, an "ATC Option" and collectively, the "ATC Options") to be automatically converted at the Effective Time into an option (each, an "ATS Option" and collectively, the "ATS Options") to purchase a number of shares of ATS Class A Common Stock equal to the product of the number of shares of ATC Common Stock which the holder is entitled to purchase under the ATC Option multiplied by the Exchange Ratio, at a price per share equal to the quotient obtained by dividing (a) the per share option exercise price determined pursuant to the ATC Option by (b) the Exchange Ratio. Each ATS Option will otherwise have the same terms and conditions as the ATC Option exchanged therefor, including acceleration and period of exercise. At the Effective Time, ATS will execute and deliver to each holder of an ATS Option a document evidencing ATS' assumptions of ATC's obligations under the ATC Option and all references in the stock option agreements to ATC shall be deemed to refer to ATS. As of the Effective Time, ATS shall assume all of ATC's obligations with respect to the ATC Options as so amended and shall, from and after the Effective Time, have reserved for issuance upon exercise of the ATS Options all shares of ATS Class A Common Stock covered thereby and shall file a Registration Statement on Form S-8 to register the shares of ATS Class A Common Stock subject to the ATS Options granted in replacement of ATC Options. ATS shall take all actions reasonably necessary to maintain the effectiveness of such Registration Statement (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such ATS Options remain outstanding. No fractional shares of ATS Class A Common Stock will be issued upon the

exercise of any ATS Option, and instead the exercising holder of such ATS Option shall receive cash for any fractional share amounts, based on the fair market value of the ATS Class A Common Stock at the time of exercise.

6.11 ATS Voting Agreement. ATS shall use its best efforts to cause each of the Persons named therein to execute and deliver to ATC an agreement substantially in the form of Exhibit C attached hereto and made a part hereof (collectively, the "ATS Voting Agreement").

6.12 Stockholder Approval. ATC will, as soon as practicable following the date thereof, establish a record date (which will be as soon as practicable following the date hereof) for, and, after the Registration Statement has become effective, duly call, give notice of, convene and hold a meeting of its stockholders (the "ATC Stockholders Meeting") for the purpose of obtaining the approval and adoption of this Agreement and the approval of the Merger by the ATC stockholders (the "ATC Stockholder Approval"). ATC will, through its Board of Directors, recommend to its stockholders approval and adoption of this Agreement and approval of the Merger.

6.13 Registration Statement and Proxy/Information Statement.

(a) ATS shall prepare and file with the Commission as soon as is reasonably practicable after the date hereof a Registration Statement under the Securities Act (the "ATS Registration Statement") on Form S-4 in connection with the Merger for the purpose of registering all of the shares of ATS Class A Common Stock to be issued in the Merger. ATS shall also take any action required under Applicable Law in connection with causing the ATS Registration Statement declared effective by the Commission as promptly as practicable, including without limitation making all filings under applicable state blue sky or securities laws in connection with the issuance of ATS Class A Common Stock in the Merger. ATS shall promptly furnish to each other all information, and take such other actions, as may reasonably be requested in connection with any action by either of them in connection with the provisions of this Section.

(b) ATC shall, as soon as is reasonably practicable after the effectiveness of the ATS Registration Statement, mail notice to the ATC common stockholders of the ATC Stockholders Meeting. Such notice shall comply with the provisions of Applicable Law. ATS and ATC shall promptly furnish to the other all information, and take such other actions, as may reasonably be requested in connection with any action taken to comply with the provisions of this Section, including, in the case of ATS, the final prospectus (the "ATS Prospectus" and, collectively with the notice furnished to the ATC stockholders in connection with the ATC Stockholders Meeting, the "ATC Stockholder Information") contained in the ATS Registration Statement.

(c) Each of ATC and ATS shall correct promptly any information provided by it to be used specifically in the ATS Registration Statement and the ATC Stockholder Information that shall have become false or misleading in any material respect and ATS shall take all steps necessary to file with the Commission and have cleared by the Commission any amendment or supplement to the ATS Registration Statement so as to correct such information and ATS shall cause it to be disseminated to the ATC stockholders, to the extent required by Applicable Law. Without limiting the generality of the foregoing, ATS shall notify ATC promptly of the receipt of the comments of the Commission and of any request by the Commission for amendments or supplements to the ATS Registration Statement or the ATS Prospectus, or for additional information, and shall supply ATC 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 the ATS Registration Statement or the ATS Prospectus. Whenever any event occurs which should be described in an amendment or a supplement to the ATS Registration Statement or the ATS Prospectus, ATS shall, upon learning of such event, promptly prepare, file and clear with the Commission and ATS shall mail to the ATC stockholders such amendment or supplement; provided, however, that, prior to such mailing, (i) ATS shall consult with ATC with respect to such amendment or supplement, (ii) shall afford ATC reasonable opportunity to comment thereon, and (iii) each such amendment or supplement shall be reasonably satisfactory to ATC.

(d) ATC shall use its reasonable business efforts to cause to be delivered to ATS and its directors a letter of independent auditors, dated (i) the date of the ATS Prospectus Statement, and (ii) the Closing Date, and addressed to ATS and its directors, in form, scope and substance customary for letters delivered by independent public accountants in connection with registrations statements similar to the ATS Registration Statement.

6.14 Listing of ATS Class A Common Stock. ATS shall use its reasonable business efforts to effect, at or before the Effective Time, authorization for listing on Nasdaq (or such stock exchange as ATS shall have reasonably selected) upon official notice of issuance, of the additional shares of the ATS Class A Common Stock to be issued pursuant to the Merger; provided, however, that such efforts shall not require the elimination of the different voting rights of the classes of ATS Common Stock.

6.15 Solicitation of Employees. If this Agreement is terminated, each of ATS and ATC agrees that neither it nor any of its Affiliates will, for a period of eighteen (18) months from the date of such termination, solicit or actively seek to hire any person who during such period is employed by ATC or any of its Affiliates or ATS or any of its Affiliates, as the case may be, whether or not such individual would commit breach of such individual's employment agreement or contact in leaving such employment; provided, however, that the foregoing shall not prevent ATS or ATC (or any of its respective Affiliates) from soliciting or actively seeking to hire any such key employee who (i) initiates employment discussions with it, (ii) is not employed by ATS or ATC, as the case may be, on the date ATC or ATS, as the case may be, first solicits such key employee, or (iii) soliciting through general advertisement.

6.16 Additional Tax Matters.

(a) Except for transactions in the ordinary and usual course of business, following the date on which, for purposes of Section 1504 of the Code, ATS ceases to be a member of the "affiliated group" of corporations of which ARS is the "common parent", ATS shall not engage in any transaction and shall not permit an of its Subsidiaries to engage in any transaction that would be treated as an "intercompany transaction" as defined in Treas. Reg. ss. 1.1502-13.

(b) Each party hereto shall use all reasonable business efforts to cause the Merger to qualify, and shall not take, and shall use all reasonable business efforts to prevent any Affiliate of such party from taking, any action which could prevent the Merger from qualifying, as a reorganization under the provisions of Section 368(a) of the Code.

6.17 ATS Registration Rights Agreement. Subject to the satisfaction (or waiver) of the conditions to closing set forth in (a) Sections 7.1 and 7.2 (the "ATS Conditions"), at or prior to the Closing, ATS shall execute and deliver a registration rights agreement substantially in the form attached hereto as Exhibit D and made a part hereof (the "ATS Registration Rights Agreement") and permit the ATS Registration Statement

to be executed by such of the ATC stockholders as elect to be so included, and (b) Sections 7.1 and 7.3 (the "ATC Conditions"), ATC shall use its reasonable business efforts to cause ATC's two largest stockholders and Fred R. Lummis to the extent any of them may be an "affiliate", as that term is used in paragraphs (c) and (d) of Rule 145 under the Securities Act, of ATS, to execute and deliver the ATS Registration Rights Agreement.

6.18 Charter Amendment. Subject to the satisfaction (or waiver) of the ATS Conditions, at or prior to the Closing, ATS shall cause the ATS Restated Certificate to be approved by the Board of Directors and stockholders of ATS and to be filed with the Secretary of State of the State of Delaware.

6.19 Conversion of Class B Common Stock. Subject to the satisfaction (or waiver) of the ATS Conditions, at or prior to the Closing, ATS shall cause the ATS Class B Common Stock issued to Steven B. Dodge in the ATS Private Placement to be converted into a like number of shares of ATS Class A Common Stock to the extent that, after giving effect to the consummation of the Merger, Steven B. Dodge, Chairman of the Board and Chief Executive Officer of ATS, would own more than 49.99% of the voting power of the ATS Common Stock within the meaning of the ATS Restated Certificate. ATS shall ensure that no ATS Class B Common Stock is issued in the ATS Private Placement to any Person other than Steven B. Dodge and Thomas H. Stoner, in each case, to the extent permitted by the provisions of this Section and Section 6.25.

6.20 ATS Separation Agreement. Unless previously entered into and subject to the satisfaction (or waiver) of the ATS Conditions, at or prior to the Closing, ATS shall, and shall ARS to, execute and deliver the ATS Separation Agreement.

6.21 CBS Merger or Tower Distribution Related Actions. Subject to the satisfaction (or waiver) of the ATS Conditions, at or prior to the Closing, ATS shall, and shall cause ARS to, use its reasonable business efforts to cause (a) the CBS Merger to occur, or, if the Tower Distribution is required in order to satisfy the ATC Conditions, and (b) the Tower Distribution to occur, in each case, in a manner that does not result in a default in, or with the passage of time or giving of notice would not result in a default in or violation of any Material Agreement to which ATS or ARS is a party or by which it is bound or the Organic Documents of ATS or ARS, including without limitation the ATS Credit Agreement, the ARS Credit Agreement and the ARS Cumulative Preferred Stock.

6.22 Efforts Regarding Pending Transactions. ATS shall use reasonable business efforts to cause to be satisfied on or before the Termination Date all conditions to closing applicable to the Gearon Transaction and the ATS Private Placement and, upon satisfaction thereof, to consummate such transactions.

6.23 Certain Closing Certificates. ATC shall cause its chief financial officer to deliver to ATS and its counsel at the Closing a certificate showing his calculation, in reasonable detail, of the number of shares of ATC Common Stock determined on a Fully-Diluted Basis immediately prior to the Effective Time. ATS shall cause its chief financial officer to deliver to ATC and its counsel at the Closing a certificate showing his calculation, in reasonable detail, of the number of shares of ATS Common Stock determined on a Fully-Diluted Basis immediately prior to the Effective Time.

6.24 ATC Affiliates Agreements. ATC shall use its reasonable business efforts to cause each executive officer, director and other Person who may be an "affiliate," as that term is used in paragraphs (c) and (d) of Rule 145 under the Securities Act, of ATC, to have executed and delivered to ATS an agreement substantially in the form of Exhibit E attached hereto and made a part hereof (collectively, the "ATC Affiliate Agreements").

6.25 Issue of ATS Class B Common Stock. Subject to the satisfaction of the ATS Conditions, ATS shall not issue any shares of Class B Common Stock or any Convertible Securities convertible or exchangeable into, or Option Securities to purchase, any shares of ATS Class B Common Stock, except (a) to Steven B. Dodge and, in the event Class B Common Stock shall not have been distributed pursuant to the Tower Distribution, Thomas H. Stoner (but, with respect to Mr. Stoner, in a number not more than he holds on the date hereof) pursuant to the provisions of the ATS Private Placement, (b) Option Securities issued to the holders of options to purchase Class B Common Stock of ARS, and (c) upon consummation of the CBS Merger or the Tower Distribution to holders of Class B Common Stock of ARS. ATS will furnish to ATC, if it has not already done so, within five (5) business days of this Agreement, a list of the holders of Class B Common Stock of ARS or of options to purchase Class B Common Stock of ARS.

6.26 Election of ATS Directors. Subject to the satisfaction of the ATS Conditions, ATS shall cause Fred R. Lummis and Randall Mays to be elected as members of the Board of Directors of ATS.

6.27 Employee List. Within ten (10) days after the date hereof, ATS shall furnish ATS with a list of all employees of ARS, ATS or their respective Subsidiaries that are expected to be employed by the Surviving Company after the Merger, the office or title of each and the compensation of each.

6.28 Certificates of Non-Foreign Status. Prior to the Closing Date, ATC shall in respect of the conversion of ATC Common Stock pursuant to the Merger use its reasonable to obtain on behalf of itself and ATS, from each person who is a stockholder of ATC immediately prior to the Effective Time, a certificate of non-foreign status of such stockholder that meets the requirements of Section 1445 of the Code and Section 1.1445-2(b) of the Treasury Regulations thereunder, it being understood that the failure to obtain any such certificate shall not be deemed to be a breach of this Section. ATC shall furnish to ATS on the Closing Date a copy of such certificates of non-foreign status.

ARTICLE 7

CLOSING CONDITIONS

7.1 Conditions to Obligations of Each Party. The respective obligations of each party to effect the Merger shall be subject to the satisfaction at or prior to the 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 by each party benefitting therefrom:

(a) As of the Closing Date, no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger shall be in effect;

(b) The waiting period applicable to the consummation of the Merger and the receipt by each ATC common stockholder of the Merger Consideration due pursuant thereto, as the case may be, under the Hart-Scott-Rodino Act, to the extent applicable, shall have expired or been terminated;

(c) The ATS Registration Statement shall have become effective in accordance with the provisions of the Securities Act and in accordance with the provisions of Section 6.13, and no stop order suspending such effectiveness shall have been issued and remain in effect and no proceeding for that purpose shall have been instituted by the Commission or any state regulatory authorities and all shares of ATS Common Stock to be issued to the ATC stockholders pursuant to the Merger shall be covered by the ATS Registration Statement;

(d) The shares of ATS Class A Common Stock to be issued in the Merger shall have been approved for listing on Nasdaq (or such other national stock exchange on which such stock is then approved for listing), upon official notice of issuance; and

(e) The ATC Stockholder Approval shall have been obtained.

7.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Merger shall be subject to the satisfaction of the following conditions, any or all of which may be waived, in whole or in part, by ATS to the extent permitted by Applicable Law:

(a) ATC shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date, of Vinson & Elkins L.L.P., counsel for ATC, substantially in the form attached hereto as Exhibit F and made a part hereof;

(b) (i) The representations and warranties of ATC set forth in this Agreement (other than in Section 4.21) shall be true and correct as of the date hereof and as of the Closing Date as though made on and as of the 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 ATC; 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; (ii) the representations and warranties of ATC set forth in Section 4.21 of this Agreement shall be true and correct; provided, however, such untruth shall be disregarded for purposes of this Section 7.2(b) if, by adjusting the Exchange Ratio at Closing, the untruth is rendered harmless and such adjustment either does not require the approval of the ATC stockholders, or such approval has been obtained, in accordance with the DCL; (iii) each and all of the agreements and covenants to be performed or satisfied by ATC or any of the ATC stockholders hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and (iv) an executive officer of ATC shall have furnished ATS with his certificate, confirming, to his knowledge, the truth of such representations and warranties and the performance of such covenants and agreements;

(c) There has not occurred any Event (including without limitation the failure to secure all authorizations, consents, waivers, orders or approvals required to be obtained by ATC from all Authorities and other Person, and all filings, submissions, registrations, notices or declarations required to be made by any of the parties with any Authority, or the imposition of any condition or requirement in connection therewith) that has had, or is reasonably likely to have, a Material Adverse Effect on ATC, other than an Event affecting the economy or the tower communications business

generally or an Event that would not have occurred but for the execution of this Agreement and the announcement of the Merger; and

(d) ATS shall have received from its counsel, Sullivan & Worcester LLP, a favorable opinion (dated as of the Closing Date) to the effect that the Merger constitutes a reorganization within the meaning of Section 368 of the Code and that, as a consequence, ATS will not recognize any gain or loss for federal income tax purposes as a result of consummation of the Merger, and, in connection with such opinion, ATC and such of its stockholders as such counsel shall have reasonably requested shall have executed and delivered to ATS and such counsel a certificate substantially in the form attached hereto as Exhibit G and made a part hereof.

7.3 Conditions to Obligations of ATC. The obligation of ATC to effect the Merger shall be subject to the satisfaction of the following conditions, any or all of which may be waived, in whole or in part, by ATC to the extent permitted by Applicable Law:

(a) ATS shall have furnished ATC, with favorable opinions, dated the Closing Date, of Sullivan & Worcester LLP, counsel for ATS, substantially in the form attached hereto as Exhibit H and made a part hereof, and with respect to such other matters arising after the date of this Agreement and incident to the Merger, as ATC or its counsel may reasonably request;

(b) (i) The representations and warranties of ATS set forth in this Agreement (other than in Section 5.20) shall be true and correct as of the date hereof and as of the Closing Date as though made on and as of the 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 ATS; 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; (ii) the representations and warranties of ATS set forth in Section 5.20 of this Agreement shall be true and correct; provided, however, such untruth shall be disregarded for purposes of this Section 7.3(b) if, by adjusting the Exchange Ratio at Closing, the untruth is rendered harmless and such adjustment either does not require the approval of the ATS or ARS stockholders, or such approval has been obtained, in accordance with the DCL; (iii) each and all of the agreements and conditions to be performed or satisfied by ATS or any of the ATS common stockholders hereunder at or prior to the Closing Date (including without limitation the execution and delivery of all collateral documents to be executed and delivered by it or any of them) shall have been duly performed or satisfied in all material respects; and (iv) an executive officer of ATS shall have furnished ATC with his certificate confirming, to his knowledge, the truth of such representations and warranties and the performance of such covenants and agreements;

(c) There has not occurred any Event (including without limitation the failure to secure all authorizations, consents, waivers, orders or approvals required to be obtained by ATS from all Authorities and other Person, and all filings, submissions, registrations, notices or declarations required to be made by any of the parties with any Authority, or the imposition of any condition or requirement in connection therewith) that has had, or is reasonably likely to have, a Material Adverse Effect on ATS, other than an Event affecting the economy or the tower communications business generally or an Event that would not have occurred but for the execution of this Agreement and the announcement of the Merger;

(d) ATC shall have received evidence of the consummation of the Gearon Transaction and the ATS Private Placement, all on the terms and conditions set forth, in the case of the Gearon Transaction, in the Gearon Merger Agreement, and, in the case of the ATS Private Placement, on the terms and conditions described in the ATS Information Statement, or, in either case, on such other terms and conditions not materially adverse to ATS, including without limitation, but, in any event, in both cases, the issuance of shares of ATS Class A Common Stock shall be at a price per share of not less than $9.00 and, with respect to the ATS Private Placement for a total purchase price of not less than $80.0 million;

(e) Fred R. Lummis, one of the stockholders of ATC, and Randall Mays, the Chief Financial Officer of another of the stockholders of ATC, shall have been elected as directors of ATS;

(f) ATC shall have received from its counsel, Vinson & Elkins L.L.P., a favorable opinion (dated as of the Closing Date) to the effect that the Merger constitutes a reorganization within the meaning of Section 368 of the Code and that, as a consequence, ATC and its stockholders will not recognize any gain or loss for federal income tax purposes as a result of consummation of the Merger, and, in connection with such opinion, ATS shall have executed and delivered to ATC and its counsel a certificate substantially in the form of Exhibit I hereto and made a part hereof; and

(g) Either the CBS Merger shall be consummated on the terms set forth in the CBS Merger Agreement, including execution and delivery of the ATS Separation Agreement or the Tower Distribution shall have occurred.

ARTICLE 8

TERMINATION, AMENDMENT AND WAIVER

8.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of ATC and ATS; or

(b) by either ATS or ATC if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Merger shall have become final and nonappealable; or

(c) by ATC in the event (i) ATC is not in breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 7.2(b) not to be satisfied, and (ii) either (A) the Merger has not been consummated prior to the Termination Date, or (B) ATS is in breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in a manner that would be reasonably likely to cause the conditions set forth in Section 7.3(b) not to be satisfied, and such a breach or untruth exists and is not capable of being cured, by and will prevent or delay consummation of the Merger by or beyond, the Termination Date; or

(d) by ATS in the event (i) ATS is not in breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in a manner that would

cause the condition set forth in Section 7.3(b) not to be satisfied, and (ii) either (A) the Merger has not been consummated prior to the Termination Date, or (B) ATC is in breach of this Agreement or any of ATC's representations or warranties shall have become and continue to be untrue in a manner that would be reasonably likely to cause the conditions set forth in Section 7.2(b) not to be satisfied, and such a breach or untruth exists and is not capable of being cured by, and will prevent or delay consummation of the Merger by or beyond, the Termination Date; or

(e) by ATS or ATC in the event (i) the ATC Stockholder Approval has not been obtained prior to the Termination Date, (ii) neither the CBS Merger nor the Tower Distribution has occurred prior to the Termination Date in the manner described in Section 6.21, or (iii) prior to the Termination Date, any consent or approval from the ARS stockholders required to satisfy any of the conditions in Article 7 or otherwise to consummate the Merger has not been obtained.

The right of ATS or ATC to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling either party or any of their respective Representatives whether prior to or after the execution of this Agreement.

8.2 Effect of Termination.

(a) Except as provided in Sections 6.1 (solely with respect to confidentiality), 6.3 and 6.15 and this Section and except as provided in Section 8.2(b), in the event of the termination of this Agreement pursuant to Section 8.1, or in the event the Merger shall not have been consummated prior to the end of business on the Termination Date, except as otherwise provided in this Section, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of its respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any willful misrepresentation or willful breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, including without limitation the provisions of Section 9.4, in the event this Agreement is terminated (a) pursuant to the provisions of Section 8.1(e)(i), then ATC acknowledges and agrees that ATS shall be entitled to a termination fee in an amount equal to $15,000,000, together with the reasonable out of pocket fees and expenses (including without limitation the reasonable out of pocket fees and expenses of accountants, attorneys, financial advisors and printers and all registration and other filing fees), not to exceed $1,000,000, incurred by ATS in connection with this Agreement and the Merger, unless ATS has notified Fred R. Lummis (or the then acting Chairman of ATC, if not Mr. Lummis) or ATC is otherwise actually aware, at least five (5) business days in advance of the Termination Date, that the ATS Registration Statement has been declared effective, in which case ATS shall not be entitled to any termination fee, expense reimbursement or other payment from ATC, or (b) pursuant to the provisions of Section 8.1(e)(ii) or (iii), then ATS acknowledges and agrees that ATC shall be entitled to a termination fee in an amount equal to $15,000,000, together with the reasonable out of pocket fees and expenses (including without limitation the reasonable out of pocket fees and expenses of accountants, attorneys, financial advisors and printers and all registration and other filing fees), not to exceed $1,000,000, incurred by ATC in connection with this Agreement and the Merger. The parties agree that, anything in Section 8.2(a), Section 9.4 or elsewhere in this Agreement to the contrary notwithstanding, such amount shall be a sole and exclusive remedy and constitute full

payment for any and all damages suffered by ATS or ATC, as the case may be, by reason of the events referred to in the preceding sentence. ATS and ATC agree in advance that actual damages would be difficult to ascertain and that such termination fee is a fair and equitable amount to be paid by ATC or by ATS in order to reimburse the other for damages sustained due to the failure of the Merger to be consummated for the above-stated reasons.

ARTICLE 9

GENERAL PROVISIONS

9.1 Waivers; Amendments. Changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the parties hereto. No delay on the part of either party at any time or times in the exercise of any right or remedy shall operate as a waiver thereof. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Agreement or to exercise any right or remedy thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or default in connection therewith. The waiver of any covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

9.2 Fees, Expenses and Other Payments. All costs and expenses incurred in connection with this Agreement and the consummation of the Merger, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses or which is responsible therefor under Applicable Law.

9.3 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 deemed to have been delivered (a) three (3) days after being mailed by first-class or express mail, postage prepaid, (b) the next business day when sent overnight by recognized courier service, (c) upon confirmation when sent by telex, telegram, 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 (d) upon delivery when 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to ATC:

3411 Richmond Avenue,
Suite 400
Houston, Texas 77046
Attention: Marty L. Jimmerson, Chief Financial Officer
Telecopier No.: (713) 629-1189

with a copy to:

Vinson & Elkins L.L.P.
1001 Fannin
Suite 2300
Houston, Texas 70002-6170
Attention: Bruce C. Herzog, Esq.
Telecopier No.: (713) 615-5946

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 given in accordance with this Section.

9.4 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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, except as otherwise provided in Section 8.2(b), 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. Except as otherwise provided in Section 8.2, nothing herein contained shall be construed as prohibiting either party from pursuing any other remedies available to it pursuant to the provisions of this Agreement or Applicable Law for a breach by the other party, 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.

9.5 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.6 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 such counterparts.

9.7 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.

9.8 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 that the DCL or other laws of the State of Delaware shall be applicable.

9.9 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 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.

9.10 Entire Agreement. This Agreement (together with the ATC Disclosure Schedule, the ATS Disclosure Schedule, the Exhibits 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. 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) neither of the parties has relied or will 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 (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 or any of its respective Affiliates or representatives other than those expressly set forth in this Agreement and the 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 and the Collateral Documents. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY

HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER OF THE PARTIES MAKES ON BEHALF OF ITSELF AND ITS DIRECTORS, OFFICERS, STOCKHOLDERS AND OTHER AFFILIATES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH HEREBY DISCLAIMS ON BEHALF OF ITSELF AND ITS OFFICERS, DIRECTORS, STOCKHOLDERS AND OTHER AFFILIATES 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.

9.11 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to either party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets.

9.12 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 Sections 6.8, 6.9(b), 6.9(c), 6.10 and 8.11.

9.13 Non-Survival of Representations, Warranties, Covenants and Agreements. Except for damages or other remedies attributable to or based upon fraud, willful or intentional misrepresentation or willful or intentional breach of warranty, covenant or agreement, none of the representations, warranties, covenants and agreements in this Agreement shall survive the Merger, and after effectiveness of the Merger neither party nor any of its respective officers, directors or stockholders shall have any further obligation with respect thereto. This Section shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of the parties, 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

American Tower Systems Corporation

By: /s/ Joseph L. Winn
Name: Joseph L. Winn
Title: Chief Financial Officer

American Tower Corporation

By: /s/ Fred R. Lummis
Name: Fred R. Lummis
Title: President

DEFINITIONS

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) 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 of any class of the capital stock or beneficial interest, (c) 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, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the ATC Disclosure Schedule, the ATS Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Aggregate Merger Shares shall mean the number obtained by solving the following equation for "x":

> x = (.5384615) multiplied by y, where "y" is the number of shares of ATS Common Stock determined on a Fully-Diluted Basis immediately prior to the Effective Time. Thus, in the event there were no Dissenting Shares, the number of Aggregate Merger Shares would equal 35% of the sum of the Aggregate Merger Shares and the number of shares of ATS Common Stock determined on a Fully-Diluted Basis.

Alternative Transaction shall mean, with respect to any Person, a transaction or series of related transactions (other than the Transactions) resulting in or reasonably likely to result in (i) any change of control of such Person, (ii) any merger, consolidation or other business combination of such Person, regardless of whether such Person is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as such Person was, (iii) any tender offer or exchange offer for, or any acquisitions of, any securities of such Person, (iv) any sale or other disposition of all or any substantial part of the assets or business of such Person, (v) any issue or sale, or any agreement to issue or sell, any capital stock, Convertible Securities, Option Securities or other equity securities by such Person, or (vi) any issue, sale, transfer, pledge, assignment or other conveyance or any agreement to issue, sell, transfer, pledge, assign or otherwise convey, any capital stock, such Convertible Securities, Option Securities or other equity securities of such Person.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

ARS shall have the meaning given to it in the fourth Whereas paragraph.

ARS Credit Agreements shall mean the two credit agreements of ARS with its lending banks and other financial institutions.

ARS Cumulative Preferred Stock shall mean the 11 3/8% Cumulative Exchangeable Preferred Stock, par value $.01 per share, of ARS.

ARS Preferred Certificate shall have the meaning given to it in Section 5.23(b).

ATC shall have the meaning given to it in the Preamble.

ATC Affiliate Agreements shall have the meaning given to it in Section 6.24.

ATC Assets shall have the meaning given to it in Section 4.4(a).

ATC Business shall have the meaning given to it in Section 4.4(a).

ATC Business Description shall mean the business description of ATC set forth in the ATS Prospectus.

ATC Common Stock shall have the meaning given to it in Section 3.1(b).

ATC Conditions shall have the meaning given to it in Section 6.17.

ATC Disclosure Schedule shall mean the ATC Disclosure Schedule dated as of the date of this Agreement delivered by ATC to ATS.

ATC Employees shall have the meaning given it in Section 4.14.

ATC Financial Statements shall have the meaning given to it in Section 4.2.

ATC Governmental Authorizations shall have the meaning given to it in Section 4.6(a).

ATC Option(s) shall have the meanings given to those terms in Section 6.10.

ATC Preferred Stock shall have the meaning given to it in Section 3.1(d).

ATC Private Authorization(s) shall have the meaning given to it in Section 4.5.

ATC Required Vote shall have the meaning given to it in Section 4.21.

ATC Share(s) shall have the meanings given to them in Section 3.1(b).

ATC Stockholder Approval shall have the meaning given to it in Section 6.12.

ATC Stockholder Information shall have the meaning given to it in Section 6.13(b)

ATC Stockholders Meeting shall have the meaning given to it in Section 6.12.

ATC's knowledge (or words of similar import) shall mean the actual knowledge of ATC or any ATC director or officer, as such knowledge exists on the date of this Agreement, after reasonable review of appropriate ATC records and after reasonable inquiry of appropriate ATC employees.

ATS shall have the meaning given to it in the Preamble.

ATS Assets shall have the meaning given to it in Section 5.4(a).

ATS Business shall have the meaning given to it in Section 5.4(a).

ATS Existing Restated Certificate shall have the meaning given to it in Section 2.5.

ATS Class A Common Stock shall have the meaning given to it in Section 3.1(b).

ATS Class B Common Stock shall mean the Class B Common Stock, par value $.01 per share, of ATS.

ATS Common Stock shall have the meaning given to it in Section 3.1(b).

ATS Conditions shall have the meaning given to it in Section 6.17.

ATS Disclosure Schedule shall mean the ATS Disclosure Schedule dated as of the date of this Agreement delivered by ATS to ATC.

ATS Employees shall have the meaning given it in Section 5.13.

ATS Financial Statements shall have the meaning given to it in Section 5.2

ATS Governmental Authorizations shall have the meaning given to it in Section 5.6(a)

ATS Information Statement shall mean the Information Statement draft, dated December 12, 1997, describing the business of ATS and certain other matters heretofore delivered by ATS to ATC.

ATS' knowledge (or words of similar import) shall mean the actual knowledge of any director or executive officer of ATS, as such knowledge exists on the date of this Agreement, after reasonable review of appropriate ATS records and after reasonable inquiry of appropriate ATS employees.

ATS Noncompetition Agreements shall have the meaning given to it in Section 7.2(i).

ATS Option(s) shall have the meanings given to those terms in Section 6.10.

ATS Private Authorizations shall have the meaning given to it in Section 5.5.

ATS Private Placement shall mean the issue and sale by ATS of shares of ATS Class A Common Stock to certain officers and directors of ATS (or their Affiliates) for an aggregate consideration of not more than $80.0 million, at a per share price of not less than $9.00, all as described in the ATS Information Statement.

ATS Prospectus shall have the meaning given to it in Section 6.13(b).

ATS Registration Rights Agreement shall have the meaning given to it in Section 6.17.

ATS Registration Statement shall have the meaning given to it in Section 6.13(a).

ATS Restated Certificate shall have the meaning given to it in Section 2.5.

ATS Separation Agreement shall mean the agreement referred to in Section 6.17 of the CBS Merger Agreement and which shall incorporate the provisions of Section 6.17, 6.18 and 6.19 of the CBS Merger Agreement as they exist on the date hereof or as they may be amended in a manner that does not increase materially the obligations and liabilities of ATS.

ATS Voting Agreement shall have the meaning give to it in Section 6.11.

ATSI shall mean American Tower Systems, Inc., a Delaware corporation which is wholly-owned by ATS and which conducts directly or through Subsidiaries substantially all of the ATS Business and owns directly or through Subsidiaries substantially all of the ATS Assets.

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, or comparable Person, whether domestic or foreign, including without limitation the FCC.

Benefit Arrangement shall mean, with respect to any Person, any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement, (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee, individual or Entity involved in the ownership and operation of the assets of such Person or the conduct of the business of such Person.

CBS Merger shall mean the merger of R Acquisition Corp. ("CBS Sub"), a Delaware subsidiary wholly-owned by CBS Corporation (formerly Westinghouse Electric Corporation), a Pennsylvania corporation ("CBS"), with and into ARS, on the terms set forth in an Agreement and Plan of Merger, dated as of September 19, 1997, by and among ARS, CBS and CBS Sub, as the same has heretofore been amended or as it may from time to time be hereafter amended, modified, supplemented and restated in a manner that does not increase materially the obligations and liabilities of ATS (as so amended, modified, supplemented and restated, the "CBS Merger Agreement").

Certificate shall have the meaning given to it in Section 3.1(i).

Certificate of Merger shall have the meaning given to it in Section 2.3.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.2.

Closing Date shall have the meaning given to it in Section 2.2.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Documents shall mean the ATC Affiliate Agreements, the ATS Information Statement, the ATS Prospectus, the ATS Registration Rights Agreement, the ATS Registration Statement, the ATS Restated Certificate, the ATS Voting Agreement, the Certificate of Merger and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement.

Commission shall mean the Securities and Exchange Commission and shall include any successor Authority.

Confidential Information shall have the meaning given to it in Section 6.1(a).

Continued Employees shall have the meaning given to it in Section 6.9(b).

Contract, Contractual Obligation shall mean, with respect to any Person, any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the assets of such Person or the conduct of the business of such Person.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

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.

DCL shall have the meaning given to it in Section 2.1.

Distribution shall mean, with respect to any Person, (a) the declaration or payment of any dividend (except dividends payable in common stock of such Person) on or in respect of any shares of any class of capital stock of such Person or any shares of capital stock of any Subsidiary owned by a Person other than such Person or a Subsidiary, (b) the purchase, redemption or other retirement of any shares of any class of capital stock of such Person or any shares of capital stock of any Subsidiary of such Person owned by a Person other than such Person or a Subsidiary of such Person, and (c) any other distribution on or in respect of any shares of any class of capital stock of such Person or any shares of capital stock of any Subsidiary of such Person owned by a Person other than such Person or a Subsidiary of such Person.

D&O Questionnaire shall have the meaning given to it in Section 6.8(c).

Effective Time shall have the meaning given to it in Section 2.3.

Employment Arrangement shall mean, with respect to any Person, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by such Person or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the assets or the conduct of the business of such Person.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder as in effect on the date hereof or on the Closing Date, as applicable, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean, with respect to any Person, any individual or Entity that is treated as a single employer with such Person under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Exchange Ratio shall have the meaning given to it in Section 3.1(b).

FCA shall mean the Communications Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

Fully-Diluted Basis shall mean, when applied to the ATC Common Stock or the ATS Common Stock, the total number of shares of the issuer of such stock that are outstanding as of the date of determination plus, without duplication, the total number of all shares issuable in respect of securities convertible into or exchangeable for ATC Common Stock or ATS Common Stock (excluding the ATS Common Stock that may be issued upon exchange of membership interests issued in Communications System Development, LLC, but including in both Convertible Securities), as the case may be, or issuable upon exercise of stock appreciation rights or options, warrants and other irrevocable rights to purchase or subscribe for ATC Common Stock or ATS Common Stock, as the case may be, including Option Securities. Without limiting the foregoing, the parties agree that, if the Tower Distribution occurs before the CBS Merger, the term "Fully-Diluted Basis" would take into account any Convertible Securities or Option Securities that ATS or the Surviving Corporation may be required to issue upon consummation of the Merger.

GAAP shall mean generally accepted accounting principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, and (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Gearon Transaction shall mean the merger of Gearon & Co., Inc., a Georgia corporation ("Gearon"), with and into ATSI, pursuant to an Agreement and Plan of Merger (the "Gearon Merger Agreement"), dated

as of November 21, 1997, by and among ATS, ATSI, Gearon and J. Michael Gearon Jr., as the same has may from time to time be hereafter amended, modified, supplemented and restated in a manner which would not have any significant adverse effect on ATS (as so amended, modified, supplemented and restated, the "Gearon Merger Agreement").

Governmental Authorizations shall mean, with respect to any Person, all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the assets or the conduct of the business of such Person.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Improvement Act of 1976, as from time to time in effect, or any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority pursuant to any Environmental Law; (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radioactive material, lead, asbestos or asbestos-containing materials, or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to any Person, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations and purchase money Indebtedness) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for Money Borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits

received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnified Party shall have the meaning given to it in Section 6.8(b).

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Law shall mean any (a) administrative, judicial, legislative or other action, code, consent decree, constitution, decree, directive, enactment, finding, 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 of any Authority, domestic or foreign; (b) the common law, or other legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Material Adverse Effect shall mean, with respect to ATC or ATS, any Event which is reasonably likely, in the reasonable business judgment of the relevant party, to be expected to (a) materially and adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Merger, or (b) materially and adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of ATC and its Subsidiaries taken as a whole or ATS and its Subsidiaries taken as a whole, as applicable, or (c) materially impair ATC's or ATS' ability to fulfill its obligations under the terms of this Agreement, or (d) materially and adversely affect the aggregate rights and remedies of the other party (other under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to have a Material Adverse Effect.

Material Agreement shall mean, with respect to any Person, any Contractual Obligation (other than Contractual Obligations under Contracts governing the lease or rental of tower spaces to third-party

customers) which (a) involves the purchase, sale or lease of goods or materials, or purchase of services, whether in or outside of the ordinary course of business (including, without limitation, acquisitions of communications towers or tower businesses), that individually involves a purchase price in excess of $2,000,000, (b) involves a capitalized lease obligation or Indebtedness for Money Borrowed in excess of $1,000,000, (c) involves a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement pursuant to which such Person or its Subsidiaries made payments in excess of $1,000,000 during the preceding twelve-month period, (d) accounted for more than 3% of the revenues of the business of such Person in any of the three fiscal years or is likely to account for more than 3% of the revenues of the business of such Person during the current fiscal year, (e) involves the management by such Person of more than ten (10) communication towers for any other Person, (f) is a partnership, limited liability company or other joint venture, (g) grants any Person the exclusive right to represent ATS and its Subsidiaries of ATC and its Subsidiaries, as the case may be, with respect to brokering tower transactions, or marketing tower space or administering tower or (h) limits the freedom to compete in any line of business or to conduct business in any geographic location.

Merger shall have the meaning given to it in the first Whereas paragraph.

Merger Consideration shall have the meaning given to it in Section 3.1(b).

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 3(37) or 4001(a)(3) of ERISA.

Nasdaq shall have the meaning given to it in Section 3.1.

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, whether or not the right to subscribe for, purchase or otherwise acquire is immediately exercisable or is conditioned upon the passage of time, the occurrence or non-occurrence or the existence or non-existence of some other Event.

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as, individually or in the aggregate, do not materially detract from the value, or materially interfere with the present use, of the ATC Assets or the ATS Assets, as the case may be, or otherwise materially impair the conduct of the ATC Business or the ATS Business, as the case may be, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were

terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee, individual or Entity involved in the ownership and operation of the assets of such Person or the conduct of the business of such Person.

Preferred Stock Merger consideration shall have the meaning given to it in Section 3.1(d).

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intangible Assets.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 6.1(a).

Restricted Information shall have the meaning given to it in Section 6.1.

Restricted Transaction shall mean any (i) acquisition or agreement to acquire (x) by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any Person or other business organization or division thereof or (y) any assets (other than in the ordinary course of business which for purposes of this definition does not include the acquisition of communications sites and related assets and other business involved in the communications sites industry or the construction of communications towers and related assets), or (ii) any undertaking or agreement to undertake the construction of one or more communications towers.

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.

Solvent shall mean, with respect to any Person on a particular date, that on such date (i) the fair value of the assets of such Person (both at fair valuation and at present fair saleable value) is, on the date of determination, greater than the total amount of liabilities, including, without limitation, contingent and unliquidated liabilities, of such Person, (ii) such Person is able to pay all liabilities of such Person as they mature, and (iii) such Person does not have unreasonably small capital with which to carry on its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. For purposes of this definition, "indebtedness" shall mean any liability on a claim, and "claim" shall mean (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal equitable, secured or unsecured, or (b) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of

the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Surviving Corporation shall have the meaning given to it in Section 2.1.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Termination Date shall mean May 31, 1998 or such other date as the parties may, from time to time, mutually agree.

Transactions shall mean the transactions contemplated by this Agreement to be consummated on or prior to the Closing Date, including without limitation the Merger and the execution, delivery and performance of the Collateral Documents.

Tower Distribution shall mean the pro rata distribution by ARS to each ARS common stockholder of a umber of shares of ATS Common Stock such that, after giving to such distribution, (i) immediately prior to the Merger, such ARS common stockholder will own the same percentage of ATS as it owned of ARS determined as if all Convertible Securities of ARS had been so converted and all Option Securities of ARS had ben exercised, (ii) neither ARS nor any of its Subsidiaries owns any capital stock in ATS or its Subsidiaries, other than shares of ATS Common Stock (a) required to satisfy ARS Convertible Securities and ARS Option Securities in the manner contemplated by the CBS Merger Agreement or (b) owned with respect to (x) shares of ARS Common Stock as to which appraisal rights have been asserted as a consequence of the Tower Distribution or (y) ARS Option Securities which have been converted to ATS Option Securities, and (iii) the Tower Distribution will have been made in all material respects in accordance with Applicable Law including Federal securities laws.

EXHIBIT 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

AMERICAN TOWER SYSTEMS HOLDING CORPORATION

Under Sections 242 and 245
of the
Delaware General Corporation Law

AMERICAN TOWER SYSTEMS HOLDING CORPORATION (hereinafter the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The name of the Corporation is American Tower Systems Holding Corporation.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on September 24, 1996. The original name of the Corporation was "AMERICAN TOWER SYSTEMS HOLDING CORPORATION."

THIRD: This Restated Certificate of Incorporation restates, integrates and further amends the provisions of the Certificate of Incorporation of the Corporation as heretofore amended, restated or supplemented. Article FIRST of the Certificate of Incorporation is amended to read:

The name of the corporation is: "American Tower Systems Corporation."

FOURTH: This Restated Certificate of Incorporation is intended to constitute a tax-free recapitalization of the Corporation under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended.

FIFTH: This Restated Certificate of Incorporation was duly adopted by the Board of Directors and stockholders of the Corporation pursuant to Sections 242 and 245 of the Delaware General Corporation Law.

SIXTH: The text of this Restated Certificate of Incorporation of the Corporation as amended, restated and supplemented is hereby restated and further amended to read in its entirety as follows:

RESTATED CERTIFICATE OF INCORPORATION

OF

AMERICAN TOWER SYSTEMS CORPORATION

FIRST: The name of the corporation (hereinafter the "Corporation") is AMERICAN TOWER SYSTEMS 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 280,000,000 shares, of which 20,000,000 shall be shares of Preferred Stock, $.01 par value per share (the "Preferred Stock"), and 260,000,000 shall be shares of Common Stock, $.01 par value per share (the "Common Stock"), of which 200,000,000 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 per 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. 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, E and F below.

B. RECAPITALIZATION

On the Effective Date, each issued share of the Corporation's existing Common Stock, $.01 par value per share (the "Existing Common Stock"), outstanding as of the Effective Date shall be cancelled and the Corporation shall be 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 without any action on the part of the Corporation, the holders thereof or any other Person, and the aggregate amount of stated capital represented by such shares of Class A Common Stock, Class B Common Stock and Class C Common Stock shall be equal to the aggregate amount of stated capital represented by the shares of Existing Common Stock so reclassified and changed. Any and all such shares issued for which the full consideration has been paid or delivered, shall be deemed fully paid stock and the holders of such shares shall not be liable for any further call or assessment or any other payment thereon.

C. 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 non-cumulative) 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.

D. 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, including without limitation Section E of this Article, 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) or (d) below, 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 by class vote, 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 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 stockholders 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.

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.

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.

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. 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 holding shares of Class B Common Stock may Transfer, and the Corporation shall not register the Transfer of, any share of Class B Common Stock, except to a Permitted Transferee of the Class B Holder (such transfer being referred to herein as 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 of the pledgor or converted into shares of Class A Common Stock, as the pledgee may elect.

If at any time after the Effective Date, any of the following events shall occur:

(a) A Controlling Number of the trustees of any voting trust that is a Permitted Transferee of a Class B Holder shall cease to be Qualified Persons;

(b) A Controlling Number of the Governing Body of any Charitable Organization that is a Permitted Transferee of a Class B Holder shall cease to be Qualified Persons;

(c) An Entity that first became a Class B Holder as a result of a Permitted Transfer shall thereafter by reason of any transfer of the beneficial ownership of the capital stock or partnership equity or other equity interests of such Entity cease to be a Permitted Transferee of the transferor (and/or his Permitted Transferees) in such Permitted Transfer;

(d) A majority of the shares of capital stock entitled to vote in the election of directors of a corporation or a majority of the partnership equity or other equity interests of a partnership or other Entity entitled to participate in the management of a partnership or other Entity, which in each case was a Permitted Transferee of a Class B Holder as the result of a Permitted Transfer, shall cease to be beneficially owned and controlled by the owners thereof on the first date upon which such corporation, partnership or other Entity was a Permitted Transferee of such owners and/or their Permitted Transferees; or

(e) Any other transferee who at the time of such transfer is a Permitted Transferee, but thereafter shall fail to meet the requirements of a Permitted Transferee,

then the Person or Persons referred to in the immediately preceding five (5) paragraphs (each a "Disqualified Transferee") shall immediately give written notice (the "Initial Notice") to the Corporation of such change in status. At any time after receipt of the Initial Notice or otherwise learning of any such change, the Corporation shall give written notice (the "Disqualification Notice") to such Disqualified Transferee that, unless within thirty (30) days of the date of the Disqualification Notice the Disqualified Transferee presents evidence (the "Qualifying Evidence") reasonably satisfactory to the Corporation that it never was, or is no longer, a Disqualified Transferee, then, without any further act of the Corporation, such Disqualified Transferee or any other Person, each share of Class B Common Stock held by such Disqualified Transferee shall be converted into one share of Class A Common Stock effective upon the expiration of such thirty (30) days, and the stock certificates formerly representing the shares of Class B Common Stock held by such Disqualified Transferee shall thereupon and thereafter be deemed to represent such shares of Class A Common Stock. The Corporation, may, in its sole and absolute discretion, conclusively presume (a) in the absence of any Initial Notice from any Class B Holder that such holder is entitled to hold Class B Common Stock, and (b) in the absence of any Qualifying Evidence that the Disqualified Transferee is no longer entitled to hold Class B Common Stock. Each holder of shares of Class B Common Stock agrees to deliver stock certificates representing shares of Class B Common Stock automatically converted pursuant to the provisions of this Section but the failure to deliver such certificates shall not affect the validity of such automatic conversion.

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 of a Class B Holder.

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. Optional Conversion of Common Stock. At any time after the Effective Date, 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 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 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 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 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.

(c) Issuance of Certificates. The issuance of a certificate or
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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 this Subsection, 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 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.

6. 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.

E. 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 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 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 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 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 B Common Stock agrees to deliver stock certificates representing shares of Class B Common Stock 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 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.

F. 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" or "Affiliated Person," when used with respect to any Person, shall mean (i) any other Person at the time directly or indirectly controlling, 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 "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 "Beneficial Owner" shall have the meaning ascribed to such term in Rule 13d-3 promulgated under the Exchange Act or any successor rule.

The term "Charitable Organization" shall mean any organization contributions to which are deductible for federal income, estate or gift tax purposes or any split-interest trust described in Section 4947 of the Code, if a Controlling Number of the Governing Body are Qualified Persons.

The term "Class B Holder" shall mean any Person who (i) as of the Effective Date is the owner of record or Economic Owner of any shares of Class B Common Stock 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 United States Internal Revenue Code of 1986, 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 "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 "Controlling Number" shall mean the minimum number of trustees, in the case of a trust, or members of a Governing Body, in the case of any other form of entity, whose affirmative vote is necessary to take any action on, or whose negative vote, abstention or failure to attend is sufficient to prevent any action with respect to the voting or disposition of shares of capital stock held by 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 "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 "Economic Owner" shall have the meaning ascribed to the term "beneficial owner" in Rule 16a-l(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 "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 "Executive Officer" shall have the meaning ascribed to such term in Rule 3b-7 promulgated under the Exchange Act or any successor rule.

The term "Family Entity" shall mean, with respect to any Class B Holder, any corporation of which a majority of the outstanding shares of capital stock entitled to vote generally for the election of directors is beneficially owned by and under the control of, or a partnership or other Entity (other than a Charitable Organization) of which a majority of the partnership or other equity interests entitled to participate in the management of the partnership or other Entity (other than a Charitable Organization) are beneficially owned by and under the control of, such Class B Holder or its Permitted Transferees.

The term "Family Estate" shall mean, with respect to any Class B Holder, the estate of such deceased, bankrupt or insolvent Class B Holder.

The term "Family Members" shall mean, with respect to any Class B Holder, the spouse or former spouse of such Class B Holder, any lineal descendant, natural or adopted, of a grandparent of such Class B Holder or a grandparent of the spouse or former spouse of such Class B Holder and any spouse or former spouse of such lineal descendant.

The term "Family Transferor" shall mean, with respect to any Class B Holder,

(i) in the case of a revocable trust, (a) with respect to shares of Class B Common Stock held by such trust as a Class B Holder, the settlor of such trust and Permitted Transferees of such settlor and the beneficiaries of such trust as of the Effective Date and Permitted Transferees of such beneficiaries, and (b) with respect to each share of Class B Common Stock transferred to such trust in a Permitted Transfer, any Person who transferred such share of Class B Common Stock to such trust and any Permitted Transferee of any such transferor, and (c) with respect to each Subsequent Class B Share, any Person who is a Permitted Transferee with respect to the share of Class B Common Stock in respect of which such Subsequent Class B Share was issued;

(ii) in the case of a trust (other than a voting trust or a Charitable Organization) which was irrevocable on the Effective Date, with respect to shares of Class B Common Stock held by such trust as a Class B Holder and with respect to each share of Class B Common Stock transferred to such trust in a Permitted Transfer and with respect to each Subsequent Class B Share, any Person to whom or for whose benefit principal may be distributed either during or at the end of the term of such trust whether by power of appointment or otherwise;

(iii) in the case of a voting trust or any other trust (other than a Charitable Organization or a trust described in clauses (i) or (ii) preceding, (a) with respect to each share of Class B Common Stock transferred to such trust in a Permitted Transfer, any Person who transferred such share of Class B Common Stock to such

trust and any Permitted Transferee of any such transferor, and (b) with respect to each Subsequent Class B Share, any Person who is a Permitted Transferee with respect to the share of Class B Common Stock in respect of which such Subsequent Class B Share was issued;

(iv) in the case of any Charitable Organization, (a) with respect to any share of Class B Common Stock transferred to such Charitable Organization in a Permitted Transfer, the transferor in such Permitted Transfer and any Permitted Transferee of such transferor, and (b) with respect to each Subsequent Class B Share held by such Charitable Organization, any Person who is a Permitted Transferee with respect to the share of Class B Common Stock in respect of which such Subsequent Class B Share was issued;

(v) in the case of any Entity (other than a Charitable Organization), (a) with respect to each share of Class B Common Stock so transferred to such Entity in a Permitted Transfer, the transferor in such Permitted Transfer and any Permitted Transferee of such transferor, and (b) with respect to each Subsequent Class B Share held by such Entity, any Person who is a Permitted Transferee with respect to the share of Class B Common Stock in respect of which such Subsequent Class B Share was issued; and

(vi) in the case of a Family Estate, with respect to each share of Class B Common Stock transferred to such estate in a Permitted Transfer and with respect to each Subsequent Class B Share, a Permitted Transferee of the deceased, bankrupt or insolvent Class B Holder as to whom the Family Estate relates.

The term "Family Trust" shall mean, with respect to any Class B Holder, (i) any voting trust, or, the trustee or trustees of such voting trust solely in their capacities as trustees of such voting trust, of which a Controlling Number of such trustees are Qualified Persons; and (ii) any other trust, inter vivos or testamentary, or the trustee or trustees of such trust, solely in their capacities as trustees of such trust, solely for the benefit of such Class B Holder or one or more of such Class B Holder's Permitted Transferees.

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 or 5 of Section D 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, whether pursuant to the Stock Option Plan (including without limitation with respect to options which may be granted thereunder in the future) or otherwise.

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 "Governing Body" shall mean the members of the Board of Directors or other governing body or group having the ultimate authority, inter alia, to vote, dispose or direct the voting or disposition of the
shares of Class B Common Stock held by the Entity holding such shares.

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 "Permitted Transferee" shall mean, with respect to any Class B Holder, any of the following Persons: (i) any Family Member; (ii) any Family Trust; (iii) any Charitable Organization; (iv) any Family Entity; (v) any Family Estate; (vi) any Family Transferor; (vii) any other Class B Holder; and (viii) any Permitted Transferee of any of the foregoing.

The term "Person" shall mean any natural individual or any Entity.

The term "Qualified Person" shall mean, with respect to a Class B Holder, one of such Class B Holder's Family Members or an Executive Officer of the Corporation or any subsidiary of the Corporation.

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 1993 Stock Option Plan, as from time to time amended, of the Corporation.

The term "Subsequent Class B Share" shall mean, with respect to a Class B Holder, any share of Class B Common Stock issued by the Corporation to such Class B Holder in respect of an existing share of Class B Common Stock held by such Class B Holder.

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 "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 the granting of a proxy, whether revocable or irrevocable, and whether general or specific to a particular transaction, to vote the shares of any class of Common Stock.

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, none of which shall be amended, altered, changed or repealed except 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.

Executed at Boston, Massachusetts on November 20, 1997

Attest: AMERICAN TOWER SYSTEMS HOLDING CORPORATION

_____ _____

Secretary Name: Joseph L. Winn
Title: Chief Financial Officer & Treasurer

[SEAL]

EXHIBIT 3.2

BY-LAWS

OF

AMERICAN TOWER SYSTEMS CORPORATION
(a Delaware Corporation)

AMERICAN TOWER SYSTEMS CORPORATION
(a Delaware Corporation)

BY-LAWS
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AMERICAN TOWER SYSTEMS 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 decreased, 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, subject to the provisions of law, the Certificate of Incorportion and these By-Laws, 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, whether before or after such meeting, 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, have the power:

(i) to adopt, amend or repeal these By-Laws; or

(ii) to approve or adopt, or to recommend to the stockholders any action or matter expressly required by the Delaware General Business Corporation Law to be submitted to the stockholders for approval;

(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, the majority of which 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 who is not an officer or employee of the Corporation 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 Chairman of the Board, President, a Chief Financial Officer, a Secretary and a Treasurer, and, in their discretion, may elect 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 shall be the Chief Executive Officer of the Corporation and a member of the Board of Directors and shall preside at its meetings. Subject to the directions of the Board of Directors, the Chairman of the Board 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 a corporation and shall perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 4. President. Subject to the directions of the Board of Directors, and the Chairman of the Board and the Chief Executive Officer, the President shall have and exercise such powers and shall perform such duties as from time to time may be assigned to him or her by the Board of Directors or the Chief Executive Officer. The President may but need not be a member of the Board of Directors.

SECTION 5. Chief Financial Officer. Subject to the directions of the Board of Directors and the Chief Executive Officer, the Chief Financial Officer shall have and exercise direct charge of and general supervision over the financial affairs of the Corporation, shall perform all duties incident to the office of chief financial officer of a corporation and such other duties as from time to time may be assigned to him by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer may but need not be a member of the Board of Directors.

SECTION 6. 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 Chief Executive Officer.

SECTION 7. 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 Chairman of the Board, 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 8. 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 9. Treasurer. Subject to the directors of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer, 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 depositaries 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 Chief Executive Officer, the Chief Financial Officer and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; the Treasurer may sign, with the Chairman of the Board, 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, the President or the Chief Financial Officer.

SECTION 10. 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 11. 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 Chief Executive Officer or the Treasurer.

SECTION 12. 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 13. 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 14. 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 15. Removal. Any officer of the Corporation may be removed, with or without cause, by action of the Board of Directors.

SECTION 16. 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 of the Board, the 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 a present or former director or officer 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, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person 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.

EXHIBIT 5

SULLIVAN & WORCESTER LLP

IN WASHINGTON, D.C.
1025 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 775-8190
FAX NO. 202-293-2275

ONE POST OFFICE SQUARE
BOSTON, MASSACHUSETTS 02109
(617) 338-2800
FAX NO. 617-338-2880

IN NEW YORK CITY
767 THIRD AVENUE
NEW YORK, NEW YORK 10017
(212) 486-8200
FAX NO. 212-758-2151

February 10, 1998

American Tower Systems 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 Systems Corporation, a Delaware Corporation ("American Tower"), of 36,042,476 shares (the "Class A Shares") of its Class A Common Stock, par value $.01 per share (the "Class A Common Stock"), 5,044,434 shares (the "Class B Shares") of its Class B Common Stock, par value $.01 per share (the "Class B Common Stock"), and 1,295,518 shares (the "Class C Shares" and, collectively with the Class A Shares and the Class B Shares, the "Shares") of its Class C Common Stock, par value $.01 per share (the "Class C Common Stock"), 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-4 (the "Registration Statement"). The Shares will be offered pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, as may be amended from time to time (the "Merger Agreement"), by and among American Radio Systems Corporation, a Delaware corporation ("American Radio"), CBS Corporation, a Pennsylvania corporation, and R Acquisition Corp., a Delaware corporation ("CBS Sub").

We have acted as counsel to American Radio and American Tower in connection with the preparation of the Registration Statement and the Merger Agreement, and we have examined originals or copies, certified or otherwise identified to our satisfaction, of the Registration Statement and Merger Agreement, corporate records, certificates and statements of officers and accountants of American Radio and 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, and 10,000,000 shares of Class C Common Stock (collectively, the "Common Stock").

Based on and subject to the foregoing, we are of the opinion that when sold in accordance with the terms of the Merger Agreement and upon the acceptance of the filing of the Certificates of Merger by the Secretary of State of the State of Delaware, 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

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 "Experts." 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

EXHIBIT 8

February 10, 1998

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116

American Tower Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116

Ladies and Gentlemen:

The following opinion is filed with the Securities and Exchange Commission (the "SEC") as Exhibit 8 to the registration statement on Form S-4 (the "Registration Statement") filed by American Tower Systems Corporation ("Tower") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the offering of Tower common stock pursuant to the Amended and Restated Agreement and Plan of Merger, dated December 18, 1997, and as may be amended from time to time, by and among American Radio Systems Corporation ("Radio"), CBS Corporation, and R Acquisition Corp.

We have acted as counsel for Tower and for Radio 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 Radio and 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. Specifically, and without limiting the generality of the foregoing, we have reviewed Radio's Annual Report on Form 10-K for the year ended December 31, 1996, as amended (the "Annual Report"), filed under the Securities Exchange Act of 1934, as amended. With respect to all questions of fact on which the opinion set forth below is based, we have assumed the accuracy and completeness of and have relied on the information set forth in the Annual Report and in the Registration Statement, and in the documents incorporated therein by reference, and on representations made to us by the officers of Radio. We have not independently verified such information; nothing has come to our attention, however, which would lead us to believe that we are not entitled to rely on such information.

The opinion set forth below is based upon the Internal Revenue Code of 1986, as amended, the Treasury Regulations issued thereunder, published administrative interpretations thereof, and judicial decisions with respect thereto, all as of the date hereof (collectively, the "Tax Laws"). No assurance can be given that the Tax Laws will not change. In preparing the discussions with respect to Tax Laws matters in the sections of the Registration Statement captioned "The Merger and Tower Separation--Certain Federal Income Tax Consequences of Merger and Tower Merger" and "The Merger and Tower Separation--Certain Federal Income Tax Consequences of ATC Merger," we have made certain assumptions and expressed certain conditions and qualifications therein, all of which assumptions, conditions and qualifications are incorporated herein by reference.

Based upon and subject to the foregoing, we are of the opinion that the discussions with respect to Tax Laws matters in the sections of the Registration Statement captioned "The Merger and Tower Separation--Certain Federal Income Tax Consequences of Merger and Tower Merger" and "The Merger and Tower Separation--Certain Federal Income Tax Consequences of ATC Merger," in all material respects are accurate and fairly summarize the material Tax Laws consequences with respect to the transactions discussed in said sections, and hereby confirm that the opinions of counsel referred to in said sections represent our opinions on the subject matter thereof.

This opinion is intended solely for the benefit and use of Radio and Tower and their respective stockholders, and it is not to be used, released, quoted, or relied upon by anyone else for any purpose (other than as required by law) without our prior written consent. 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 captions "The Merger and Tower Separation--Certain Federal Income Tax Consequences of Merger and Tower Merger" and "The Merger and Tower Separation--Certain Federal Income Tax Consequences of ATC Merger." 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 SEC promulgated thereunder.

Very truly yours,

Sullivan & Worcester LLP

EXHIBIT 10.1

LOAN AGREEMENT

AMONG

AMERICAN TOWER SYSTEMS, INC. (THE "BORROWER");

THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR AS BANKS ON THE SIGNATURE PAGES HEREOF (COLLECTIVELY, THE "BANKS");

AND

TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS (THE "ADMINISTRATIVE AGENT")

Dated as of November 22, 1996

Powell, Goldstein, Frazer & Murphy
Atlanta, Georgia

LOAN AGREEMENT
AMONG
AMERICAN TOWER SYSTEMS, INC. (THE "BORROWER");
THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR AS BANKS ON
THE SIGNATURE PAGES HEREOF (COLLECTIVELY, THE "BANKS");
AND
TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS (THE "ADMINISTRATIVE AGENT")

INDEX

EXHIBITS

SCHEDULES

LOAN AGREEMENT
AMONG
AMERICAN TOWER SYSTEMS, INC. (THE "BORROWER");
THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR AS BANKS ON
THE SIGNATURE PAGES HEREOF (COLLECTIVELY, THE "BANKS");
AND
TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS (THE "ADMINISTRATIVE AGENT")

W I T N E S S E T H:

WHEREAS, Borrower has requested that the Banks make available to Borrower a revolving credit facility permitting advances of up to Ninety Million Dollars ($90,000,000) at any one time outstanding; and

WHEREAS, the Banks are willing to extend such financing to Borrower subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged by the parties hereto, it is hereby agreed 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 Restricted Subsidiary 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 Restricted Subsidiary of all or any substantial part of the assets of any other Person; or (iii) any acquisition by Borrower 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 approved as an Unrestricted Subsidiary.

"Acquisition Operating Cash Flow" shall mean in the case of an Acquisition permitted hereunder, Operating Cash Flow of the Borrower and its Restricted Subsidiaries for the period during which such Acquisition occurs, adjusted (A) 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 of such Acquisition during such period prior to the date of such Acquisition and adding to the Operating Cash Flow of the Borrower, if positive, or subtracting from such Operating Cash Flow, if negative, the product of (i) the actual Operating Cash Flow 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 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 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 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. For purposes of this Agreement, American Radio Systems and its Affiliates shall be deemed to be Affiliates of the Borrower.

"Agreement" shall mean this Loan Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"Agreement Date" shall mean November 22, 1996.

"American Radio Systems" shall mean American Radio Systems Corporation, a Delaware corporation.

"Annualized Operating Cash Flow" (a) for any calculation date up to and including December 31, 1997, the product of (i) Operating Cash Flow for the calendar month-end being tested or the most recently completed calendar month immediately preceding

the calculation date, as the case may be, times (ii) twelve (12); and (b) for any calculation date after December 31, 1997, the product of (i) Operating Cash Flow for the fiscal quarter-end being tested or the most recently completed fiscal quarter immediately preceding the calculation date, as the case may be, times (ii) four (4).

"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 Total Debt of the Borrower and its Restricted Subsidiaries on a consolidated basis on such date to (b) the product of (i) Operating Cash Flow of the Borrower and its Restricted Subsidiaries, for the most recently completed fiscal quarter times (ii) four (4).

"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.

"Available Commitment" shall mean (a) prior to receipt by the Borrower after the Agreement Date of not less than $3,000,000.00 of contributed equity, and after giving effect to reductions in the Commitment under Section 2.5 and Section 2.6 hereof and repayments of the Loans under Section 2.7 hereof, $70,000,000, and (b) thereafter, after giving effect to reductions in the Commitment under Section 2.5 and Section 2.6 hereof and repayments of the Loans under Section 2.7 hereof, the lesser of (i) the Commitment and (ii) the maximum amount of the Loans that could be outstanding hereunder on such date without resulting in a breach of Section 7.8 or Section 7.10 hereof.

"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 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 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.

"Borrower" shall mean American Tower Systems, Inc., a Delaware corporation.

"Borrower's Pledge Agreement" shall mean that certain Borrower's Pledge Agreement dated as of even date herewith between the Borrower and the Administrative Agent, substantially in the form of Exhibit A attached hereto, pursuant to which the Borrower has pledged to the Administrative Agent for the ratable benefit of the Banks all of the Borrower's stock ownership and/or any partnership interests in each of its Subsidiaries.

"Borrower's Security Agreement" shall mean that certain Security Agreement dated as of even date herewith, made by the Borrower in favor of the Administrative Agent for the ratable benefit of the Banks, substantially in the form of Exhibit B 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 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 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 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 C 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, as applied to the Borrower, any change in the ownership of, or lien upon, the stock of the Borrower that results in (a) less than fifty-one percent (51%) of all voting rights with respect to the Capital Stock of the Borrower (including, without limitation, warrants, options, conversion rights, voting rights and calls or claims of any character with respect thereto, to the extent exercisable prior to repayment in full of the Obligations) being owned, directly or indirectly, by the Parent, the senior management of American Radio Systems, the Parent and/or the Borrower or Affiliates of American Radio Systems, the Parent or the Borrower or (b) American Radio Systems having no direct or indirect ownership interest in the Capital Stock of the Borrower.

"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 Banks 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 $90,000,000, 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 Banks 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) as of the Agreement Date:

Bank	Approximate Percentage	Dollar Commitment
Toronto Dominion (Texas), Inc.	22.22222222%	$20,000,000.00
Banque Paribas	16.66666667%	$15,000,000.00
Bank of Montreal	13.33333333%	$12,000,000.00
Credit Suisse	13.33333333%	$12,000,000.00
Union Bank of California, N.A.	13.33333333%	$12,000,000.00
Signet Bank	10.55555556%	$9,500,000.00
Fleet National Bank	10.55555556%	$9,500,000.00
	100.00%	$90,000,000.00

"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.

"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, plus (b) the Applicable Margin for Base Rate Advances plus (c) two percent (2%).

"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. ss. 9601 et seq.), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. ss. 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 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 that any requirement for notice or lapse of time, or both, has been satisfied.

"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, of (a) Operating Cash Flow for such fiscal year, minus (b) the sum of the following: (i) payments made with respect to Capital Expenditures incurred by the Borrower and its Restricted Subsidiaries during such fiscal year; (ii) repayments of the Loans resulting from reductions of the Commitment (which shall include any reductions set forth in Section 2.5(a) hereof); (iii) cash taxes paid by the Borrower and its Restricted Subsidiaries (including any paid to American Radio Systems pursuant to the Tax Sharing Agreement) 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 the Loans) paid by the Borrower and its Restricted Subsidiaries during such fiscal year.

"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.

"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.

"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. 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.

"Indemnitee" shall have the meaning ascribed thereto in Section 5.12 hereof.

"Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Annualized Operating Cash Flow as of (i) the calendar quarter end being tested, or (ii) the most recently completed calendar quarter, as the case may be, to (b) Interest Expense for (i) the four (4) calendar quarter period then ended or (ii) the most recently completed four (4) calendar quarter period, as the case may be, in each case calculated in accordance with GAAP.

"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 Borrower 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.

"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 Borrower's repayment obligations under Section 2.5, Section 2.6 or Section 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.

"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 and the general counsel, or any vice president of the Borrower).

"Leasing Operating Expenses" shall mean, for any period, operating expenses for such period attributable to the leasing operations of the Borrower and its Restricted Subsidiaries based upon the ratio of the number of sites owned or leased by the Borrower and its Restricted Subsidiaries to the total number of all sites owned, leased and managed by the Borrower and its Restricted Subsidiaries.

"Leasing Overhead" shall mean, for any period, corporate overhead (exclusive of amortization and depreciation) attributable to the leasing operations of the Borrower and its Restricted Subsidiaries for such period based upon the ratio of

the number of sites owned or leased by the Borrower and its Restricted Subsidiaries to the total of all sites owned, leased and managed by the Borrower and its Restricted Subsidiaries.

"Leverage Ratio" shall mean, as of any date, the ratio of (a) the Total Debt of the Borrower and its Restricted Subsidiaries on a consolidated basis on such date, to (b) Annualized Operating Cash Flow of the Borrower and its Restricted Subsidiaries on a consolidated basis for (x) all periods ending prior to January 1, 1998, the calendar month end being tested or the most recently completed calendar month, as the case may be and (y) all periods ending thereafter, the calendar quarter end being tested or the most recently completed calendar quarter, as the case may be.

"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 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) 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 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 Borrower's Pledge Agreement, the Borrower's Security Agreement, the Subsidiary Security Agreement, the Subsidiary Guaranty, the Subsidiary Pledge Agreement, the Parent Pledge 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 Banks, 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.

"Loans" shall mean, collectively, the amounts advanced by the Banks to the Borrower under the Commitment, not to exceed the Commitment, and evidenced by the Notes.

"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.

"Management Operating Expenses" shall mean, for any period, operating expenses attributable to the management operations of the Borrower and its Restricted Subsidiaries for such period based upon the ratio of the number of sites managed by the Borrower and its Restricted Subsidiaries to the total number of all sites owned, leased and managed by the Borrower and its Restricted Subsidiaries.

"Management Overhead" shall mean, for any period, corporate overhead (exclusive of amortization and depreciation) attributable to the management operations of the Borrower and its Restricted Subsidiaries based upon the ratio of the number of sites managed by the Borrower and its Restricted Subsidiaries to the total number of all sites owned, leased and managed by the Borrower and its Restricted Subsidiaries.

"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 on a consolidated basis, 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 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 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 December 31, 2004, 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.

"Net Proceeds" shall mean, with respect to any sale, lease, transfer or other disposition of assets by the Borrower or any of its Restricted Subsidiaries, the aggregate amount of cash received for such assets (including, without limitation, any payments received for non-competition 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 the Borrower or any of its 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 the Borrower 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 non-compete, consulting or management agreement or covenant or otherwise for which compensation is paid over time. Upon receipt by the Borrower 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 Borrower, such amounts shall then be deemed to be "Net Proceeds."

"Notes" shall mean, collectively, those certain promissory notes in the aggregate original principal amount of $90,000,000, and issued to each of the Banks by the Borrower, each one substantially in the form of Exhibit D 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 Banks, 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 and including Obligations to the Banks pursuant to Section 5.13 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, (a) with respect to the Borrower and its Restricted Subsidiaries on a consolidated basis as of the end of any period from the Agreement Date through and including June 30, 1997, (i) the sum of (A) operating revenues of the Borrower and its Restricted Subsidiaries plus (B) Unrestricted Subsidiary Distributions during such period less (ii) the sum of (A) operating expenses for such period plus (B) corporate overhead (exclusive of amortization and depreciation)

for such period; and (b) with respect to the Borrower and its Restricted Subsidiaries on a consolidated basis as of the end of any period ending after June 30, 1997, the sum of (i) (A) operating revenues from leasing operations for such period minus (B) the sum of (1) Leasing Operating Expenses for such period, and (2) Leasing Overhead for such period, plus (ii) the lesser of (A) (1) operating revenues from management agreement operations, minus (2) the sum of (x) Management Operating Expenses and (y) Management Overhead ("Management Operations Cash Flow") for such period and (B) ten percent (10%) of the amount calculated under clause (b)(i) above for such period plus (iii) to the extent that the total amount of Management Operations Cash Flow for such period is greater than the amount calculated pursuant to clause (b)(ii) above, fifty percent (50%) of such excess amount plus (iv) Unrestricted Subsidiary Distributions for such period. In the case of determining Operating Cash Flow under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower and its Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower and its Restricted Subsidiaries as of the last day of the immediately preceding calendar quarter and/or calendar month end, as the case may be, shall include "operating cash flow" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent.

"Parent" shall mean American Tower Systems Holding Corporation, a Delaware corporation.

"Parent Pledge Agreement" shall mean that certain Parent Pledge Agreement dated as of even date herewith, made by Parent in favor of the Administrative Agent for the ratable benefit of the Banks, substantially in the form of Exhibit E 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 given to secure the Obligations;

(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 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 the Borrower or any of its Subsidiaries;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids, tenders or escrow deposits in connection with permitted Acquisitions;

(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; and

(l) additional Liens securing Indebtedness which does not in the aggregate outstanding at any time exceed $500,000.

"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.

"Philadelphia Disposition" shall mean the sale by the Borrower of certain real property located in Philadelphia, Pennsylvania and more particularly described on Schedule 2 attached hereto.

"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.

"Pro Forma Debt Service" shall mean with respect to the Borrower and its Restricted Subsidiaries, on a consolidated basis, with respect to the next succeeding complete twelve (12) 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 (i) scheduled payments of principal on Indebtedness for Money Borrowed (determined with respect to the Loans only, as the difference between the outstanding principal amount of the Loans on the calculation date and the amount the Commitment will be after the reductions thereof set forth in Section 2.5 hereof for such four calendar quarter period have taken effect) for such period, (ii) Interest Expense for such period, (iii) fees payable under this Agreement for such period, and (iv) other payments payable by such Persons during such period in respect of Indebtedness for Money Borrowed (other than voluntary repayments under Section 2.7 hereof). 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 (a) 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 (b) 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.

"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 F 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, (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.

"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 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 of the Borrower) 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.

"Restricted Subsidiary" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Security Documents" shall mean the Borrower's Pledge Agreement, the Subsidiary Guaranty, the Subsidiary Pledge Agreement, the Borrower's Security Agreement, the Subsidiary Security Agreement, the Parent Pledge 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 Banks, with Collateral for the Obligations.

"Security Interest" shall mean all Liens in favor of the Administrative Agent, for the benefit of the Banks, created hereunder or under any of the Security Documents to secure the Obligations.

"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 Banks, given by each Restricted Subsidiary of the Borrower, substantially in the form of Exhibit G hereof, and shall include any similar agreements executed pursuant to Section 5.14 hereof.

"Subsidiary Pledge Agreement" shall mean that certain Subsidiary Pledge Agreement dated as of even date herewith made by each Restricted Subsidiary of the Borrower 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 of Exhibit H hereof, and shall include any similar agreements executed pursuant to Section 5.14 hereof.

"Subsidiary Security Agreement" shall mean that certain Subsidiary Security Agreement dated as of even date herewith between each of the Borrower's Restricted Subsidiaries, on the one hand, and the Administrative Agent, (on behalf of itself and the Banks), on the other hand, substantially in the form of Exhibit I hereof, and shall include any similar agreements executed pursuant to Section 5.14 hereof.

"Tax Sharing Agreement" shall mean that certain Tax Sharing Agreement, dated as of October 15, 1996, among Borrower, American Radio Systems and certain other Subsidiaries of American Radio Systems.

"Total Debt" shall mean, for the Borrower and its 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, and (iii) the aggregate amount of all Guarantees.

"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 Subsidiary of the Borrower 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 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 on Schedule 3 attached hereto.

"Unrestricted Subsidiary Distributions" shall mean, (a) for any period ending prior to June 30, 1997, the amount of any distributions received during such period by the Borrower and its Restricted Subsidiaries from any Unrestricted Subsidiaries (other than in connection with the repayment of intercompany Indebtedness) and (b) for all periods after June 30, 1997, the lesser of (i) 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) and (ii) fifteen percent (15%) of the sum of clauses (b)(i), (b)(ii) and (b)(iii) of the definition of "Operating Cash Flow" set forth herein.

"Use of Proceeds Letter" shall mean that certain Use of Proceeds Letter, substantially in the form of Exhibit J attached hereto, to be delivered to the Administrative Agent and the Banks on the date of any Advance hereunder.

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 Banks agree, severally, in accordance with their respective Commitment Ratios and not jointly, upon the terms and subject to the conditions of this Agreement and provided there exists no Default or Event of Default hereunder, to lend to the Borrower, prior to the Maturity Date, an amount not at any one time outstanding to exceed, in the aggregate, the Available Commitment. Subject to the terms and conditions hereof and provided there exists no Default or Event of Default hereunder, Advances under the Commitment may be repaid and reborrowed from time to time on a revolving basis.

Section 2.2 Manner of Borrowing and Disbursement.

(a) Choice of Interest Rate, Etc. Any Advance under the Commitment 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 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 Bank 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. 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 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 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 Banks. 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 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 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 which represents an additional borrowing hereunder in immediately available funds.

(e) Disbursement.

(i) Prior to 2:00 p.m. (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 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 Bank prior to 12:00 noon (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 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 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 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 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 the Borrower is not in Default and has otherwise satisfied each of the conditions in Section 3.2 hereof, 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 Borrower), or all other Banks 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 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 Borrower, the Administrative Agent or the other Banks in respect of its portion of the Loans.

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 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 exceed six (6).

(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 Borrower 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 Borrower 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 5.50:1	1.250%	2.500%
B.	Greater than or equal to 5.00:1, but less than 5.50:1	1.125%	2.375%
C.	Greater than or equal to 4.50:1, but less than 5.00:1	0.875%	2.125%
D.	Greater than or equal to 4.00:1, but less than 4.50:1	0.625%	1.875%
E.	Less than 4.00:1	0.250%	1.500%

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 Section 6.2 hereof, as the case may be; provided, however, 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 Section 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.

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.

(a) Commencing on the Agreement Date, and continuing until the date of the first Advance hereunder, the Borrower agrees to pay to the Administrative Agent for the account of each of the Banks, in accordance with its respective Commitment Ratio, a

commitment fee on the amount of the Commitment for each day from the Agreement Date until the date of the first Advance hereunder of a rate of one-quarter of one percent (0.250%) per annum, which fee shall be computed on the basis of a year of 365/366 days for the actual number of days elapsed, shall be payable on the date of the first Advance hereunder, and shall be fully earned when due and non-refundable when paid.

(b) Commencing on the date of the first Advance hereunder and of all times thereafter, the Borrower agrees to pay to the Administrative Agent for the account of each of the Banks in accordance with its respective Commitment Ratio, a commitment fee on the aggregate unborrowed balance of the Commitment for each day from the date of the first Advance hereunder until the Maturity Date, at a rate of (i) one-half of one percent (0.500%) per annum when the Applicable Margin Ratio is greater than or equal to 4.00:1; and (ii) three-eighths of one percent (0.375%) per annum when the Applicable Margin Ratio is less than 4.00:1. 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 shall be 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 Commitment Reductions.

(a) Scheduled Reductions. Commencing on September 30, 1999 and at the end of each calendar quarter thereafter, the Commitment as of September 29, 1999 shall be automatically and permanently reduced as set forth below (which reductions are in addition to those set forth in Sections 2.5(b), 2.5(c), 2.5(d) and 2.6 hereof):

Dates of Commitment Reduction	Quarterly Percentage of Reduction of Commitment as of September 29, 1999
September 30, 1999 and December 31, 1999	3.750%
March 31, 2000, June 30, 2000, September 30, 2000 and December 31, 2000	3.125%
March 31, 2001, June 30, 2001, September 30, 2001 and December 31, 2001	4.375%
March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002	5.625%

March 31, 2003, June 30, 2003, September 30, 2003 and December 31, 2003	5.625%
March 31, 2004, June 30, 2004 September 30, 2004 and Maturity Date	4.375%

The Borrower shall make a repayment of the Loans outstanding, together with accrued interest thereon, on or before the effective date of each reduction in the Commitment under this Section 2.5(a), such that the aggregate principal amount of the Loans outstanding at no time exceeds the Commitment as so reduced. Any remaining unpaid principal and interest under the Commitment shall be due and payable in full on the Maturity Date, and the Commitment shall thereupon terminate.

(b) Reduction From Excess Cash Flow. On April 15, 2000, and on each April 15 thereafter during the term of this Agreement, the Commitment shall be permanently reduced by an amount equal to fifty percent (50%) of Excess Cash Flow for the fiscal year immediately preceding the calculation date. Reductions to the 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. On the Business Day following the date of receipt by the Borrower or any of its Restricted Subsidiaries of the Net Proceeds of any asset sale permitted pursuant to Section 7.4 hereof (other than with respect to the Philadelphia Disposition), the Commitment shall be automatically and permanently reduced by an amount equal to such Net Proceeds; provided, however, that the Commitment shall not be required to be reduced by such Net Proceeds until the amount of such unapplied Net Proceeds exceeds $250,000 in the aggregate; provided, further, however, that the Borrower may notify the Administrative Agent in writing that it intends to use any or all of such Net Proceeds to acquire fixed or capital assets permitted by Section 7.6 hereof within six (6) months of the date of receipt of such Net Proceeds, in which case, the reduction in the Commitment up to the amount of the Net Proceeds intended to be used which is otherwise required by this Section 2.5(c) need not be made, but if all or part of such Net Proceeds are not used or irrevocably committed to be used within such 6-month period, the Commitment shall be permanently reduced by an amount equal to such Net Proceeds on the earlier of (i) the first day following the end of such 6-month period and (ii) the date on which the

Borrower has reasonably determined that such Net Proceeds shall not be so used. Reductions to the 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. On the Business Day following the date of receipt by the Borrower of the net proceeds of any sale its Capital Stock or debt instruments or other securities (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 the Borrower), the Commitment shall automatically and permanently be reduced by an amount equal (i) 100% of such net proceeds to the extent the Leverage Ratio is greater than or equal to 4.0:1; or (ii) 50% of such net proceeds to the extent the Leverage Ratio is less than 4.0:1; provided, however, the provisions of this Section 2.5(d) shall not apply to equity contributions by the Parent or American Radio Systems. Reductions to the 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 Borrower 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 Commitment, on a pro rata basis among the Banks, provided, however, that any such -------- ------- partial reduction shall be made in an amount not less than $5,000,000 and in integral multiples of not less than $1,000,000. As of the date of cancellation or reduction set forth in such notice, the Commitment shall be permanently reduced to the amount stated in the Borrower's notice for all purposes herein, and the Borrower shall pay to the Administrative Agent for the Banks the amount necessary to reduce the principal amount of the Loans then outstanding under the Commitment to not more than the amount of the 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. Reductions in the Commitment pursuant to this Section shall be applied pro rata to the then remaining reductions set forth in Section 2.5(a).

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 penalty and without regard to the Payment Date for such Advance. LIBOR Advances may be prepaid prior to the applicable Payment Date, upon three (3) Business Days' prior written notice to the Administrative Agent, provided that the Borrower shall reimburse the Banks and the Administrative Agent, on demand by the applicable Bank or the Administrative Agent, for any loss or reasonable 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. Any prepayment hereunder shall be in amounts of not less than $500,000 and in integral multiples of $100,000.

(b) Repayments.

(i) Loans in Excess of Commitment. If, at any time, the amount of the Loans then outstanding shall exceed the Available Commitment, the Borrower shall, on such date and subject to Sections 2.10 and 2.11 hereof, make a repayment of the principal amount of the Loans in an amount equal to such excess, together with any accrued interest and fees with respect thereto.

(ii) From Excess Cash Flow. On April 15, 2000, and on each April 15 thereafter during the term of this Agreement, the Borrower shall make a repayment of the Loans then outstanding in an amount equal to fifty percent (50%) of the Excess Cash Flow for the fiscal year immediately preceding the calculation date.

(iii) From Permitted Asset Sales. On the Business Day following the date of receipt by the Borrower or any of its Restricted Subsidiaries of the Net Proceeds of any asset sale permitted pursuant to Section 7.4 hereof (other than with respect to the Philadelphia Disposition), and to the extent that the Borrower is required to reduce the Commitment pursuant to Section 2.5(c) hereof, the Borrower shall make a repayment of the Loans by an amount equal to the amount of such reduction.

(iv) From Capital Stock and Debt Instruments. On the Business Day following the receipt by the Borrower of the Net Proceeds of any sale of its Capital Stock or debt instruments or other securities, and to the extent that the Borrower is required to reduce the Commitment pursuant to Section 2.5(d) hereof, the Borrower shall make a repayment

of the Loans by an amount equal to the amount of such reduction.

(v) 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 Note shall be payable to the order of each Bank, in accordance with such Bank's respective Commitment Ratio. The Notes shall be issued by the Borrower to the Banks and shall be duly executed and delivered by one or more Authorized Signatories.

(b) Each Bank 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 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 Borrower's repayment obligations with respect to such Loans.

Section 2.9 Manner of Payment.

(a) Each payment (including 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 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 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 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 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 Borrower 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 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 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.

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 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), 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 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 Obligations.

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) 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 Borrower agrees 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 the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower 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 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 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 Borrower shall promptly pay 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 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 2.13 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 Borrower 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 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. Each such Bank 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 Initial Advance. The obligation of the Banks to undertake the Commitment and to make the initial Advance hereunder are 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 the Borrower dated as of the Agreement Date, in substantially the form attached hereto as Exhibit K, 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 Bank 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 Bank and each Administrative Agent, certified by the chief financial officer of the Borrower;

(ix) 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, 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 Banks shall have received a certificate of an Authorized Signatory so stating.

(c) The Borrower 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 and that no Default or Event of Default then exists or is continuing.

(d) The Administrative Agent shall have received evidence reasonably satisfactory to it that the Parent or American Radio Systems has contributed not less than $25,000,000 of equity into the Borrower comprised of not less than $15,000,000 in cash (or acquisitions of property from non-Affiliates made with Capital Stock of American Radio Systems) and the balance in tangible assets (valued at American Radio Systems's cost for such assets).

(e) The Borrower 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.

(f) The Administrative Agent shall have received evidence reasonably satisfactory to it that no real property owned by the Borrower is located in a Federal or state designated flood zone or, to the extent that any such real property is located in a Federal or state designated flood zone, evidence satisfactory to it that such real property is sufficiently insured against flood related losses.

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 Borrower under this Agreement and the other Loan Documents (including, without limitation, all representations and warranties with respect to the Borrower's 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;

(d) With respect to any Advance relating to any Acquisition or the formation of any 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 5.14 hereof or otherwise required herein.

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 Bank 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 4.1(a) 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 Borrower's Restricted Subsidiaries and the Borrower's direct and indirect ownership thereof as of the Agreement Date are as set forth on Schedule 4.1(c) attached hereto, and to the extent such Restricted Subsidiaries are corporations, the Borrower has the unrestricted right to vote the issued and outstanding shares of the Restricted Subsidiaries shown thereon and such shares of such Restricted Subsidiaries have been duly authorized and issued and are fully paid and nonassessable. Each Restricted Subsidiary of the Borrower 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 of the Borrower 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 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 of its Restricted Subsidiaries 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 of the Borrower, (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 of the Borrower, or under any material indenture, agreement, or other instrument, including without limitation the Licenses, to which the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries, 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.

(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 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.

(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. None of the properties or assets of the Borrower or any of its Restricted Subsidiaries is subject to any Liens, except for Permitted Liens. 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 of its Restricted Subsidiaries as debtor or which covers or purports to cover any of the assets of the Borrower or any of its Restricted Subsidiaries is currently effective and on file in any state or other jurisdiction, and neither the Borrower nor any of its Restricted Subsidiaries 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.

(i) Litigation. As of the date hereof, 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 of its Restricted Subsidiaries 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 4.1(i) 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 of its Restricted Subsidiaries, would have a Materially Adverse Effect.

(j) Taxes. All federal, state and other tax returns of the Borrower and each of its Restricted Subsidiaries 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 of its Restricted Subsidiaries or imposed upon the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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 of its Restricted Subsidiaries

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 Banks as of the Agreement Date, the audited financial statements for American Radio Systems and its Subsidiaries on a consolidated basis for the fiscal year ended December 31, 1995, and unaudited financial statements for the Borrower and its Restricted Subsidiaries for the fiscal quarter ended June 30, 1996, 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 of its 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 June 30, 1996 which has or which could reasonably be expected to have a Materially Adverse Effect.

(m) ERISA. The Borrower and each Subsidiary of the Borrower and each of their respective Plans are in compliance with ERISA and the Code 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 COBRA. 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 G, T, U and X. Neither the Borrower nor any of the Borrower's 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 the Borrower nor any of the Borrower's Restricted Subsidiaries owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations G, T, U, and X (12 C.F.R. Parts 207, 220, 221 and 224) 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 said Regulations G, T, U, and X. 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 Regulation G, T, U, or X or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, 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 Forms G-3 and/or U-1 referred to in Regulations G and U of said Board of Governors 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 Regulation G, T, U, or X of said Board of Governors.

(o) Investment Company Act. Neither the Borrower nor any of its 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 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 of its 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 the Borrower nor any of its 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 performance, in accordance with their respective terms, of this Agreement or any other Loan Document, other than filing of appropriate UCC financing statements and mortgages.

(q) Absence of Default, Etc. The Borrower and its 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 the Borrower or any of its Restricted Subsidiaries under any indenture, agreement or other instrument relating to Indebtedness of the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries is a party or by which the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries and furnished by or on behalf of the Borrower or any of its Restricted Subsidiaries 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 consolidated projected cash flow statement, an income statement, and a balance sheet for Borrower and its Restricted Subsidiaries (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 such Affiliates for fair consideration or which are set forth on Schedule 4.1(s) attached hereto, neither the Borrower nor any of its Restricted Subsidiaries 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 those between the Borrower and its Restricted Subsidiaries.

(t) Payment of Wages. The Borrower and each of its Restricted Subsidiaries 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, 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 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 June 30, 1996, or as described on Schedule 4.1(v) attached hereto neither the Borrower nor any of its 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 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.

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 Borrower 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, the Licenses and all other Necessary Authorizations; 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 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 of its Restricted Subsidiaries to, (a) engage in the business of owning, constructing, managing, operating and investing in communications tower facilities and related businesses and no 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 of its 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 Borrower will, and will cause each of its 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 Borrower and its Restricted Subsidiaries will maintain a fiscal year ending on December 31.

Section 5.5 Insurance. The Borrower will, and will cause each of its 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 Borrower and each of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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; except 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 of its Restricted Subsidiaries to, timely file all information returns required by federal, state or local tax authorities.

Section 5.7 Compliance with ERISA.

(a) The Borrower shall, and shall cause 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 its Subsidiaries to, comply in all respects with the requirements of COBRA 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 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, 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 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 of its Restricted Subsidiaries to, permit representatives of the Administrative Agent and any of the Banks, upon reasonable notice, to (i) visit and inspect the properties of the Borrower or any of its Restricted Subsidiaries during business hours, (ii) inspect and make extracts from and copies of their respective books and records, and (iii) discuss with their respective principal officers their respective businesses, assets, liabilities, financial positions, results of operations and business prospects. The Borrower and each of its Restricted Subsidiaries will also permit representatives of the Administrative Agent and any of the Banks to discuss with their respective accountants the Borrower's and the Borrower's 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 of its Restricted Subsidiaries 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 will use the aggregate proceeds of all Advances under the Loans directly or indirectly:

(a) to fund Acquisitions permitted by Section 7.6 hereof;

(b) to fund Capital Expenditures to the extent permitted under Section 7.11 hereof; and

(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) 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 Regulations G, T, U, and X of the Board of Governors of the Federal Reserve System.

Section 5.11 Real Estate. The Borrower shall, and shall cause its Restricted Subsidiaries to, on the Agreement Date, and, thereafter, within thirty (30) days of the acquisition of any real estate permitted under Section 7.13 hereof, grant a mortgage to the Administrative Agent securing the Obligations (or such amount thereof as is equal to the fair market value of such real estate if the Majority Banks so permit), in form and substance reasonably satisfactory to the Administrative Agent, covering any parcel of real estate as may be owned by the Borrower or any of its Restricted Subsidiaries; provided, that (a) this Section 5.11 shall not apply to the Philadelphia Disposition and (b) any real estate so acquired that is incidental to such Acquisition or is otherwise incidental to or not useful in the business of Borrower or such Restricted Subsidiary, Borrower may notify the Administrative Agent in writing that it or such Restricted Subsidiary intends to, subject to Section 2.5(c) hereof, sell such real estate within eight (8) months of the date of the acquisition thereof, in which case, the mortgage required to be

granted pursuant to this Section 5.11 need not be granted, but if such real estate is not sold in such eight (8) month period, Borrower or such Restricted Subsidiary shall, on the first Business Day following the end of such eight (8) month period, grant a mortgage with respect to such real estate to the Administrative Agent as required and in accordance with this Section 5.11. The Borrower shall, and shall cause its Restricted Subsidiaries to, deliver to the Administrative Agent all documentation, including opinions of counsel and policies of title insurance, which in the reasonable opinion of the Administrative Agent are appropriate with each such grant, including any phase I environmental audit requested by the Majority Banks.

Section 5.12 Indemnity. The Borrower agrees 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 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 the Borrower of any representation or warranty made hereunder; 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 of its Restricted Subsidiaries, (ii) allegations of any participation by the Banks, 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 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 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 5.12 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 5.13 Interest Rate Hedging. Within sixty (60) days of the Agreement Date and forty-five (45) days after each Advance, the Borrower 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 Borrower's interest obligations on not less than fifty percent (50%) of the principal amount of the 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 Borrower to either 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; and any Interest Hedge Agreement between the Borrower and any other Person shall be unsecured.

Section 5.14 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 of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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 I 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 G 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 L 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 Subsidiary or Person which is acquired or formed, beneficially owned by the Borrower or any of the Borrower's Restricted Subsidiaries, 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 H 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 their 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 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 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 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 5.14 shall be a "Loan Document" for purposes of this Agreement.

Section 5.15 Payment of Wages. The Borrower shall and shall cause each of its Restricted Subsidiaries 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 5.16 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 this Agreement), resulting from any acts or failure to act by the Borrower or any of the Borrower's Restricted Subsidiaries or any employee or officer thereof. The Borrower at its 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 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 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 Borrower 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 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 which shall be in scope and substance reasonably satisfactory to the Administrative Agent of Deloitte & Touche, LLP or other independent certified public accountants of recognized national standing reasonably acceptable 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 Sections 7.8, 7.9, 7.10 and 7.11 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, 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 M:

(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), and (ii) whether or not the Borrower was in compliance with the requirements of Sections 7.7, 7.8, 7.9, 7.10 and 7.11;

(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; and

(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.

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.

(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 of its Restricted Subsidiaries, as 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 31 of each year, the annual budget for the Borrower and the Borrower's Restricted Subsidiaries, including 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 of its Restricted Subsidiaries 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:

(i) 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;

(ii) 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 Adverse Effect;

(iii) any material adverse amendment or change to the projections or annual budget provided to the Banks by the Borrower;

(iv) any Default or the occurrence or non-occurrence of any event (A) 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 of the Borrower under any material agreement other than this Agreement and the other Loan Documents to which the Borrower or any Restricted Subsidiary of the Borrower is party or by which any of their respective properties may be bound, or (B) 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;

(v) 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

(vi) 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) of this Agreement.

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 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;

(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 the Borrower or any of its Restricted Subsidiaries to the Borrower or any other Restricted Subsidiary so long as 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 that such Indebtedness is non-recourse to the Borrower or any of its Restricted Subsidiaries and no Lien is placed on the Borrower's or any of its Restricted Subsidiaries' equity interests in such Unrestricted Subsidiary; and

(g) Capitalized Lease Obligations not to exceed in the aggregate at any one time outstanding $1,000,000.

Section 7.2 Limitation on Liens. The Borrower shall not, and shall not permit any of its 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 Borrower shall not, and shall not permit any of its 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 Borrower shall not, and shall not permit any of its 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 and other than the Philadelphia Disposition) without the prior written consent 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 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, (ii) the disposition of communications tower facilities that contribute in the aggregate, less than (A) five percent (5%) of the Operating Cash Flow of Borrower for the twelve calendar month period immediately preceding such disposition, and (B) fifteen percent (15%) of the Operating Cash Flow of the Borrower for the period from the Agreement Date through the date of such disposition or (iii) subject to Section 2.5(c) hereof, any other property (real or personal) not used or useful in Borrower's or such Restricted Subsidiary's business. Upon any sale or disposition of a Restricted Subsidiary permitted hereunder, the Administrative Agent and the Banks 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 of its 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 Borrower and one or more Restricted Subsidiaries, provided the Borrower is the surviving corporation, or (ii) a merger between or among two 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.

Section 7.5 Limitation on Guaranties. The Borrower 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 Borrower or any of its Restricted Subsidiaries entered into in connection

with Acquisitions permitted under this Agreement leases of real property or the acquisition of services, supplies and equipment in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries, or (c) Guaranties of Indebtedness incurred as permitted pursuant to Section 7.1 hereof, or (d) as may be contained in any Loan Document including, without limitation, any Subsidiary Guaranty.

Section 7.6 Investments and Acquisitions. The Borrower shall not, and shall not permit any of its 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, except that so long as no Default then exists or would be caused thereby:

(a) The Borrower and its Restricted Subsidiaries 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 million 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 million and rated "A" or better by Moody's Investors Service, Inc. or Standard and Poor's Ratings Group, a division of McGraw-Hill, Inc.; and

(b) Subject to compliance with Section 5.14 hereof, the Borrower or any of its Restricted Subsidiaries may (i) make Acquisitions; (ii) initiate construction of new communications tower facilities; and (iii) make investments in Unrestricted Subsidiaries so long as the maximum amount of the proceeds of the Loans invested or used to acquire interests in any such Unrestricted Subsidiary does not exceed the sum of (A) $13,500,000 in the aggregate during the term hereof and (B) to the extent not used for Restricted Payments, funds permitted to be used for Restricted Payments pursuant to Sections 7.7(a) and

(b) hereof, provided that proceeds from the disposition of any such investment permitted by this clause (b)(iii), shall be available to be used for Restricted Payments or to make additional investments permitted hereunder; provided that Borrower may, subject to Section 2.5(d) hereof, use the Net Proceeds of any issuance of equity interests to invest in any such Unrestricted Subsidiary over and above the limitations set forth in this clause (b).

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 so long as no Default hereunder then exists or would be caused thereby, the Borrower may make (a) subject to Section 2.5(b) hereof, cash distributions in an amount not to exceed (i) fifty percent (50%) of Excess Cash Flow for the immediately preceding calendar year, on or after April 15 of each calendar year commencing on April 15, 2000 less (ii) any portion thereof used for purposes of investing in Unrestricted Subsidiaries; (b) cash distributions from (i) fifty percent (50%) of the net proceeds of any equity offering less (ii) any portion thereof used for purposes of investing in Unrestricted Subsidiaries, subject to Section 2.5(d) hereof and so long as the Leverage Ratio on such date is less than 4.0 to 1 after giving effect to any payment pursuant to Section 2.7(b)(iv) hereof and (c) a $500,000 cash distribution to Parent or American Radio Systems out of the Net Proceeds of the Philadelphia Disposition.

Section 7.8 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 its Leverage Ratio to exceed the ratios set forth below during the periods indicated:

Period	Ratio
Agreement Date through September 29, 1998	6.00:1
September 30, 1998 through March 30, 1999	5.50:1
March 31, 1999 through September 29, 1999	5.00:1
September 30, 1999 through March 30, 2000	4.50:1
March 31, 2000 through December 30, 2000	4.00:1

December 31, 2000 through December 30, 2001	3.50:1
December 31, 2001 and thereafter	3.00:1

Section 7.9 Interest Coverage Ratio. The Borrower and its consolidated Restricted Subsidiaries 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 September 29, 1999	2.00:1
September 30, 1999 and thereafter	2.50:1

Section 7.10 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 Borrower shall not permit the ratio of (i) its Annualized Operating Cash Flow (for the calendar quarter/month end being tested in the case of Section 7.10(a) hereof, or for the most recently completed calendar quarter/month end, in the case of Section 7.10(b) hereof) to (ii) its Pro Forma Debt Service to be less than the ratio set forth below opposite each such period:

Period	Ratio
Agreement Date through September 29, 1999	1.10:1
September 30, 1999 and thereafter	1.15:1

Section 7.11 Limitation on Capital Expenditures. The Borrower, on a consolidated basis with its Restricted

Subsidiaries, shall not permit its Capital Expenditures to exceed the amounts set forth below for the periods indicated:

Period	Dollar Amount
Agreement Date through December 31, 1996	$10,000,000
From January 1, 1997 through December 31, 1997	$15,000,000
From January 1, 1998 through December 31, 1998	$8,000,000
From January 1, 1999 through December 31, 1999 and each calendar year period thereafter	$4,000,000

To the extent not used in any calendar year, an amount equal to the lesser of (a) the unused amounts permitted for Capital Expenditures for such calendar year and (b) 15% of the maximum Capital Expenditure availability for such calendar year may (exclusive of any carryforwards from prior periods) be carried forward to the next calendar year, and may be spent in addition to the otherwise applicable limitations for such year.

Section 7.12 Affiliate Transactions. Except as specifically provided herein (including, without limitation, Sections 7.4 and 7.7 hereof) and as may be described on Schedule 4.1(s) attached hereto, the Borrower 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 Borrower or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate.

Section 7.13 Real Estate. Subject to Section 5.11 hereof, the Borrower and its Restricted Subsidiaries may purchase real estate solely for use in the business of the Borrower and its Restricted Subsidiaries unless incidental to an Acquisition permitted hereunder.

Section 7.14 ERISA Liabilities. The Borrower shall not, and shall cause each of its ERISA Affiliates not to, (i) 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 (ii) enter into any Multiemployer Plan.

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 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 Borrower shall default (i) in the performance or observance of any agreement or covenant contained in Sections 5.2(a) or 5.10 hereof, or Sections 7.1, 7.2, 7.4, 7.5, 7.7, 7.8, 7.9, 7.10 and 7.11 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 cured 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, 7.12, 7.13 and 7.14, 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 later of (i) occurrence of such Default and (ii) 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 Section 8.1 of this Agreement) by the Borrower, any of its 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 cured within such period and the Borrower 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 of the Borrower's 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 the Borrower or any of the Borrower's Restricted Subsidiaries, or of any substantial part of their respective properties, or ordering the winding-up or liquidation of the affairs of the Borrower, or any of the Borrower's Restricted Subsidiaries; or an involuntary petition shall be filed against the Borrower or any of the Borrower's 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) The Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's Restricted Subsidiaries or of any substantial part of their respective properties, or the Borrower or any of the Borrower's Restricted Subsidiaries 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; the Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's Restricted Subsidiaries for the payment of money which exceeds singly or in the aggregate with other such judgments, $1,000,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of the Borrower or any of

the Borrower's Restricted Subsidiaries which, together with all other such property of the Borrower or any of the Borrower's Restricted Subsidiaries subject to other such process, exceeds in value $1,000,000 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 of the Borrower's Restricted Subsidiaries in an aggregate principal amount exceeding $1,000,000, 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 the Borrower to make payments to the counterparty thereunder to be then due and payable;

(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 such

loss, destruction, termination, revocation or failure to renew would be to reduce 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;

(l) 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 of the Borrower's Restricted Subsidiaries or by any governmental authority having jurisdiction over the Borrower or any of the Borrower's Restricted Subsidiaries seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or the Borrower or any of the Borrower's 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; or

(o) Borrower or any of its Restricted Subsidiaries shall be indicted under the Racketeer Influenced and Corrupt Organizations Act of 1970 (18 U.S.C. ss. 1961 et seq.).

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 Section 8.1(g)) shall have occurred and shall be continuing, the Administrative Agent, at the request of the Majority Banks subject to Section 9.8(a) hereof, shall (i) terminate the 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 Commitment shall thereupon forthwith terminate.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 8.1(f) or Section 8.1(g), 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 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, above, 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 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 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 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) 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 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. The Borrower hereby irrevocably appoints the Administrative Agent as agent for the Banks, 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 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 the appointment of 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 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) and (c); 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)), 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 Borrower or as otherwise required by law.

ARTICLE 9

The Administrative 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, 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 the Borrower, any of its Subsidiaries or any Affiliates of, or Persons doing business with, the Borrower, 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 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 docum ents received from the Borrower 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 that the Administrative Agent shall not exercise any rights under Section 8.2(a) of this Agreement 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 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 Banks (or, where expressly required, all the Banks), and any action taken or failure to act pursuant to such instructions shall be binding on all 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 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 the 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 Borrower of any of its obligations under this Agreement or the Notes or any other Loan Document, or (ii) any Restricted Subsidiary of the Borrower 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 Borrower) pro rata according to their respective Commitment Ratios, from and against any and all liabilities, obligations, losses (other than the loss of principal and interest hereunder in the event of a bankruptcy or out-of-court `work-out' of the Loans), damages, penalties, actions, judgments, suits, costs, expenses (including 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 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 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 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 Banks and the Borrower 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 Borrower, 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 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 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.

ARTICLE 10

Change 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 Borrower and the Banks, whereupon until the Administrative Agent notifies the Borrower 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 Borrower. 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 Borrower 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 Borrower 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 existing 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, in respect of its portion of LIBOR Advances 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 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 Borrower agrees to pay to such Bank such additional amount or amounts as will compensate such Bank for such increased costs. Each Bank 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 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.

(b) Any Bank 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 Bank may use any reasonable averaging and attribution methods. If any Bank demands compensation under this Section 10.3, the Borrower 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 thereon to the date of prepayment, along with any reimbursement required under Section 2.10 hereof. 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 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 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 Borrower 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, 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 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 Systems, Inc.
6400 North Congress Avenue, Suite 1750
Boca Raton, Florida 33487
Attn: James S. Eisenstein,
Chief Executive Officer
and David U. Lee, Chief Financial Officer

with a copies to:

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02111
Attn: Joseph B. Winn, Chief Financial Officer

and

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
USA Division
31 West 52nd Street
New York, NY 10019-6101
Attn: Director, Communications Finance

and

with a copy to:

Powell, Goldstein, Frazer & Murphy
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 on the signature pages hereof.

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, but not limited to, the reasonable fees and disbursements of Powell, Goldstein, Frazer & Murphy, 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 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 Borrower is 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 Borrower at any time or from time to time, without notice to the Borrower or to any other Person, any such notice being 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 Borrower or any of its Restricted Subsidiaries, against and on account of the obligations and liabilities of the Borrower to the Banks 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 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 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 the Borrower or any of its Restricted Subsidiaries 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 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 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.

(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 Bank.

(b) Each Bank may sell (i) assignments of any amount of its interest hereunder to any Bank, or (ii) assignments or participations of one hundred percent (100%) (or, with the consent of the Borrower, a smaller percentage) of its interest hereunder to (A) one or more wholly-owned Affiliates of such Bank (provided 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 (no 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 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, that (1) all assignments (other than

assignments described in clause (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 clause (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 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 Borrower, 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 N attached hereto. An administrative fee of $3,500 shall be payable to the Administrative Agent by the assigning Bank at the time of any assignment under this Section 11.5(b);

(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 Borrower with prompt written notice of any issuance of participations in or 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 the 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 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 Banks pursuant to Section 2.11 hereof.

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 Operating Cash Flow, Total Debt, Fixed Charges, Pro Forma Debt Service, 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 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 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 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 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 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, 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 Bank, then such excess sum shall be credited as a payment of principal, unless the Borrower 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 Borrower 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 Borrower 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 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 Banks and, in the case of an amendment, by the Borrower, except that in the event of (a) any increase in the amount of any Bank's portion of the Commitment, (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 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 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 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 Banks.

Section 11.13 Entire Agreement. Except as otherwise expressly provided herein, this Agreement and the other documents described or contemplated herein 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 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 (i) shall 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 (ii) shall 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 Borrower.

Section 11.18 Obligations Several. 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 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, the Banks may make disclosure of any such information 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 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 Borrower. 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 Borrower.

Section 11.20 Termination of Agreement. Notwithstanding anything contained in this Agreement or any Loan Document to the contrary, in the event that the Borrower has failed to satisfy all of the conditions set forth in Section 3.1 hereof on or prior to December 20, 1996, then at 5:00 p.m. (New York time) all obligations of the Banks hereunder, pursuant to the Commitment or otherwise, shall immediately (and without notice of any kind) terminate and be of no force and effect; provided, however, that notwithstanding any such termination and irrespective of any such termination, the Borrower hereby agrees to pay to the Administrative Agent, on or prior to December 20, 1996, the fees required to be paid pursuant to Section 2.4(a) hereof and hereby acknowledges that such Section 2.4(a) shall survive any such termination of this Agreement. Promptly following the termination of the Banks' obligations pursuant to the preceding sentence, the Banks shall return the Notes to the Borrower and take reasonable steps (at the expense of the Borrower) as may be requested by the Borrower to cause any Liens granted under the Loan Documents to be released.

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 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 BORROWER, ANY OF THE BORROWER'S 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 (i) 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 (ii) 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 SYSTEMS, INC., a Delaware corporation

By:

Its:

[CORPORATE SEAL] Attest:

Its:

ADMINISTRATIVE AGENT: TORONTO DOMINION (TEXAS), INC.

By:

Its:

BANKS:

ADDRESS: TORONTO DOMINION (TEXAS), INC.

909 Fannin Street
Suite 1700
Houston, Texas 77010

By:

Its:

ADDRESS: BANK OF MONTREAL

430 Park Avenue
New York, New York 10022

By:

Its:

ADDRESS:

787 Seventh Avenue
32nd Floor
New York, New York 10019

BANQUE PARIBAS

By:

Its:

By:

Its:

ADDRESS:

12 East 49th Street
44th Floor
New York, New York 10017

CREDIT SUISSE

By:

Its:

By:

Its:

ADDRESS:

3rd Floor
Mail Code: MAOF D03D
One Federal Street
Boston, Massachusetts 02110

FLEET NATIONAL BANK

By:

Its:

ADDRESS:

7799 Leesburg Pike
Suite #500
Falls Church, Virginia 22043

SIGNET BANK

By:

Its:

ADDRESS:

15th Floor
445 South Figueroa Street
Los Angeles, California 90071

UNION BANK OF CALIFORNIA, N.A.

By:

Its:

EXHIBIT A

FORM OF
BORROWER'S PLEDGE AGREEMENT

THIS BORROWER'S PLEDGE AGREEMENT (this "Agreement"), entered into as of this 22nd day of November 1996, by and between American Tower Systems, Inc., a Delaware corporation (the "Borrower"), and Toronto Dominion (Texas), Inc. (the "Administrative Agent") as administrative agent for itself and on behalf of the Banks.

W I T N E S S E T H:

WHEREAS, the Borrower, the Banks and the Administrative Agent are all parties to that certain Loan Agreement dated as of even date herewith (the "Loan Agreement"); and

WHEREAS, as a condition precedent to the effectiveness of the Loan Agreement, the Borrower is required to execute and deliver this Agreement; and

WHEREAS, to secure the payment and performance of, among other things, all obligations of the Borrower under the Loan Agreement and the promissory notes issued by the Borrower to the Banks thereunder (the "Notes"), the Borrower and the Administrative Agent (on behalf of itself and the Banks), have agreed that the shares of capital stock (the "Stock") owned by the Borrower in each of the Subsidiaries of the Borrower listed on Schedule 1 attached hereto, which are the only directly owned corporate Subsidiaries of the Borrower, shall be pledged by the Borrower to the Administrative Agent (on behalf of itself and the Banks) to secure the Obligations;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement to the extent not otherwise defined or limited herein, and further agree as follows:

1. Warranty. The Borrower hereby represents and warrants to the Administrative Agent and the Banks that, except for the security interest created hereby, the Borrower owns the Stock, which constitutes the percentage of the issued and outstanding stock of the Subsidiaries as set forth on Schedule 1 attached hereto, free and clear of all Liens, that the Stock is duly issued, fully paid and non-assessable, and that the Borrower has the unencumbered right to pledge the Stock. In addition, the Borrower represents and covenants as follows: (1) the Stock represents all

of Borrower's shares of capital stock in any Subsidiary of the Borrower; (2) upon possession and retention of the Stock by the Administrative Agent, the Administrative Agent shall have a valid and perfected first priority security interest in the Stock, securing the payment of the Obligations; and (3) except as noted on Schedule 2 attached hereto, the Stock represents all of the outstanding shares of stock issued by any direct Subsidiary of the Borrower.

2. Security Interest. Subject to the provisions of Section 13 hereof, the Borrower hereby unconditionally grants and assigns to the Administrative Agent, for itself and on behalf of the Banks, and their respective successors and assigns, a continuing security interest in and security title to the Stock and any other shares of capital stock of any Subsidiary of the Borrower obtained in the future, and in each case, all certificates representing such shares, all rights, options, warrant, stock or other securities or other property which may hereafter be received, receivable or distributed in respect of the Stock, together with all proceeds of the foregoing, including, without limitation, all dividends, cash, notes, securities or other property from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, the foregoing, all of which shall constitute "Stock" hereunder. The Borrower has delivered to and deposited with the Administrative Agent all of its right, title and interest in and to the Stock, together with certificates representing the Stock, and undated stock powers endorsed in blank, as security for the Obligations; it being the intention of the parties hereto that beneficial ownership of the Stock, including, without limitation, all voting, consensual and dividend rights, shall remain in the Borrower until the occurrence and during continuance of an Event of Default under the terms of the Loan Agreement and until the Administrative Agent shall notify the Borrower of the Administrative Agent's exercise of voting and dividend rights to the Stock pursuant to Section 9 of this Agreement.

3. Additional Shares. In the event that, during the term of this Agreement:

(a) any stock dividend, stock split, reclassification, readjustment, or other change is declared or made in the capital structure of any directly owned Subsidiary, or any new stock is issued by such Subsidiary, or any new directly owned Subsidiary is formed or acquired, all new, substituted, and additional shares shall be issued to the Borrower and shall be promptly delivered to the Administrative Agent, together with undated stock powers endorsed in blank by the Borrower, and shall thereupon constitute Stock to be held by the Administrative Agent under the terms of this Agreement; and

(b) any subscriptions, warrants or any other rights or options shall be issued in connection with the Stock, all new stock or other securities acquired through such subscriptions,

warrants, rights or option by the Borrower shall be promptly delivered to the Administrative Agent, together with undated stock powers endorsed in blank, and shall thereupon constitute Stock to be held by the Administrative Agent under the terms of this Agreement.

4. Default. In the event of the occurrence of an Event of Default and so long as any such Event of Default is continuing, subject, however, to Section 13 hereof, the Administrative Agent may sell or otherwise dispose of the Stock at a public or private sale or make other commercially reasonable disposition of the Stock or any portion thereof after fifteen (15) days' notice to the Borrower, and the Administrative Agent and the Banks or any of them, may purchase the Stock or any portion thereof at any public sale. The proceeds of the public or private sale or other disposition shall be applied first to the costs of the Administrative Agent incurred in connection with the sale, expressly including, without limitation, any costs under Section 7 hereof, and then to the Obligations as provided in the Loan Agreement. In the event the proceeds of the sale or other disposition of the Stock are insufficient to satisfy the Obligations, the Borrower shall remain liable for any such deficiency. The Borrower waives, to the extent permitted by Applicable Law, the rights of equity of redemption, appraisal, notice of acceptance, presentment, demand and marshalling, to the extent applicable.

5. Additional Rights of Secured Party. In addition to its rights and privileges under this Agreement, the Administrative Agent, on behalf of itself and the Banks, shall have all the rights, powers and privileges of a secured party under the Uniform Commercial Code as in effect in any applicable jurisdiction and other Applicable Law.

6. Return of Stock to the Borrower. Upon payment in full of all principal and interest on the Notes, full performance by the Borrower of all covenants, undertakings and obligations under the Loan Agreement, the Notes, and the other Loan Documents, and satisfaction in full of any other Obligations, other than the Obligations which survive the termination of the Loan Agreement as provided in Section 11.16 of the Loan Agreement, and after such time as the Banks shall have no obligation to make any further Advances to the Borrower, this Agreement shall terminate and the Administrative Agent shall return the remaining Stock and all rights received by the Administrative Agent as a result of its possessory interest in the Stock to the Borrower.

7. Disposition of Stock by Administrative Agent. The Stock is not registered or qualified under the various Federal or state securities laws of the United States and disposition thereof after default may be restricted to one or more private (instead of public) sales. The Borrower understands that upon such disposition, the Administrative Agent may approach only a

restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Stock than if the Stock were registered and qualified pursuant to Federal and state securities laws and sold on the open market.
The Borrower, therefore, agrees that:

(a) if the Administrative Agent shall, pursuant to the terms of this Agreement, sell or cause the Stock or any portion thereof to be sold at a private sale, the Administrative Agent shall have the right to rely upon the advice and opinion of any national brokerage or investment firm having recognized expertise and experience in connection with shares of communications tower companies (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to expose the Stock for sale and as to the best price reasonably obtainable at the private sale thereof; and

(b) that such reliance shall be conclusive evidence that the Administrative Agent has handled such disposition in a commercially reasonable manner absent manifest error.

8. Borrower's Obligations Absolute. The obligations of the Borrower under this Agreement shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Borrower or any other Person, nor against other security or liens available to the Administrative Agent or any Bank. The Borrower hereby waives any right to require that an action be brought against any other Person or to require that resort be had to any other security or to any balance of any deposit account or credit on the books of the Administrative Agent or any of the Banks in favor of any other Person prior to the exercise of remedies hereunder, or to require action hereunder prior to resort by the Administrative Agent to any other security or collateral for the Notes and the other Obligations. No amendment, modification, waiver, transfer or renewal, extension, assignment or termination of this Agreement or of the Loan Agreement or of any other Loan Document, or of any instrument or document executed and delivered by the Borrower or any other obligor with respect to the Obligations to the Banks and the Administrative Agent, or any of them, nor additional advances made by the Banks and the Administrative Agent, or any of them, to the Borrower, nor the taking of further security, nor the retaking or re-delivery or release of the Collateral or any other collateral or guaranty to the Borrower by the Banks and the Administrative Agent, or any of them, nor any lack of validity or enforceability of any Loan Document or any term thereof, nor any other act of the Banks and the Administrative Agent, or any of them, shall release the Borrower from any Obligation, except a release or discharge executed in writing by the Administrative Agent in accordance with the Loan Agreement with respect to such Obligation or upon full payment and satisfaction of all Obligations. Neither the

Administrative Agent nor any Bank shall, by any act, delay, omission or otherwise, be deemed to have waived any of its or their rights or remedies hereunder, unless such waiver is in writing and signed by the Administrative Agent in accordance with the Loan Agreement and then only to the extent therein set forth. A waiver by the Banks and the Administrative Agent, or any of them, of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which any such Person would otherwise have had on any other occasion.

9. Voting Rights.

(a) For so long as the Notes or any other Obligations remain unpaid, after and during the continuation of an Event of Default, but subject to the provisions of Section 13 hereof, (i) the Administrative Agent may, upon fifteen (15) days' prior written notice to the Borrower of its intention to do so, exercise all voting rights, and all other ownership or consensual rights of the Stock, but under no circumstances is the Administrative Agent obligated by the terms of this Agreement to exercise such rights, and (ii) the Borrower hereby appoints the Administrative Agent, which appointment shall be effective on the fifteenth (15th) day following the giving of notice by the Administrative Agent as provided in the foregoing Section 9(a)(i), the Borrower's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote the Stock in any manner the Administrative Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders. The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

(b) For so long as the Borrower shall have the right to vote the Stock, the Borrower covenants and agrees that it will not, without the prior written consent of the Administrative Agent, vote or take any consensual action with respect to the Stock which would constitute an Event of Default.

10. Notices. All notices and other communications required or permitted hereunder shall be in writing, and shall be given in the manner and at the addresses set forth in Section 11.1 of the Loan Agreement.

11. Binding Agreement. The provisions of this Agreement shall be construed and interpreted, and all rights and obligations of the parties hereto determined, in accordance with the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York. This Agreement, together with all documents referred to herein, constitutes the entire agreement between the parties with respect to the matters addressed herein and may not be modified except by a writing executed by the Administrative Agent and the Borrower and delivered by the Administrative Agent to the Borrower.

12. Severability. If any paragraph or part thereof shall for any reason be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such paragraph or part thereof so adjudicated invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such holding or adjudication.

13. FCC Compliance. Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by the Administrative Agent which may require the consent or approval of the FCC, and the proxy granted in Section 9(a) shall not become effective, unless and until all requirements of the Communications Act requiring the consent to or approval of such action by the FCC have been satisfied. The Borrower covenants that, following and during the continuation of an Event of Default, upon request of the Administrative Agent, it will cause to be filed such applications and take such other action as may be reasonably requested by the Administrative Agent to obtain consent or approval of the FCC to any action contemplated by this Agreement and to give effect to the security interest of the Administrative Agent, including, without limitation, the execution of an application for consent by the FCC to an assignment or transfer involving a change in ownership or control pursuant to the provisions of the Communications Act.

14. Counterparts. This Agreement may be executed in multiple 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.

15. Administrative Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Administrative Agent" shall be a reference to the Administrative Agent for the benefit of all the Banks, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Administrative Agent for the benefit of and on behalf of all the Banks.

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Agreement by and through their duly authorized officers, as of the day and year first above written.

BORROWER:

AMERICAN TOWER SYSTEMS, INC.,
a Delaware corporation

By:

[CORPORATE SEAL]

Title:

Attest:

Title:

Address:

American Tower Systems, Inc.
6400 North Congress Avenue
Suite 1750
Boca Raton, Florida 33482
Attention: David U. Lee
Telecopy: 610/341-1835

ADMINISTRATIVE AGENT:

TORONTO DOMINION (TEXAS), INC.,
as Administrative Agent

By:

Title:

SCHEDULES

Schedule 1 - Shares Pledged Pursuant to Pledge Agreement
Schedule 2 - Outstanding Shares of Stock

EXHIBIT B

FORM OF
BORROWER SECURITY AGREEMENT

THIS BORROWER SECURITY AGREEMENT (this "Agreement") dated as of the 22nd day of November 1996, by and between American Tower Systems, Inc., a Delaware corporation (the "Borrower"), and Toronto Dominion (Texas), Inc., as administrative agent (the "Administrative Agent") for itself and the Banks.

W I T N E S S E T H:

WHEREAS, the Borrower, the Banks and the Administrative Agent are all parties to that certain Loan Agreement dated as of even date herewith (the "Loan Agreement"); and

WHEREAS, as a condition precedent to the effectiveness of the Loan Agreement, the Borrower is required to execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement to the extent not otherwise defined or limited herein, and further agree as follows:

1. Grant of Security Interest. Subject to the provisions of Sections 23 and 25 hereof, and to the extent permitted by Applicable Law in the case of the Licenses, the Borrower hereby unconditionally grants and assigns to the Administrative Agent (for itself and the Banks) a continuing security interest in and security title to (hereinafter referred to as the "Security Interest") all of its property and assets and all additions thereto and replacements thereof, and all other property whether now owned or hereafter created, acquired or reacquired by the Borrower, including:

Inventory

All of the Borrower's inventory and supplies of whatsoever nature and kind and wheresoever situated, including, without limitation, raw materials, components, work in process, finished goods, goods in transit and packing and shipping materials, accretions and accessions thereto, trust receipts and similar documents covering the same products (the "Inventory");

Accounts

All right to payment for goods sold or leased or for services rendered, expressly including, without limitation, in connection with owning, leasing, managing and operating communications tower facilities, whether or not earned by performance, including, without limitation, all agreements with and sums due from customers and other Persons, and all books and records recording, evidencing or relating to such rights or any part thereof (the "Accounts");

Equipment

All machinery, equipment and supplies (installed and uninstalled) not included in Inventory above, including motor vehicles and accretions and accessions thereto; and expressly including, without limitation, towers, antennas and equipment located at communications tower facilities; any distribution systems and all components thereof, including, without limitation, hardware, cables, fiber optic cables, switches, CODECs, computer equipment, amplifiers, and associated devices; and any other equipment used in connection with the Borrower's business (the "Equipment");

Contracts and Leases

All assignable (a) construction contracts, subscriber contracts, customer service agreements, management agreements, rights of way, easements, pole attachment agreements, transmission capacity agreements, public utility contracts and other agreements to which the Borrower is a party, whether now existing or hereafter arising, including, without limitation, those listed on Exhibit A hereto (the "Contracts"); (b) lease agreements for personal property to which the Borrower is a party, whether now existing or hereafter arising including without limitation those listed on Exhibit B hereto (the "Leases"); and (c) other contracts and contractual rights, remedies or provisions now existing or hereafter arising in favor of the Borrower (the "Other Contracts");

General Intangibles

All general intangibles including personal property not included above, such as, without limitation, all goodwill, trademarks, trademark applications, trade names, trade secrets, industrial designs, other industrial or intellectual property or rights therein, whether under license or otherwise, claims for tax refunds, and tax refund amounts (the "Intangibles");

Licenses

To the extent permitted by Applicable Law and subject to Sections 23 and 25 hereof, all franchises, permits and operating rights authorizing or relating to the Borrower's rights to operate and maintain communications tower facilities or similar business including, without limitation, the Licenses, all as more particularly described on Exhibit C attached hereto;

Furniture and Fixtures

All furniture and fixtures in which the Borrower has an interest (the "Furniture and Fixtures");

Miscellaneous Items

All goods, chattel paper, documents, instruments, supplies, choses in action, claims, money, deposits, certificates of deposit, stock or share certificates, and licenses and other rights in intellectual property not included above (the "Miscellaneous Items"); and

Proceeds

All proceeds of any of the above, and all proceeds of any loss of, damage to or destruction of the above, whether insured or not insured, and all other proceeds of any sale, lease or other disposition of any property (or interest therein) referred to above (including, without limitation, the proceeds from the sale of any License), together with all proceeds of any policies of insurance covering any or all of the above, the proceeds of any award in condemnation with respect to any of the property of the Borrower, any rebates or refunds, whether for taxes or otherwise, together with all proceeds of any such proceeds (the "Proceeds").

The Inventory, Accounts, Equipment, Contracts, Other Contracts, Leases, Intangibles, Licenses, Furniture and Fixtures, Miscellaneous Items, and Proceeds, as described above, are hereinafter collectively referred to as the "Collateral."

This Agreement and the Security Interest secure the payment and performance of the Obligations (as defined in the Loan Agreement).

2. Further Assurances. The Borrower hereby authorizes the Administrative Agent to file such financing statements and such other documents as the Administrative Agent may reasonably require to protect or perfect the interest of the Banks and the Administrative Agent in the Collateral, and the Borrower further irrevocably appoints the Administrative Agent as the Borrower's attorney-in-fact, with a power of attorney to execute on behalf of the Borrower such Uniform Commercial Code

(the "UCC") financing statement forms as the Administrative Agent may from time to time deem necessary or desirable to protect or perfect such interest in the Collateral. Such power of attorney is coupled with an interest and shall be irrevocable. In addition, the Borrower agrees to do, execute and deliver or cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably require for the purpose of perfecting or protecting the rights of the Banks and the Administrative Agent hereunder or otherwise giving effect to this Agreement, all promptly upon request therefor.

3. Representations and Warranties. The Borrower represents and warrants to the Banks and the Administrative Agent that:

(a) Exhibit A attached hereto and incorporated herein by this reference sets forth a complete and accurate list of the Contracts in effect on the date hereof which provide for aggregate payments to the Borrower over the life of any single Contract in excess of $250,000 or which are otherwise material to the Borrower, and the Borrower will furnish copies thereof to the Banks and the Administrative Agent upon the request of the Administrative Agent;

(b) Exhibit B attached hereto and incorporated herein by this reference sets forth a complete and accurate list of all Leases providing for aggregate payments to the Borrower over the life of any single Lease in excess of $100,000, to which the Borrower is party in effect on the date hereof, and the Borrower will furnish copies thereof to the Banks and the Administrative Agent upon the request of the Administrative Agent; and

(c) Exhibit C attached hereto and incorporated herein by this reference sets forth a complete and accurate list of the Licenses in effect on the date hereof.

4. Representations and Warranties Concerning Collateral. The Borrower further represents and warrants that (a) the Security Interest in the Collateral granted hereunder shall constitute at all times a valid first priority security interest (subject only to Permitted Liens), vested in the Administrative Agent, in and upon the Collateral, free of any Liens except for Permitted Liens, (b) the location of the Inventory and Equipment is as set forth in Schedule 1 hereto, and (c) none of the Accounts are represented by promissory notes or other instruments. The Borrower shall take or cause to be taken such acts and actions as shall be necessary or appropriate to assure that the Security Interest in the Collateral shall not become subordinate or junior to the security interests, liens or claims of any other Person, and that the Collateral shall not otherwise be or become subject to any Lien, except for Permitted Liens.

5. Location of Books and Records. The Borrower further represents and warrants that it now keeps all of its records concerning its Accounts, Contracts, Leases, Other Contracts, and Intangibles at its chief executive office, which is the address set forth with respect to the Borrower in Section 11.1 of the Loan Agreement. The Borrower covenants and agrees that it shall not keep any of such records at any other address, unless written notice thereof is given to the Administrative Agent at least thirty (30) days prior to the creation of any new address for the keeping of such records. The Borrower further agrees that it shall promptly advise the Administrative Agent, in writing making reference to this Section 4 of this Agreement, of the opening of any material new place of business, the closing of any existing material place of business, or any change in the location of the place where it keeps the Collateral or of its chief executive officer.

6. Collateral Not Fixtures. The parties intend that, to the extent permitted by Applicable Law, the Collateral shall remain personal property irrespective of the manner of its attachment or affixation to realty.

7. Covenants Regarding Collateral. Any and all injury to, or loss or destruction of, the Collateral shall be at the Borrower's risk, and shall not release the Borrower from its obligations hereunder. The Borrower agrees not to sell, transfer, assign, dispose of, mortgage, grant a security interest in, or encumber any of the Collateral except as permitted under the Loan Agreement. The Borrower agrees to maintain in force such insurance with respect to the Collateral as is required under the Loan Agreement. The Borrower agrees to pay all required taxes, liens, and assessments upon the Collateral, its use or operation, as required under the Loan Agreement. The Borrower further agrees that the Administrative Agent may, but shall in no event be obligated to, upon prior written notice to the Borrower, insure any of the Collateral in such form and amount as the Administrative Agent may deem necessary or desirable if the Borrower fails to obtain insurance as required by the Loan Agreement, and that the Administrative Agent may pay or discharge any taxes if the Borrower fails to pay such taxes as required by the Loan Agreement or Liens (which are not Permitted Liens) on any of the Collateral, and the Borrower agrees to pay any such sum so expended by the Administrative Agent, with interest at the Default Rate, and such amounts shall be deemed to be a part of the Obligations secured by the Collateral under the terms of this Agreement.

8. Covenants Regarding Contracts, Other Contracts and Leases. The Borrower shall (i) fulfill, perform and observe each and every material condition and covenant contained in any of the Contracts, the Other Contracts or the Leases other than those being contested in good faith or unless the other party thereto is in default, (ii) give prompt notice to the Administrative

Agent of any claim of material default under any Contract, Other Contract or Lease given to the Borrower or by the Borrower, (iii) at the sole cost and expense of the Borrower, enforce the performance and observance of each and every material covenant and condition of the Contracts, the Other Contracts and the Leases, and (iv) appear in and defend any action growing out of or in any manner connected with any Contract, Other Contract or Lease other than those which in the Borrower's reasonable business judgment are no longer in the best interest of the Borrower to enforce and which have been approved by the Administrative Agent. The rights and interests granted to the Administrative Agent hereunder include all of the Borrower's rights and title (i) to modify the Contracts, the Other Contracts and the Leases, (ii) to terminate the Contracts, the Other Contracts and the Leases, and (iii) to waive or release the performance or observance of any obligation or condition of the Contracts, the Other Contracts and the Leases; provided, however, that the Borrower shall have the right to exercise these rights in a fashion consistent with this Agreement prior to any Event of Default and that these rights shall not be exercised by the Administrative Agent prior to the occurrence and during the continuance of an Event of Default.

9. Remedies. Upon the occurrence and during the continuation of an Event of Default the Banks and the Administrative Agent shall have such rights and remedies as are set forth in the Loan Agreement and herein, all the rights, powers and privileges of a secured party under the UCC of the State of New York and any other applicable jurisdiction, and all other rights and remedies available to the Banks and the Administrative Agent, or any of them, at law or in equity. The Borrower covenants and agrees that any notification of intended disposition of any Collateral, if such notice is required by law, shall be deemed reasonably and properly given if given in the manner provided for in Section 20 hereof at least ten (10) days prior to such disposition. Under such circumstances, the Administrative Agent shall have the right to the appointment of a receiver for the properties and assets of the Borrower, and the Borrower hereby consents to such right and to such appointment and hereby waives any objection the Borrower may have thereto and hereby waives the right to have a bond or other security posted by the Administrative Agent or any other Person in connection therewith. The Borrower agrees, after the occurrence and during the continuation of an Event of Default, to take any actions that the Administrative Agent may reasonably request in order to enable the Administrative Agent to obtain and enjoy the full rights and benefits granted to the Administrative Agent under this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, the Borrower shall, at the Borrower's cost and expense, use its reasonable best efforts to assist in obtaining all approvals of the FCC which are then required by law for or in connection with any action or transaction contemplated by this Agreement or Article 9 of the

UCC as in effect in any applicable jurisdiction, and, at the Administrative Agent's request, prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of the Licenses or transfer of control thereof necessary or appropriate under the FCC's rules for approval of any sale or transfer of the Licenses in connection with the Administrative Agent's exercise of remedies under this Agreement. The Administrative Agent shall have the right, in connection with the issuance of any order for relief in a bankruptcy proceeding, to petition the bankruptcy court for the transfer of control or assignment of the Licenses to a receiver, trustee, transferee, or similar official or to any purchaser of the Collateral pursuant to any public or private sale, foreclosure or other exercise of remedies available to the Administrative Agent, all as permitted by Applicable Law. All amounts realized or collected through the exercise of remedies hereunder shall be applied to the Obligations as provided in the Loan Agreement.

10. Notification of Account Debtors. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may notify the account debtors that all payments with respect to Accounts are to be paid directly to the Administrative Agent and any amount thereafter paid to the Borrower shall be received in trust by the Borrower for the benefit of the Administrative Agent and segregated from other funds of the Borrower and paid over to the Administrative Agent in the form received (together with any necessary endorsements).

11. Remedies of Administrative Agent. Upon the occurrence and during the continuation of an Event of Default, and after written notice to the Borrower, the Administrative Agent or its designee may proceed to perform any and all of the obligations of the Borrower contained in any of the Contracts, Other Contracts or Leases and exercise any and all rights of the Borrower therein contained as fully as the Borrower itself could. The Borrower hereby appoints the Administrative Agent its attorney-in-fact, with power of substitution, to take such action, execute such documents, and perform such work as the Administrative Agent may deem appropriate in exercise of the rights and remedies granted the Banks and the Administrative Agent, or any of them, herein or in any other Loan Document. The power of attorney granted herein is coupled with an interest and shall be irrevocable.

12. Additional Remedies. Upon the occurrence and during the continuation of an Event of Default, should the Borrower fail to perform or observe any covenant or comply with any condition contained in any of the Contracts, the Other Contracts or the Leases, then the Administrative Agent may, but without obligation to do so and without releasing the Borrower from its obligation to do so, and after written notice to the Borrower, perform such covenant or condition and, to the extent

that the Administrative Agent shall incur any reasonable costs or pay any expenses in connection therewith, including any reasonable costs or expenses of litigation associated therewith, such costs, expenses or payments shall be included in the Obligations secured hereby and shall bear interest from the payment of such costs or expenses by the Administrative Agent at the Default Rate. Neither the Administrative Agent nor any Bank shall be obliged to perform or discharge any obligation of the Borrower under any of the Contracts, the Other Contracts or the Leases.

13. Administrative Agent May Collect Accounts. The Borrower hereby further appoints the Administrative Agent, effective upon the occurrence and during continuation of an Event of Default as its attorney-in-fact, with power of substitution, with authority to collect all Accounts, to endorse the name of the Borrower on any note, acceptance, check, draft, money order or other evidence of debt or of payment which constitutes a portion of the Collateral and which may come into the possession of the Banks and the Administrative Agent, or any of them, and generally to do such other things and acts in the name of the Borrower with respect to the Collateral as are necessary or appropriate to protect or enforce the rights hereunder of the Banks and the Administrative Agent. The Borrower further authorizes the Administrative Agent, effective upon the occurrence and during the continuation of an Event of Default, to compromise and settle or to sell, assign or transfer or to ask, collect, receive or issue any and all claims possessed by the Borrower which constitute a portion of the Collateral, all in the name of the Borrower. After deducting all reasonable expenses and charges (including the Administrative Agent's attorneys' fees) of retaking, keeping, storing and selling the Collateral, the Administrative Agent may apply the proceeds in payment of any of the Obligations in the order of application set forth in the Loan Agreement. The power of attorney granted herein is coupled with an interest and shall be irrevocable. The Borrower agrees that if steps are taken by the Administrative Agent to enforce its rights hereunder, or to realize upon any of the Collateral, the Borrower shall pay to the Administrative Agent the amount of the Administrative Agent's reasonable costs, including attorneys' fees, and the Borrower's obligation to pay such amounts shall be deemed to be a part of the Obligations secured hereunder. Upon the occurrence and during the continuation of an Event of Default, the Borrower shall segregate all proceeds of any Collateral from other assets of the Borrower.

14. Indemnification. The Borrower shall indemnify and hold harmless the Administrative Agent and each Bank, and any other Person acting hereunder for all losses, costs, damages, fees and expenses whatsoever associated with the exercise of the powers of attorney granted herein and shall release the Administrative Agent and each Bank, and any other Person acting hereunder from all liability whatsoever for the exercise of the foregoing powers

of attorney and all actions taken pursuant thereto, except, in either event, in the case of bad faith, gross negligence or willful misconduct by the Person seeking indemnification.

15. Remedies Cumulative. The Borrower agrees that the rights of the Banks and the Administrative Agent, or any of them, under this Agreement, the Loan Agreement, any other Loan Document or any other contract or agreement now or hereafter in existence among the Banks and the Administrative Agent and the Borrower or any Subsidiary of the Borrower and the other obligors thereunder, or any of them, shall be cumulative, and that the Administrative Agent and each Bank may from time to time exercise such rights and such remedies as such Person or Persons may have thereunder and under the laws of the United States or any state, as applicable, in the manner and at the time that such Person or Persons in its or their sole discretion desire, subject to the terms of such agreements. The Borrower further expressly agrees that the Banks and the Administrative Agent shall in no event be under any obligation to resort to any Collateral secured hereby prior to exercising any other rights that the Banks and the Administrative Agent, or any of them, may have against the Borrower or any Subsidiary of the Borrower or any of their respective properties, nor shall the Banks and the Administrative Agent, or any of them, be obliged to resort to any other collateral or security for the Obligations, other than the Collateral, prior to any exercise of the Administrative Agent's rights against the Borrower and its property hereunder.

16. Obligations Commercial in Nature. The Borrower hereby acknowledges that the Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing, the Administrative Agent shall, to the extent permitted by Applicable Law, have the right to immediate possession without notice or a hearing, and hereby knowingly and intelligently waives, to the extent permitted by Applicable Law, any and all rights it may have to any notice and posting of a bond by the Banks and the Administrative Agent, or any of them, prior to seizure by the Administrative Agent or any of its transferees, assigns or successors in interest, of the Collateral or any portion thereof.

17. Amendments and Waivers. No amendment, modification, waiver, transfer or renewal, extension, assignment or termination of this Agreement or of the Loan Agreement or of any other Loan Document, or of any instrument or document executed and delivered by the Borrower or any other obligor to the Banks and the Administrative Agent, or any of them, nor additional advances made by the Banks and the Administrative Agent, or any of them, to the Borrower, nor the taking of further security, nor the retaking or re-delivery or release of the Collateral to the Borrower or any other collateral or guaranty by the Banks and the Administrative Agent, or any of them, nor any lack of validity or enforceability of any Loan Document or any term thereof nor any

other act of the Banks and the Administrative Agent, or any of them, shall release the Borrower from any Obligation, except a release or discharge executed in writing by the Administrative Agent in accordance with the Loan Agreement with respect to such Obligation or upon full payment and satisfaction of all Obligations and termination of the Commitment. Neither the Administrative Agent nor any Bank shall by any act, delay, omission or otherwise, be deemed to have waived any of its or their rights or remedies hereunder, unless such waiver is in writing and signed by the Administrative Agent or one or more of the Banks in accordance with the Loan Agreement and then only to the extent therein set forth. A waiver by the Banks and the Administrative Agent, or any of them, of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which any such Person would otherwise have had on any other occasion.

18. Assignment. The Borrower hereby agrees that this Agreement or the rights hereunder may, in the discretion of the Banks and the Administrative Agent or any of them, as applicable, be assigned in whole or in part in connection with any assignment of the Loan Agreement or the Obligations arising thereunder, as permitted thereunder. In the event this Agreement or the rights hereunder are so assigned by any of the Banks and the Administrative Agent, the terms "Banks", or "Administrative Agent" wherever used herein shall be deemed, as applicable, to refer to and include any such assignee.

19. Successors and Assigns. This Agreement shall apply to and bind the respective successors and permitted assigns of the Borrower and inure to the benefit of the successors and permitted assigns of the Borrower, the Banks and the Administrative Agent.

20. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be given in the manner prescribed in Section 11.1 of the Loan Agreement.

21. Governing Law. The provisions of this Agreement shall be construed and interpreted, and all rights and obligations of the parties hereto determined, in accordance with the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York. This Agreement, together with all documents referred to herein, constitutes the entire agreement among the Borrower and the Banks and the Administrative Agent with respect to the matters addressed herein and may not be modified except by a writing executed by the Administrative Agent and delivered to the Borrower.

22. Severability. If any paragraph or part thereof of this Agreement shall for any reason be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such paragraph or part thereof so adjudicated invalid, illegal or unenforceable shall be deemed separate, distinct and independent,

and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such holding or adjudication.

23. FCC Consent. Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by the Administrative Agent with respect to the Licenses issued by the FCC unless and until all requirements of Applicable Law, including, without limitation, any required approval under the Communications Act, including without limitation the provision for ten (10) days notice to the FCC required by 47 C.F.R. ss. 22.917(e), requiring the consent to or approval of such action by the FCC or any governmental or other authority, have been satisfied. The Borrower covenants that upon request of the Administrative Agent it will cause to be filed such applications and take such other action as may be reasonably requested by the Administrative Agent to obtain the consent or approval of the FCC or any governmental or other authority which has granted any License to the Borrower to any action contemplated by this Agreement and to give effect to the Security Interest of the Administrative Agent, including, without limitation, the execution of an application for consent by the FCC to an assignment or transfer involving a change in ownership or control pursuant to the provisions of the Communications Act.

24. 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.

25. Changes in Applicable Law. The parties acknowledge their intent that, upon the occurrence and during the continuation of an Event of Default, the Administrative Agent shall receive, to the fullest extent permitted by Applicable Law and governmental policy (including, without limitation, the rules, regulations and policies of the FCC), all rights necessary or desirable to obtain, use or sell the Collateral and to exercise all remedies available to it under this Agreement, the UCC as in effect in any applicable jurisdiction, or other Applicable Law. The parties further acknowledge and agree that, in the event of changes in law or governmental policy occurring subsequent to the date hereof that affect in any manner the Administrative Agent's rights of access to, or use or sale of, the Collateral, or the procedures necessary to enable the Administrative Agent to obtain such rights of access, use or sale, the Administrative Agent and the Borrower shall amend this Agreement in such manner as the Administrative Agent shall reasonably request in order to provide the Administrative Agent such rights to the greatest extent possible consistent with Applicable Law and governmental policy.

26. Administrative Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Administrative Agent" shall be a reference to the Administrative Agent for the benefit of all the Banks, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Administrative Agent for the benefit of and on behalf of all the Banks.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have hereunto set their hands by and through their duly authorized representatives, as of the day and year first written above.

BORROWER: AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:
Its:

[CORPORATE SEAL] Attest:
Its:

ADMINISTRATIVE AGENT: TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By:
Its:

EXHIBITS

Exhibit A - Contracts
Exhibit B - Leases
Exhibit C - Licenses

SCHEDULES

Schedule 1 - List and Location of Inventory and Equipment

EXHIBIT C

FORM OF CERTIFICATE OF FINANCIAL CONDITION

American Tower Systems, Inc., a Delaware corporation (the "Borrower"), in connection with that certain Loan Agreement (the "Loan Agreement") of even date herewith among the Borrower, the Banks (as defined in the Loan Agreement) and Toronto Dominion (Texas), Inc., as administrative agent for the Banks (in such capacity, the "Administrative Agent"), pursuant to which the Banks have agreed to make loans to the Borrower (the "Loans") as evidenced by those certain promissory notes of even date herewith by the Borrower to the order of the Banks, hereby certifies to each of the foregoing Persons other than the Borrower that:

1. The financial statements and all other documents relating to the Borrower's present or projected future financial condition (together with similar information relating to the Restricted Subsidiaries of the Borrower) provided to the Administrative Agent and the Banks in connection with the Loan Agreement, have been prepared by the undersigned or under the supervision of the undersigned, with due diligence and in full awareness of the reliance of the Banks on the information contained therein in reaching their decision to make the Loans. Such financial statements (other than those relating to projected financial condition) have been prepared in accordance with GAAP.

2. The Borrower, as a result of the Loans and any obligations incurred in connection therewith and the other transactions contemplated by the Loan Agreement, believes that the Borrower has not incurred and will not incur debts beyond its ability to satisfy them as they mature, and will have a positive operating cash flow after paying all of its anticipated indebtedness when due, including the obligations due to the Banks under the Loan Agreement.

3. After giving effect to the Loans and the obligations incurred in connection therewith and the other transactions contemplated by the Loan Agreement and the Loan Documents, the Borrower (on a consolidated basis with its Restricted Subsidiaries) anticipates that it will have sufficient proceeds from its cash flow, the sale of assets in the ordinary course of business, the proceeds of contemplated sales of assets not necessary for the Borrower's business (and the business of its Restricted Subsidiaries), and future debt or equity financings sufficient to pay cash interest expense and long-term Indebtedness when due, whether at maturity or otherwise.

4. Immediately after giving effect to the transactions contemplated by the Loan Agreement and the other Loan Documents, the fair saleable value of the assets of the Borrower and its Restricted Subsidiaries (on a consolidated basis) will exceed the aggregate amount of all Indebtedness then outstanding of the Borrower and its Restricted Subsidiaries (on a consolidated basis).

5. Based on the present and anticipated needs for capital of the businesses conducted, or anticipated to be conducted in the future by the Borrower and its Restricted Subsidiaries, and after giving effect to the Loans, the Borrower (on a consolidated basis with its Restricted Subsidiaries) will not be left with unreasonably small capital to finance the needs and anticipated needs of such businesses.

Capitalized terms used herein and not otherwise defined are used as defined in the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused the execution of this Certificate and the affixation hereto of the seal of the Borrower this _____ day of November 1996.

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:

Its:

[CORPORATE SEAL]

Attest:

Its:

EXHIBIT D

FORM OF PROMISSORY NOTE

$_____ As of _____ ____, ____

FOR VALUE RECEIVED, the undersigned, AMERICAN TOWER SYSTEMS, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of _____ (hereinafter, together with its successors and assigns, called the "Bank"), in immediately available funds, at such place as is designated in or pursuant to the Loan Agreement (as hereinafter defined), the principal sum of _____ AND __/100s DOLLARS ($_____) of United States funds, or, if less, so much thereof as may from time to time be advanced by the Bank to the Borrower and is outstanding hereunder, plus interest as hereinafter provided. Such advances and repayments thereof may be endorsed from time to time on the grid attached hereto, but the failure to make such notations (or any error in such notation) shall not affect the obligation of the Borrower to repay unpaid principal and interest hereunder.

Except as otherwise defined or limited herein, capitalized terms used herein shall have the meanings ascribed to them in that certain Loan Agreement dated as of _____ ____, 1996 (as amended from time to time, the "Loan Agreement") among the Borrower, the Bank, the other financial institutions party thereto (together with the Bank, the "Banks") and Toronto Dominion (Texas), Inc., as administrative agent for the Banks (in such capacity, the "Administrative Agent").

The principal amount of this Note shall be paid in such amounts and at such times as are set forth in Sections 2.5 and 2.7 of the Loan Agreement. A final payment of all principal amounts and other Obligations then outstanding hereunder shall be due and payable in full on the Maturity Date.

The Borrower shall be entitled to borrow, repay and reborrow hereunder pursuant to the terms and conditions of the Loan Agreement. Prepayment of the principal amount hereof may be made only as provided in the Loan Agreement. The principal amount of each Advance shall be repaid on its Payment Date.

The Borrower hereby promises to pay interest on the unpaid principal amount of the Loans outstanding hereunder as provided in the Loan Agreement. Interest under this Note shall also be due and payable when this Note shall become due (whether at maturity, by reason of acceleration or otherwise). Overdue

principal and, to the extent permitted by Applicable Law, overdue interest, shall bear interest at the Default Rate as provided in the Loan Agreement.

No provision of the Loan Agreement or this Note shall require the payment or permit the collection of interest in excess of that permitted by Applicable Law. If any excess amount of interest in such respect is provided for, or shall be adjudicated to be so provided for, in connection with the Loans outstanding hereunder, the provisions of this paragraph shall govern and prevail, and neither the Borrower nor any sureties, guarantors, successors or assigns of the Borrower shall be obligated to pay the excess amount of such interest or any other excess sum paid for the use, forbearance, or detention of sums loaned pursuant hereto. In the event the Borrower ever pays, or the Bank ever receives, collects or applies as interest any such sum, such amount which would be in excess of the maximum amount permitted by Applicable Law shall be applied as a payment in the reduction of the principal, unless the Borrower shall notify the Bank in writing that it elects to have such excess returned forthwith; and, if the principal has been paid in full, any remaining excess shall forthwith be returned to the Borrower. Because of the variable nature of the rates of interest applicable to the Loans evidenced by this Note, the total interest that will accrue hereon cannot be determined in advance. Neither the Borrower nor the Bank intends for the Bank to contract for, charge or receive usurious interest and, to prevent such an occurrence, any agreements which may now or hereafter be in effect between the Borrower and the Bank regarding the payment of fees to the Bank are hereby limited by the provisions of this paragraph. To the extent not prohibited by Applicable Law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating or allocating all interest at any time contracted for, charged or received from the Borrower in connection with the portion of the Loans outstanding hereunder until the Maturity Date, so that the actual rate of interest on account of the Loans outstanding hereunder does not exceed the maximum amount permitted under Applicable Law.

All parties now or hereafter liable with respect to this Note, whether the Borrower, any guarantor, endorser or any other Person, hereby waive to the extent permitted by Applicable Law presentment for payment, demand, notice of nonpayment or dishonor, protest and notice of protest.

No delay or omission on the part of the Bank or any holder hereof in exercising its rights under this Note, or delay or omission on the part of the Bank, the Administrative Agent or the Banks collectively, in exercising its or their rights under the Loan Agreement or any other Loan Documents, or course of conduct relating thereto, shall operate as a waiver of such right or any

other right of the Bank or any holder hereof, nor shall any waiver by the Bank, the Administrative Agent or the Banks collectively, or any holder hereof, of any such right or rights on any one occasion be deemed a bar to, or waiver of, the same right or rights on any future occasion.

The Borrower promises to pay all reasonable costs of collection, including attorneys' fees, should this Note be collected by or through an attorney-at-law or under advice therefrom.

Time is of the essence of this Note.

This Note evidences the Bank's portion of the Loans under, and is entitled to the benefits and subject to the terms of, the Loan Agreement which contains provisions with respect of the acceleration of the maturity of this Note upon the happening of certain stated events and provisions for prepayment. This Note is secured by and is also entitled to the benefits of the Security Documents.

This Note shall be construed in accordance with and governed by the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Borrower has executed this Note as of the day and year first above written.

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:

Its:

[CORPORATE SEAL]

Attest:

Its:

ADVANCES

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Notation Made By

EXHIBIT E

FORM OF PARENT PLEDGE AGREEMENT

THIS PARENT PLEDGE AGREEMENT (this "Agreement"), entered into as of this 22th day of November 1996, by and between American Tower Systems Holding Corporation, a Delaware corporation (the "Pledgor"), and Toronto Dominion (Texas), Inc., as administrative agent (the "Administrative Agent") for itself and on behalf of the Banks.

W I T N E S S E T H:

WHEREAS, American Tower Systems, Inc., a Delaware corporation (the "Borrower"), the Banks and the Administrative Agent are all parties to that certain Loan Agreement dated as of even date herewith (the "Loan Agreement"); and

WHEREAS, the Pledgor is the sole stockholder of the Borrower and, as such, will derive substantial direct and indirect economic benefit from the making of the Loans; and

WHEREAS, as a condition precedent to the effectiveness of the Loan Agreement, the Pledgor is required to execute and deliver this Agreement; and

WHEREAS, to secure the payment and performance of Borrower arising under the Loan Agreement, the Pledgor and the Administrative Agent (on behalf of itself and the Banks) have agreed that the shares of capital stock (the "Stock") owned by the Pledgor in each of the Subsidiaries of the Pledgor listed on Schedule 1 attached hereto (the "Subsidiaries") shall be pledged by the Pledgor to the Administrative Agent (on behalf of itself and the Banks) to secure the Obligations (as defined below);

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement to the extent not otherwise defined or limited herein, and further agree as follows:

1. Warranty. The Pledgor hereby represents and warrants to the Administrative Agent and the Banks that, except for the security interest created hereby, the Pledgor owns the Stock, which constitutes the percentage of the issued and outstanding stock of the Subsidiaries as set forth on Schedule 1 attached hereto, free and clear of all Liens, that the Stock is duly

issued, fully paid and non-assessable, and that the Pledgor has the unencumbered right to pledge the Stock. In addition, Pledgor represents and covenants as follows: (1) the Stock represents all of Pledgor's shares of capital stock in any Subsidiary; (2) upon possession and retention of the Stock by the Administrative Agent, the Administrative Agent shall have a valid and perfected first priority security interest in the Stock, securing the payment of the Obligations; and (3) except as noted on Schedule 2 attached hereto, the Stock represents all the outstanding shares of stock issued by any Subsidiary of the Pledgor.

2. Security Interest. Subject to the provisions of Section 13 hereof, the Pledgor hereby unconditionally grants and assigns to the Administrative Agent, for itself and on behalf of the Banks, and their respective successors and assigns, a continuing security interest in and security title to the Stock and any other shares of capital stock of any Subsidiary of the Pledgor obtained in the future, and in each case, all certificates representing such shares, all rights, options, warrants, stock or other securities or other property which may hereafter be received, receivable or distributed in respect of the Stock, together with all proceeds of the foregoing, including, without limitation, all dividends, cash, notes, securities or other property from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, the foregoing, all of which shall constitute "Stock" hereunder. The Pledgor has delivered to and deposited with the Administrative Agent herewith all of its right, title and interest in and to the Stock, together with certificates representing the Stock, and undated stock powers endorsed in blank, as security for the payment and performance of all of the obligations of the Pledgor and any other obligor to the Administrative Agent, the Banks, or any of them, under this Agreement and any extensions, renewals or amendments of any of the foregoing, however created, acquired, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due (the "Obligations"); it being the intention of the parties hereto that beneficial ownership of the Stock, including, without limitation, all voting, consensual and dividend rights, shall remain in the Pledgor until the occurrence and during continuance of an Event of Default and until the Administrative Agent shall notify the Pledgor of the Administrative Agent's exercise of voting and dividend rights to the Stock pursuant to Section 9 of this Agreement.

3. Additional Shares. In the event that, during the term of this Agreement:

(a) any stock dividend, stock split, reclassification, readjustment, or other change is declared or made in the

capital structure of any Subsidiary, or any new stock is issued by such Subsidiary, all new, substituted, and additional shares shall be issued to the Pledgor and shall be promptly delivered to the Administrative Agent, together with undated stock powers endorsed in blank by the Pledgor, and shall thereupon constitute Stock to be held by the Administrative Agent under the terms of this Agreement; and

(b) any subscriptions, warrants or any other rights or options shall be issued in connection with the Stock, all new stock or other securities acquired through such subscriptions, warrants, rights or options by the Pledgor shall be promptly delivered to the Administrative Agent, together with undated Stock powers endorsed in blank, and shall thereupon constitute Stock to be held by the Administrative Agent under the terms of this Agreement.

4. Default. In the event of the occurrence of an Event of Default and so long as any such Event of Default is continuing, subject, however, to Section 13 hereof, the Administrative Agent may sell or otherwise dispose of the Stock at a public or private sale or make other commercially reasonable disposition of the Stock or any portion thereof after fifteen (15) days' notice to the Pledgor and the Administrative Agent and the Banks, or any of them, may purchase the Stock or any portion thereof at any public sale. The proceeds of the public or private sale or other disposition shall be applied first to the costs of the Administrative Agent incurred in connection with the sale, expressly including, without limitation, any costs under Section 7 hereof, and then as provided in the Loan Agreement. In the event the proceeds of the sale or other disposition of the Stock are insufficient to satisfy the Obligations, the Pledgor shall remain liable for any such deficiency. Pledgor waives, to the extent permitted by Applicable Law, the rights of equity of redemption, appraisal, notice of acceptance, presentment, demand and marshalling, to the extent applicable.

5. Additional Rights of Secured Party. In addition to its rights and privileges under this Agreement, the Administrative Agent, on behalf of itself and the Banks, shall have all the rights, powers and privileges of a secured party under the Uniform Commercial Code as in effect in any applicable jurisdiction and other Applicable Law.

6. Return of Stock to the Pledgor. Upon payment in full of all principal and interest on the Notes, full performance by the Borrower of all covenants, undertakings and obligations under the Loan Agreement and the other Loan Documents, and satisfaction in full of any other Obligations, other than the Obligations which survive the termination of the Loan Agreement as provided in Section 11.16 of the Loan Agreement, and after such time as the Banks shall have no obligation to make any further Advances

to the Borrower, this Agreement shall terminate and the Administrative Agent shall return the remaining Stock and all rights received by the Administrative Agent as a result of its possessory interest in the Stock to the Pledgor.

7. Disposition of Stock by Administrative Agent. The Stock is not registered or qualified under the various Federal or state securities laws of the United States and disposition thereof after an Event of Default may be restricted to one or more private (instead of public) sales in view of the lack of such registration. The Pledgor understands that upon such disposition, the Administrative Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Stock than if the Stock were registered and qualified pursuant to Federal and state securities laws and sold on the open market. The Pledgor, therefore, agrees that:

(a) if the Administrative Agent shall, pursuant to the terms of this Agreement, sell or cause the Stock or any portion thereof to be sold at a private sale, the Administrative Agent shall have the right to rely upon the advice and opinion of any national brokerage or investment firm having recognized expertise and experience in connection with shares of communications tower companies (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to expose the Stock for sale and as to the best price reasonably obtainable at the private sale thereof; and

(b) that such reliance shall be conclusive evidence that the Administrative Agent has handled such disposition in a commercially reasonable manner absent manifest error.

8. Pledgor's Obligations Absolute. The obligations of the Pledgor under this Agreement shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Borrower or any other Person, nor against other security or liens available to the Administrative Agent or any Bank. The Pledgor hereby waives any right to require that an action be brought against any other Person or to require that resort be had to any security or to any balance of any deposit account or credit on the books of the Administrative Agent or any of the Banks in favor of any other Person prior to the exercise of remedies hereunder, or to require action hereunder prior to resort by the Administrative Agent to any other security or collateral for the Obligations. No amendment, modification, waiver, transfer or renewal, extension, assignment or termination of this Agreement or of the Loan Agreement or of any other Loan Document, or of any instrument or document executed and delivered

by the Pledgor or any other obligor with respect to the Obligations to the Banks and the Administrative Agent, or any of them, nor additional advances made by the Banks and the Administrative Agent, or any of them, to the Borrower, nor the taking of further security, nor the retaking or re-delivery or release of the Collateral to the Borrower or any other Person or any other collateral or guaranty to the Borrower or any other Person by the Banks and the Administrative Agent, or any of them, nor any lack of validity or enforceability of any Loan Document or any term thereof, nor any other act of the Banks and the Administrative Agent, or any of them, shall release the Pledgor from any Obligation, except a release or discharge executed in writing by the Administrative Agent in accordance with the Loan Agreement with respect to such Obligation or upon full payment and satisfaction of all Obligations. Neither the Administrative Agent nor any Bank shall, by any act, delay, omission or otherwise, be deemed to have waived any of its or their rights or remedies hereunder, unless such waiver is in writing and signed by the Administrative Agent in accordance with the Loan Agreement and then only to the extent therein set forth. A waiver by the Banks and the Administrative Agent, or any of them, of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which any such Person would otherwise have had on any other occasion.

9. Voting Rights.

(a) For so long as any Obligations remain unpaid, after and during the continuation of an Event of Default, but subject to the provisions of Section 13 hereof, (i) the Administrative Agent may, upon fifteen (15) days' prior written notice to the Pledgor of its intention to do so, exercise all voting rights, and all other ownership or consensual rights of the Stock, but under no circumstances is the Administrative Agent obligated by the terms of this Agreement to exercise such rights, and (ii) the Pledgor hereby appoints the Administrative Agent, which appointment shall be effective on the fifteenth (15th) day following the giving of notice by the Administrative Agent as provided in the foregoing Section 9(a)(i), the Pledgor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote the Stock in any manner the Administrative Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders. The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

(b) For so long as the Pledgor shall have the right to vote the Stock, the Pledgor covenants and agrees that it will not, without the prior written consent of the Administrative Agent, vote or take any consensual action with respect to the Stock which would constitute an Event of Default.

10. Notices. All notices and other communications required or permitted hereunder shall be in writing, and shall be given in the fashion set forth in Section 11.1 of the Loan Agreement, and with respect to the Pledgor, at the address for the Borrower set forth in or otherwise provided pursuant to Section 11.1 of the Loan Agreement.

11. Binding Agreement. The provisions of this Agreement shall be construed and interpreted, and all rights and obligations of the parties hereto determined, in accordance with the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York. This Agreement, together with all documents referred to herein, constitutes the entire agreement between the parties with respect to the matters addressed herein and may not be modified except by a writing executed by the Administrative Agent and the Pledgor and delivered by the Administrative Agent to the Pledgor.

12. Severability. If any paragraph or part thereof shall for any reason be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such paragraph or part thereof so adjudicated invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such holding or adjudication.

13. FCC Compliance. Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by the Administrative Agent which may require the consent or approval of the FCC, and the proxy granted in Section 9(a) hereof shall not become effective, unless and until all requirements of the Communications Act, requiring the consent to or approval of such action by the FCC have been satisfied. The Pledgor covenants that, following and during the continuance of an Event of Default, upon request of the Administrative Agent, it will cause to be filed such applications and take such other action as may be reasonably requested by the Administrative Agent to obtain consent or approval of the FCC to any action contemplated by this Agreement and to give effect to the security interest of the Administrative Agent, including, without limitation, the execution of an application for consent by the FCC to an assignment or transfer involving a change in ownership or control pursuant to the provisions of the Communications Act.

14. Counterparts. This Agreement may be executed in multiple 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.

15. Administrative Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by

the "Administrative Agent" shall be a reference to the Administrative Agent for the benefit of all the Banks, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Administrative Agent for the benefit of and on behalf of all the Banks.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Agreement by and through their duly authorized officers, as of the day and year first above written.

PLEDGOR:

AMERICAN TOWER SYSTEMS HOLDING CORPORATION, a Delaware corporation

By:
Title:

[CORPORATE SEAL]

Attest:
Title:

ADMINISTRATIVE AGENT:

TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By:
Title:

Schedule 1 - Shares Pledged Pursuant to Pledge Agreement
Schedule 2 - Outstanding Shares of Stock

EXHIBIT F

FORM OF REQUEST FOR ADVANCE

_____, the duly elected and qualified _____ of American Tower Systems, Inc., a Delaware corporation (the "Borrower"), in connection with that certain Loan Agreement (as in effect on the date hereof, the "Loan Agreement"), dated as of November 22, 1996, among the Borrower, the Banks (as defined in the Loan Agreement) and Toronto-Dominion (Texas), Inc., as administrative agent for the Banks (in such capacity, the "Administrative Agent"), hereby certifies to each of the foregoing Persons other than the Borrower that:

1. The Borrower hereby requests an Advance in the amount of $_____ to be made on _____ __, _____, under the Commitment. Such Advance shall be a [Base Rate/LIBOR] Advance. [The Interest Period for the LIBOR Advance shall be _____ month(s).] The proceeds of the Advance should be wired as set forth on Schedule 1 attached hereto. The foregoing instructions shall be irrevocable.

2. All of the representations and warranties of the Borrower made under the Loan Agreement (including, without limitation, all representations and warranties with respect to the Borrower's Subsidiaries) and the other Loan Documents are as of the date hereof, and will be as of the date of such Advance, true and correct in all material aspects both before and after giving effect to the application of the proceeds of the Advance of the Loans in connection with which this Request for Advance is given, and after giving effect to any updates to information provided to the Banks in accordance with the terms of the Loan Agreement.

3. There does not exist, as of this date, and there will not exist after giving effect to the Advance requested in this Request for Advance, any Default under the Loan Agreement.

4. All Necessary Authorizations have been obtained or made, are in full force and effect and are not subject to any pending or threatened reversal or cancellation.

5. There has occurred no event having a Materially Adverse Effect since _____ ___, _____.

6. On the date of such Advance, after giving effect to the Advance requested hereby, the Borrower shall be in compliance on a pro forma basis with the covenants set forth in Sections 7.8, 7.9 and 7.10 of the Loan Agreement, and Schedule 2 attached hereto sets forth calculations demonstrating such compliance.

7. All other conditions precedent to the Advance requested hereby set forth in Section 3.2 of the Loan Agreement have been satisfied.

Capitalized terms used in this Request for Advance and not otherwise defined are used as defined in the Loan Agreement.

IN WITNESS WHEREOF, the Borrower, acting through an Authorized Signatory, has signed this Request for Advance, as of the _____ day of _____, 19__.

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:

Its:

Schedule 1 - Wiring Instructions
Schedule 2 - Compliance Calculations

EXHIBIT G

FORM OF SUBSIDIARY GUARANTY

THIS SUBSIDIARY GUARANTY (the "Guaranty"), made as of the ___ day of _____, 19__, by _____, a _____ (the "Guarantor"), in favor of Toronto Dominion (Texas), Inc., as administrative agent (the "Administrative Agent") for the Banks (as defined in the Loan Agreement described below).

W I T N E S S E T H:

WHEREAS, American Tower Systems Inc., a Delaware corporation (the "Borrower"), the Banks, and the Administrative Agent are all parties to that certain Loan Agreement dated as of November 22, 1996 (as in effect on the date hereof, the "Loan Agreement"); and

WHEREAS, pursuant to the terms of the Loan Agreement, the Guarantor is required to execute and deliver this Guaranty; and

WHEREAS, the Guarantor is a Restricted Subsidiary of the Borrower; and

WHEREAS, the Borrower and the Guarantor are mutually dependent on each other in the conduct of their respective businesses as an integrated operation, and the Borrower has as one of its corporate purposes the obtaining of financing needed from time to time by the Guarantor, with the Borrower's ability to obtain such financing being dependent, in part, on the successful operations of and the properties owned by the Guarantor; and

WHEREAS, the Guarantor has determined that its execution, delivery and performance of this Guaranty directly benefit, and are within the corporate purposes and in the best interests of, the Guarantor; and

WHEREAS, as a condition to the extension of the Loans by the Banks, the Guarantor has agreed to execute this Guaranty guaranteeing the payment and performance by the Borrower of its obligations and covenants under the Notes, the Loan Agreement and the other Loan Documents (the Loan Agreement, the Notes and the other Loan Documents, as executed on the date hereof and as they may be amended, modified or extended from time to time being hereinafter referred to as the "Guaranteed Agreements"); and

WHEREAS, capitalized terms used herein and not otherwise defined shall be used as defined in the Loan Agreement;

NOW, THEREFORE, in consideration of the above premises, Ten Dollars ($10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, subject to the provisions of Section 7 hereof, the Guarantor hereby unconditionally guarantees to the Banks and the Administrative Agent full and prompt payment and performance when due whether at maturity, by acceleration or otherwise of all Obligations. Each Obligation shall rank pari passu with each other Obligation.

The Guarantor hereby further agrees, for the benefit of the Banks and the Administrative Agent, that:

1. Obligations Several. Regardless of whether any proposed guarantor or any other Person or Persons is, are or shall become in any other way responsible to the Banks and the Administrative Agent, or any of them, for or in respect of the Obligations or any part thereof, and regardless of whether or not any Person or Persons now or hereafter responsible to the Banks and the Administrative Agent, or any of them, for the Obligations or any part thereof, whether under this Guaranty or otherwise, shall cease to be so liable, the Guarantor hereby declares and agrees that this Guaranty is and shall continue to be a several obligation, shall be a continuing guaranty and shall be operative and binding, and that the Guarantor shall have no right of subrogation with respect to this Guaranty.

2. Guaranty Final. Upon the execution and delivery of this Guaranty to the Administrative Agent, this Guaranty shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability (other than as expressly set forth in Section 7 hereof), and no statement, representation, agreement or promise on the part of the Banks, the Administrative Agent, the Borrower, or any of them, or any officer, employee or agent thereof, unless contained herein forms any part of this Guaranty or has induced the making hereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

3. Amendment and Waiver. No alteration or waiver of this Guaranty or of any of its terms, provisions or conditions shall be binding upon the Persons against whom enforcement is sought unless made in writing and signed by an authorized officer of such Person.

4. Dealings with Borrower. The Banks and the Administrative Agent, or any of them, may, from time to time, without exonerating or releasing the Guarantor in any way under this Guaranty, (i) take such further or other security or securities for the Obligations or any part thereof as the Banks

and the Administrative Agent, or any of them, may deem proper, consistent with the Loan Agreement, or (ii) release, discharge, abandon or otherwise deal with or fail to deal with any guarantor of the Obligations or any security or securities therefor or any part thereof now or hereafter held by the Banks and the Administrative Agent, or any of them, or (iii) consistent with the Loan Agreement, amend, modify, extend, accelerate or waive in any manner any of the provisions, terms, or conditions of the Guaranteed Agreements, all as the Banks and the Administrative Agent, or any of them, may consider expedient or appropriate in their sole discretion. Without limiting the generality of the foregoing, or of Paragraph 5 hereof, it is understood that the Banks and the Administrative Agent, or any of them, may, without exonerating or releasing the Guarantor, give up, or modify or abstain from perfecting or taking advantage of any security for the Obligations and accept or make any compositions or arrangements, and realize upon any security for the Obligations when, and in such manner, as the Banks and the Administrative Agent, or any of them, may deem expedient, consistent with the Loan Agreement, all without notice to the Guarantor, except as required by Applicable Law.

5. Guaranty Unconditional. The Guarantor acknowledges and agrees that no change in the nature or terms of the Obligations or any of the Guaranteed Agreements, or other agreements, instruments or contracts evidencing, related to or attendant with the Obligations (including any novation), nor any determination of lack of enforceability thereof, shall discharge all or any part of the liabilities and obligations of the Guarantor pursuant to this Guaranty; it being the purpose and intent of the Guarantor, the Banks and the Administrative Agent that the covenants, agreements and all liabilities and obligations of the Guarantor hereunder are absolute, unconditional and irrevocable under any and all circumstances. Without limiting the generality of the foregoing, the Guarantor agrees that until each and every one of the covenants and agreements of this Guaranty is fully performed, the Guarantor's undertakings hereunder shall not be released, in whole or in part, by any action or thing which might, but for this paragraph of this Guaranty, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, omission of the Banks and the Administrative Agent, or any of them, or their failure to proceed promptly or otherwise, or by reason of any action taken or omitted by the Banks and the Administrative Agent, or any of them, whether or not such action or failure to act varies or increases the risk of, or affects the rights or remedies of, the Guarantor or by reason of any further dealings between the Borrower, the Banks and the Administrative Agent, or any of them, or any other guarantor or surety, and the Guarantor, to the extent permitted by Applicable Law, hereby expressly waives and surrenders any defense to its liability hereunder, or any right of counterclaim or offset of any nature or description which it may have or which may exist based upon, and shall be deemed to have consented to,

any of the foregoing acts, omissions, things, agreements or waivers.

6. Set-off. The Banks and the Administrative Agent, or any of them, may, without demand or notice of any kind upon or to the Guarantor, at any time or from time to time when any amount shall be due and payable hereunder by the Guarantor, if the Borrower shall not have timely paid its Obligations, set off and appropriate any property, balances, credit accounts or moneys of the Guarantor (other than those held in a trust) in the possession of the Banks and the Administrative Agent, or any of them, or under the control of any of them for any purpose, which property, balances, credit accounts or moneys shall thereupon be turned over and remitted to the Administrative Agent, to be held and applied to the Obligations by the Administrative Agent in accordance with the Loan Agreement, and the Guarantor hereby grants to the Banks and the Administrative Agent, a security interest in all such property. The Administrative Agent shall give written notice to the Borrower of the exercise of any of the foregoing rights within one (1) Business Day following the exercise thereof.

7. Maximum Guaranteed Amount. The creation or existence from time to time of Obligations in excess of the amount committed to or outstanding on the date of this Guaranty is hereby authorized by the Guarantor, without notice to the Guarantor, and shall in no way impair or affect this Guaranty or the rights of the Banks and the Administrative Agent, or any of them, herein. Anything in this Guaranty to be contrary notwithstanding, it is the intention of the Guarantor, the Banks and the Administrative Agent, that the Guarantor's obligations hereunder shall be, but not in excess of, the Maximum Guaranteed Amount. The "Maximum Guaranteed Amount" shall mean the greater of (a) the amount of economic benefit received (directly or indirectly) by the Guarantor pursuant to the Loan Agreement and the other Loan Documents, and (b) the maximum amount which could be paid out by the Guarantor without rendering this Guaranty void or voidable under Applicable Law including, without limitation, (i) Title 11 of the United States Code, as amended, and (ii) applicable state law regarding fraudulent conveyances.

8. Bankruptcy. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any Subsidiary of the Borrower (other than the Guarantor) or of any surety or guarantor for the Obligations, the rights of the Banks and the Administrative Agent, or any of them, against the Guarantor shall not be affected or impaired by the omission of the Banks and the Administrative Agent, or any of them, to prove its or their claim, as appropriate, or to prove its or their full claim, as appropriate, and the Banks and the Administrative Agent may prove such claims as they see fit and may refrain from proving any claim and in their respective discretion they may value as they see fit or refrain from valuing any security held by the Banks

and the Administrative Agent, or any of them, without in any way releasing, reducing or otherwise affecting the liability to the Banks and the Administrative Agent of the Guarantor.

9. Application of Payments. Any amount received by the Banks and the Administrative Agent, or any of them, from whatsoever source and applied toward the payment of the Obligations shall be applied in such order of application as is set forth in the Loan Agreement.

10. Waivers by Guarantor. The Guarantor hereby expressly waives, to the extent permitted by Applicable Law: (a) notice of acceptance of this Guaranty, (b) notice of the existence or creation of all or any of the Obligations, (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, (d) all diligence in collection or protection of or realization upon the Obligations or any part thereof, any obligation hereunder, or any security for any of the foregoing and (e) all rights of subrogation, indemnification, contribution and reimbursement against the Borrower, all rights to enforce any remedy the Banks and the Administrative Agent, or any of them, may have against the Borrower and any benefit of, or right to participate in, any collateral or security now or hereinafter held by the Banks and the Administrative Agent, or any of them, in respect of the Obligations, even upon payment in full of the Obligations. Any money received by the Guarantor in violation of this Section shall be held in trust by the Guarantor for the benefit of the Banks and the Administrative Agent. If a claim is ever made upon the Banks and the Administrative Agent, or any of them, for the repayment or recovery of any amount or amounts received by any of them in payment of any of the Obligations and such Person repays all or part of such amount by reason of (a) any judgment, decree, or order of any court or administrative body having jurisdiction over such Person or any of its property, or (b) any good faith settlement or compromise of any such claim effected by such Person with any such claimant, including the Borrower, then in such event the Guarantor agrees that any such judgment, decree, order, settlement, or compromise shall be binding upon the Guarantor, notwithstanding any revocation hereof or the cancellation of any promissory note or other instrument evidencing any of the Obligations, and the Guarantor shall be and remain obligated to such Person hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Person.

11. Assignment by Banks or Administrative Agent. To the extent permitted under the Loan Agreement, the Banks and the Administrative Agent may each, and without notice of any kind, except as otherwise required by the Loan Agreement, sell, assign or transfer all or any of the Obligations, and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the Obligations, shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of

such assignee, transferee or holder as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits.

12. Remedies Cumulative. No delay by the Banks and the Administrative Agent, or any of them, in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Banks and the Administrative Agent, or any of them, of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action by the Banks and the Administrative Agent, or any of them, permitted hereunder shall in any way impair or affect this Guaranty. For the purpose of this Guaranty, the Obligations shall include, without limitation, all Obligations of the Borrower to the Banks and the Administrative Agent notwithstanding any right or power of any third party, individually or in the name of the Borrower or any other Person, to assert any claim or defense as to the invalidity or unenforceability of any such Obligation, and no such claim or defense shall impair or affect the obligations of the Guarantor hereunder.

13. Successors and Assigns. This Guaranty shall be binding upon the Guarantor, its successors and assigns and inure to the benefit of the successors and assigns of the Guarantor, the Banks and the Administrative Agent. The Guarantor shall not assign its rights or obligations under this Guaranty without the consent of the Administrative Agent and all the Banks, nor shall the Guarantor amend this Guaranty, without the consent of the Administrative Agent and the Majority Banks.

14. Miscellaneous. This is a Guaranty of payment and not of collection. In the event of a demand upon the Guarantor under this Guaranty, the Guarantor shall be held and bound to the Banks and the Administrative Agent directly as debtor in respect of the payment of the amounts hereby guaranteed. All reasonable costs and expenses, including attorneys' fees and expenses, incurred by the Banks and the Administrative Agent, or any of them, in obtaining performance of or collecting payments due under this Guaranty shall be deemed part of the Obligations guaranteed hereby. Any notice or demand which the Banks and the Administrative Agent, or any of them, may wish to give shall be served upon the Guarantor in the fashion prescribed for notices in Section 11.1 of the Loan Agreement in care of the Borrower at the address for the Borrower set forth in or otherwise provided pursuant to Section 11.1 of the Loan Agreement, and the notice so sent shall be deemed to be served as set forth in Section 11.1 of the Loan Agreement.

15. Loans Benefit Guarantor. The Guarantor expressly represents and acknowledges that any financial accommodations by the Banks and the Administrative Agent, or any of them, to the Borrower, including, without limitation the extension of the

Loans, are and will be of direct interest, benefit and advantage to the Guarantor.

16. Solvency. The Guarantor expressly represents and warrants that as of the date hereof and after giving effect to the transactions contemplated by the Loan Documents (i) the property of the Guarantor, at a fair valuation, will exceed its debt; (ii) the capital of the Guarantor will not be unreasonably small to conduct its business; (iii) the Guarantor 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 Guarantor will be materially 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 16, "debt" means any liability on a claim, and "claim" means (a) 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 (b) 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.

17. Visits and Inspections. The Guarantor covenants and agrees that so long as any amount is owing on account of Obligations or otherwise pursuant to this Guaranty, the Guarantor shall permit representatives of the Banks and the Administrative Agent, or any of them, to visit and inspect properties of the Guarantor during normal business hours after reasonable notice, inspect the Guarantor's books and records and discuss with the principal officers of the Guarantor its businesses, assets, liabilities, financial positions, results of operations and business prospects.

18. Governing Law. This Guaranty shall be construed in accordance with and governed by the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York.

19. Jurisdiction and Venue. If any action or proceeding shall be brought by the Administrative Agent in order to enforce any right or remedy under this Guaranty, the Guarantor hereby consents 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 Guaranty. The Guarantor hereby agrees, to the extent permitted by Applicable Law that 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, as set forth in or otherwise provided pursuant to Section 11.1 of the Loan Agreement, 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 Guarantor 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.

20. Waiver of Jury Trial. The Guarantor waives any right to a trial by jury in any proceeding arising out of this Guaranty.

21. Time of the Essence. Time is of the essence with regard to the Guarantor's performance of its obligations hereunder.

22. Administrative Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Administrative Agent" shall be a reference to the Administrative Agent for the benefit of itself and all the Banks, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Administrative Agent for the benefit of and on behalf of itself and all the Banks.

23. Ratifications. The Guarantor hereby ratifies and affirms each representation, warranty, covenant and other agreement made on its behalf by the Borrower in the Loan Agreement.

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IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and sealed as of the date first above written.

ADMINISTRATIVE AGENT: TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By:

Its:

GUARANTOR: _____, a _____

By:

Its:

[CORPORATE SEAL]

Attest:

Its:

EXHIBIT H

FORM OF SUBSIDIARY PLEDGE AGREEMENT

THIS SUBSIDIARY PLEDGE AGREEMENT (the "Agreement"), entered into as of this ___ day of October, 1996, by and between _____, a _____ (the "Pledgor") and Toronto Dominion (Texas), Inc., as administrative agent (the "Administrative Agent") for itself and on behalf of the Banks.

W I T N E S S E T H:

WHEREAS, American Tower Systems, Inc., a Delaware corporation (the "Borrower"), the Banks and the Administrative Agent are all parties to that certain Loan Agreement dated as of November 22, 1996 (as in effect on the date hereof, the "Loan Agreement"); and

WHEREAS, pursuant to the terms of the Loan Agreement, the Pledgor is required to execute and deliver this Agreement; and

WHEREAS, the Pledgor is a Restricted Subsidiary of the Borrower and is engaged in the business of owning and operating communications tower facilities as an integrated operation with the Borrower and its other Subsidiaries; and

WHEREAS, the Pledgor has determined that its execution, delivery and performance of this Agreement directly benefit, and are within the corporate purposes and in the best interests of, the Pledgor; and

WHEREAS, to secure the payment and performance of, among other things, the obligations of the Pledgor arising from that certain Subsidiary Guaranty of even date herewith (the "Subsidiary Guaranty"), the Pledgor and the Administrative Agent (on behalf of itself and the Banks) have agreed that the shares of capital stock (the "Stock") owned by the Pledgor in each of the Subsidiaries of the Pledgor listed on Schedule 1 attached hereto (the "Subsidiaries") shall be pledged by the Pledgor to the Administrative Agent (on behalf of itself and the Banks) to secure the Obligations (as defined below);

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement to the extent not otherwise defined or limited herein, and further agree as follows:

1. Warranty. The Pledgor hereby represents and warrants to the Administrative Agent and the Banks that, except for the security interest created hereby, the Pledgor owns the Stock, which constitutes the percentage of the issued and outstanding stock of the Subsidiaries as set forth on Schedule 1 attached hereto, free and clear of all Liens, that the Stock is duly issued, fully paid and non-assessable, and that the Pledgor has the unencumbered right to pledge the Stock. In addition, Pledgor represents and covenants as follows: (1) the Stock represents all of Pledgor's shares of capital stock in any Subsidiary; (2) upon possession and retention of the Stock by the Administrative Agent, the Administrative Agent shall have a valid and perfected first priority security interest in the Stock, securing the payment of the Obligations; and (3) except as noted on Schedule 2 attached hereto, the Stock represents all the outstanding shares of stock issued by any Subsidiary of the Pledgor.

2. Security Interest. Subject to the provisions of Section 13 hereof, the Pledgor hereby unconditionally grants and assigns to the Administrative Agent, for itself and on behalf of the Banks, and their respective successors and assigns, a continuing security interest in and security title to the Stock and any other shares of capital stock of any Subsidiary of the Pledgor obtained in the future, and in each case, all certificates representing such shares, all rights, options, warrants, stock or other securities or other property which may hereafter be received, receivable or distributed in respect of the Stock, together with all proceeds of the foregoing, including, without limitation, all dividends, cash, notes, securities or other property from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, the foregoing, all of which shall constitute "Stock" hereunder. The Pledgor has delivered to and deposited with the Administrative Agent herewith all of its right, title and interest in and to the Stock, together with certificates representing the Stock, and undated stock powers endorsed in blank, as security for the payment and performance of all of the obligations of the Pledgor and any other obligor to the Administrative Agent, the Banks, or any of them, under this Agreement and the Subsidiary Guaranty and any extensions, renewals or amendments of any of the foregoing, however created, acquired, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due (the "Obligations"); it being the intention of the parties hereto that beneficial ownership of the Stock, including, without limitation, all voting, consensual and dividend rights, shall remain in the Pledgor until the occurrence and during continuance of an Event of Default and until the Administrative Agent shall notify the Pledgor of the Administrative Agent's exercise of voting and dividend rights to the Stock pursuant to Section 9 of this Agreement.

3. Additional Shares. In the event that, during the term of this Agreement:

(a) any stock dividend, stock split, reclassification, readjustment, or other change is declared or made in the capital structure of any Subsidiary, or any new stock is issued by such Subsidiary, all new, substituted, and additional shares shall be issued to the Pledgor and shall be promptly delivered to the Administrative Agent, together with undated stock powers endorsed in blank by the Pledgor, and shall thereupon constitute Stock to be held by the Administrative Agent under the terms of this Agreement; and

(b) any subscriptions, warrants or any other rights or options shall be issued in connection with the Stock, all new stock or other securities acquired through such subscriptions, warrants, rights or options by the Pledgor shall be promptly delivered to the Administrative Agent, together with undated Stock powers endorsed in blank, and shall thereupon constitute Stock to be held by the Administrative Agent under the terms of this Agreement.

4. Default. In the event of the occurrence of an Event of Default and so long as any such Event of Default is continuing, subject, however, to Section 13 hereof, the Administrative Agent may sell or otherwise dispose of the Stock at a public or private sale or make other commercially reasonable disposition of the Stock or any portion thereof after fifteen (15) days' notice to the Pledgor and the Administrative Agent and the Banks, or any of them, may purchase the Stock or any portion thereof at any public sale. The proceeds of the public or private sale or other disposition shall be applied first to the costs of the Administrative Agent incurred in connection with the sale, expressly including, without limitation, any costs under Section 7 hereof, and then as provided in the Loan Agreement. In the event the proceeds of the sale or other disposition of the Stock are insufficient to satisfy the Obligations, the Pledgor shall remain liable for any such deficiency. Pledgor waives, to the extent permitted by Applicable Law, the rights of equity of redemption, appraisal, notice of acceptance, presentment, demand and marshalling, to the extent applicable.

5. Additional Rights of Secured Party. In addition to its rights and privileges under this Agreement, the Administrative Agent, on behalf of itself and the Banks, shall have all the rights, powers and privileges of a secured party under the Uniform Commercial Code as in effect in any applicable jurisdiction and other Applicable Law.

6. Return of Stock to the Pledgor. Upon payment in full of all principal and interest on the Notes, full performance by the Borrower of all covenants, undertakings and obligations under

the Loan Agreement and the other Loan Documents, and satisfaction in full of any other Obligations, other than the Obligations which survive the termination of the Loan Agreement as provided in Section 11.16 of the Loan Agreement, and after such time as the Banks shall have no obligation to make any further Advances to the Borrower, this Agreement shall terminate and the Administrative Agent shall return the remaining Stock and all rights received by the Administrative Agent as a result of its possessory interest in the Stock to the Pledgor.

7. Disposition of Stock by Administrative Agent. The Stock is not registered or qualified under the various Federal or state securities laws of the United States and disposition thereof after an Event of Default may be restricted to one or more private (instead of public) sales in view of the lack of such registration. The Pledgor understands that upon such disposition, the Administrative Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Stock than if the Stock were registered and qualified pursuant to Federal and state securities laws and sold on the open market. The Pledgor, therefore, agrees that:

(a) if the Administrative Agent shall, pursuant to the terms of this Agreement, sell or cause the Stock or any portion thereof to be sold at a private sale, the Administrative Agent shall have the right to rely upon the advice and opinion of any national brokerage or investment firm having recognized expertise and experience in connection with shares of communications tower companies (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to expose the Stock for sale and as to the best price reasonably obtainable at the private sale thereof; and

(b) that such reliance shall be conclusive evidence that the Administrative Agent has handled such disposition in a commercially reasonable manner absent manifest error.

8. Pledgor's Obligations Absolute. The obligations of the Pledgor under this Agreement shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Borrower or any other Person, nor against other security or liens available to the Administrative Agent or any Bank. The Pledgor hereby waives any right to require that an action be brought against any other Person or to require that resort be had to any security or to any balance of any deposit account or credit on the books of the Administrative Agent or any of the Banks in favor of any other Person prior to the exercise of remedies hereunder, or to require action hereunder prior to

resort by the Administrative Agent to any other security or collateral for the Obligations. No amendment, modification, waiver, transfer or renewal, extension, assignment or termination of this Agreement or of the Loan Agreement or of any other Loan Document, or of any instrument or document executed and delivered by the Pledgor or any other obligor with respect to the Obligations to the Banks and the Administrative Agent, or any of them, nor additional advances made by the Banks and the Administrative Agent, or any of them, to the Borrower, nor the taking of further security, nor the retaking or re-delivery or release of the Collateral to the Borrower or any other person or any other collateral or guaranty by the Banks and the Administrative Agent, or any of them, nor any lack of validity or enforceability of any Loan Document or any term thereof, nor any other act of the Banks and the Administrative Agent, or any of them, shall release the Pledgor from any Obligation, except a release or discharge executed in writing by the Administrative Agent in accordance with the Loan Agreement with respect to such Obligation or upon full payment and satisfaction of all Obligations. Neither the Administrative Agent nor any Bank shall, by any act, delay, omission or otherwise, be deemed to have waived any of its or their rights or remedies hereunder, unless such waiver is in writing and signed by the Administrative Agent in accordance with the Loan Agreement and then only to the extent therein set forth. A waiver by the Banks and the Administrative Agent, or any of them, of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which any such Person would otherwise have had on any other occasion.

9. Voting Rights.

(a) For so long as any Obligations remain unpaid, after and during the continuation of an Event of Default, but subject to the provisions of Section 13 hereof, (i) the Administrative Agent may, upon fifteen (15) days' prior written notice to the Pledgor of its intention to do so, exercise all voting rights, and all other ownership or consensual rights of the Stock, but under no circumstances is the Administrative Agent obligated by the terms of this Agreement to exercise such rights, and (ii) the Pledgor hereby appoints the Administrative Agent, which appointment shall be effective on the fifteenth (15th) day following the giving of notice by the Administrative Agent as provided in the foregoing Section 9(a)(i), the Pledgor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote the Stock in any manner the Administrative Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders. The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

(b) For so long as the Pledgor shall have the right to vote the Stock, the Pledgor covenants and agrees that it will not, without the prior written consent of the Administrative Agent, vote or take any consensual action with respect to the Stock which would constitute an Event of Default.

10. Notices. All notices and other communications required or permitted hereunder shall be in writing, and shall be given in the fashion set forth in Section 11.1 of the Loan Agreement, and with respect to the Pledgor, at the address for the Borrower set forth in or otherwise provided pursuant to Section 11.1 of the Loan Agreement.

11. Binding Agreement. The provisions of this Agreement shall be construed and interpreted, and all rights and obligations of the parties hereto determined, in accordance with the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York. This Agreement, together with all documents referred to herein, constitutes the entire agreement between the parties with respect to the matters addressed herein and may not be modified except by a writing executed by the Administrative Agent and the Pledgor and delivered by the Administrative Agent to the Pledgor.

12. Severability. If any paragraph or part thereof shall for any reason be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such paragraph or part thereof so adjudicated invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such holding or adjudication.

13. FCC Compliance. Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by the Administrative Agent which may require the consent or approval of the FCC, and the proxy granted in Section 9(a) hereof shall not become effective, unless and until all requirements of the Communications Act, requiring the consent to or approval of such action by the FCC have been satisfied. The Pledgor covenants that, following and during the continuance of an Event of Default, upon request of the Administrative Agent, it will cause to be filed such applications and take such other action as may be reasonably requested by the Administrative Agent to obtain consent or approval of the FCC to any action contemplated by this Agreement and to give effect to the security interest of the Administrative Agent, including, without limitation, the execution of an application for consent by the FCC to an assignment or transfer involving a change in ownership or control pursuant to the provisions of the Communications Act.

14. Counterparts. This Agreement may be executed in multiple 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.

15. Administrative Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Administrative Agent" shall be a reference to the Administrative Agent for the benefit of all the Banks, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Administrative Agent for the benefit of and on behalf of all the Banks.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Agreement by and through their duly authorized officers, as of the day and year first above written.

PLEDGOR: _____, a _____

By:
[CORPORATE SEAL] Title:

Attest:
Title:

ADMINISTRATIVE AGENT: TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By:
Title:

Schedule 1 - Shares Pledged Pursuant to Pledge Agreement
Schedule 2 - Outstanding Shares of Stock

EXHIBIT I

FORM OF SUBSIDIARY SECURITY AGREEMENT

THIS SUBSIDIARY SECURITY AGREEMENT (this "Agreement") dated as of the ___ day of _____, 1996, by and between _____, a _____(the "Subsidiary"), and Toronto Dominion (Texas), Inc., as administrative agent (the "Administrative Agent") for itself and on behalf of the Banks (as defined in the Loan Agreement defined below).

W I T N E S S E T H:

WHEREAS, American Tower Systems, Inc., a Delaware corporation (the "Borrower"), the Banks and the Administrative Agent are all parties to that certain Loan Agreement dated as of November 22, 1996 (as in effect on the date hereof the "Loan Agreement"); and

WHEREAS, pursuant to the terms of the Loan Agreement, the Subsidiary is required to execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement to the extent not otherwise defined or limited herein, and further agree as follows:

1. Grant of Security Interest. Subject to the provisions of Sections 23 and 25 hereof, and to the extent permitted by Applicable Law in the case of the Licenses, the Subsidiary, as a direct Subsidiary of the Borrower, hereby unconditionally grants and assigns to the Administrative Agent (for itself and on behalf of the Banks) a continuing security interest in and security title to (hereinafter referred to as the "Security Interest") all of its property and assets and all additions thereto and replacements thereof, and all other property whether now owned or hereafter created, acquired or reacquired by the Subsidiary, including:

Inventory

All of the Subsidiary's inventory and supplies of whatsoever nature and kind and wheresoever situated, including, without limitation, raw materials, components, work in process, finished goods, goods in transit and packing and shipping materials,

accretions and accessions thereto, trust receipts and similar documents covering the same products (the "Inventory");

Accounts

All right to payment for goods sold or leased or for services rendered, expressly including, without limitation, in connection with owning, leasing, managing and operating communications tower facilities, whether or not earned by performance, including, without limitation, all agreements with and sums due from customers and other Persons, and all books and records recording, evidencing or relating to such rights or any part thereof (the "Accounts");

Equipment

All machinery, equipment and supplies (installed and uninstalled) not included in Inventory above, including motor vehicles and accretions and accessions thereto; and expressly including, without limitation, towers, antennas and equipment located at communications tower facilities; any distribution systems and all components thereof, including, without limitation, hardware, cables, fiber optic cables, switches, CODECs, computer equipment, amplifiers, and associated devices; and any other equipment used in connection with the Subsidiary's business (the "Equipment");

Contracts and Leases

All assignable (a) construction contracts, subscriber contracts, customer service agreements, management agreements, rights of way, easements, pole attachment agreements, transmission capacity agreements, public utility contracts and other agreements to which the Subsidiary is a party, whether now existing or hereafter arising, including without limitation those listed on Exhibit A hereto (the "Contracts"); (b) lease agreements for personal property to which the Subsidiary is a party, whether now existing or hereafter arising, including, without limitation, those listed on Exhibit B hereto (the "Leases"); and (c) other contracts and contractual rights, remedies or provisions now existing or hereafter arising in favor of the Subsidiary (the "Other Contracts");

General Intangibles

All general intangibles including personal property not included above, such as, without limitation, all goodwill, trademarks, trademark applications, trade names, trade secrets, industrial designs, other industrial or intellectual property or rights therein, whether under license or otherwise, claims for tax refunds, and tax refund amounts (the "Intangibles");

Licenses

To the extent permitted by Applicable Law and subject to Sections 23 and 25 hereof, all franchises, Licenses, permits and operating rights authorizing or relating to the Subsidiary's rights to operate and maintain communications tower facilities or similar business including, without limitation, the Licenses, all as more particularly described on Exhibit C attached hereto;

Furniture and Fixtures

All furniture and fixtures in which the Subsidiary has an interest (the "Furniture and Fixtures");

Miscellaneous Items

All goods, chattel paper, documents, instruments, supplies, choses in action, claims, money, deposits, certificates of deposit, stock or share certificates, and licenses and other rights in intellectual property not included above (the "Miscellaneous Items"); and

Proceeds

All proceeds of any of the above, and all proceeds of any loss of, damage to or destruction of the above, whether insured or not insured, and all other proceeds of any sale, lease or other disposition of any property or interest therein referred to above including, without limitation, the proceeds of the sale of any License, together with all proceeds of any policies of insurance covering any or all of the above, the proceeds of any award in condemnation with respect to any of the property of the Subsidiary, any rebates or refunds, whether for taxes or otherwise, together with all proceeds of any such proceeds (the "Proceeds").

The Inventory, Accounts, Equipment, Contracts, Other Contracts, Leases, Intangibles, Licenses, Furniture and Fixtures, Miscellaneous Items, and Proceeds, as described above, are hereinafter collectively referred to as the "Collateral."

This Agreement and the Security Interest secure payment and performance of all obligations of the Subsidiary to the Banks and the Administrative Agent, or any of them, under that certain Subsidiary Guaranty of even date given by the Subsidiary for the benefit of the Banks and the Administrative Agent, and any extensions, renewals or amendments thereto, however created, acquired, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, (all of the foregoing obligations being hereinafter collectively referred to as the "Obligations").

2. Further Assurances. The Subsidiary hereby authorizes the Administrative Agent to file such financing statements and such other documents as the Administrative Agent may reasonably require to protect or perfect the interest of the Banks and the Administrative Agent in the Collateral, and the Subsidiary further irrevocably appoints the Administrative Agent as its attorney-in-fact, with a power of attorney to execute on behalf of the Subsidiary such UCC financing statement forms as the Administrative Agent may from time to time reasonably deem necessary or desirable to protect or perfect such interest in the Collateral. Such power of attorney is coupled with an interest and shall be irrevocable. In addition, the Subsidiary agrees to do, execute and deliver or cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably require for the purpose of perfecting or protecting the rights of the Banks and the Administrative Agent hereunder or otherwise giving effect to this Agreement, all promptly upon request therefor.

3. Representations and Warranties. The Subsidiary represents and warrants to the Banks and the Administrative Agent that:

(a) the execution of this Agreement and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, the Subsidiary's Articles of Incorporation or By-Laws as currently in effect, or any order, rule or regulation applicable to the Subsidiary of any court or of any Federal or state regulatory body or administrative agency or other governmental body having jurisdiction over the Subsidiary, or result in the termination or cancellation or breach of any indenture, mortgage, deed of trust, deed to secure debt, lease or other agreement or instrument to which the Subsidiary is a party or by which it is bound or affected;

(b) the Subsidiary has taken all necessary corporate action to authorize the execution and delivery of this Agreement, and this Agreement, when executed and delivered, will be the valid and binding obligation of the Subsidiary enforceable in accordance with its terms, subject only to the following qualifications:

(i) certain equitable remedies are discretionary and, in particular, may not be available where damages are considered an adequate remedy at law,

(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 Subsidiary), and

(iii) enforcement as to the Licenses is limited by FCC rules and regulations restricting the transfer of such Licenses.

(c) Exhibit A attached hereto and incorporated herein by this reference sets forth a complete and accurate list of the Contracts in effect on the date hereof which provide for aggregate payments over the life of each such Contract in excess of $100,000 or which are otherwise material to the Subsidiary, and the Subsidiary will furnish copies thereof to the Banks and the Administrative Agent upon the request of the Administrative Agent;

(d) Exhibit B attached hereto and incorporated herein by this reference sets forth a complete and accurate list of all Leases providing for aggregate payments over the life of any single Lease in excess of $250,000, to which the Subsidiary is a party in effect on the date hereof, and the Subsidiary will furnish copies thereof to the Banks and the Administrative Agent upon the request of the Administrative Agent; and

(e) Exhibit C attached hereto and incorporated herein by this reference sets forth a complete and accurate list of the Licenses in effect on the date hereof.

4. Representations and Warranties Concerning Collateral. The Subsidiary further represents and warrants that (a) the Security Interest in the Collateral granted hereunder shall constitute at all times a valid first priority security interest (subject only to Permitted Liens), vested in the Administrative Agent, in and upon the Collateral, free of any Liens except for Permitted Liens, (b) the location of the Inventory and the Equipment is as set forth on Schedule 1 hereto, and (c) none of the Accounts are represented by promissory notes or other instruments. The Subsidiary shall take or cause to be taken such acts and actions as shall be necessary or appropriate to assure that the Security Interest in the Collateral shall not become subordinate or junior to the security interests, liens or claims of any other Person, and that the Collateral shall not otherwise be or become subject to any Lien, except for Permitted Liens.

5. Location of Books and Records. The Subsidiary further represents and warrants that it now keeps all of its records concerning its Accounts, Contracts, Leases, Other Contracts, and Intangibles at its chief executive office, except as listed on Exhibit D hereto. The Subsidiary covenants and agrees that it shall not keep any of such records at any other address, unless written notice thereof is given to the Administrative Agent at least thirty (30) days prior to the creation of any new address

for the keeping of such records. The Subsidiary further agrees that it shall promptly advise the Administrative Agent, in writing making reference to this Section 4 of this Agreement, of the opening of any material new place of business, the closing of any existing material place of business, or any change in the location of the place where it keeps the Collateral or of its chief executive officer.

6. Collateral Not Fixtures. The parties intend that, to the extent permitted by Applicable Law, the Collateral shall remain personal property irrespective of the manner of its attachment or affixation to realty.

7. Covenants Regarding Collateral. Any and all injury to, or loss or destruction of, the Collateral shall be at the Subsidiary's risk, and shall not release the Subsidiary from its obligations hereunder. The Subsidiary agrees not to sell, transfer, assign, dispose of, mortgage, grant a security interest in, or encumber any of the Collateral except as permitted under the Loan Agreement. The Subsidiary agrees to maintain in force such insurance with respect to the Collateral as is required under the Loan Agreement. The Subsidiary agrees to pay all required taxes, liens, and assessments upon the Collateral, its use or operation, as required under the Loan Agreement. The Subsidiary further agrees that the Administrative Agent may, but shall in no event be obligated to, following written notice to the Subsidiary, insure any of the Collateral in such form and amount as the Administrative Agent may deem necessary or desirable if the Subsidiary fails to obtain insurance as required by the Loan Agreement, and that the Administrative Agent may pay or discharge any taxes if the Subsidiary fails to pay such taxes as required by the Loan Agreement or Liens (which are not Permitted Liens) on any of the Collateral, and the Subsidiary agrees to pay any such sum so expended by the Administrative Agent, with interest at the Default Rate, and such amounts shall be deemed to be a part of the Obligations secured by the Collateral under the terms of this Agreement.

8. Covenants Regarding Contracts, Other Contracts and Leases. The Subsidiary shall (a) fulfill, perform and observe each and every material condition and covenant contained in any of the Contracts, the Other Contracts or the Leases, other than those being contested in good faith or unless the other party thereto is in default, (b) give prompt notice to the Administrative Agent of any claim of material default under any Contract, Other Contract or Lease given to the Subsidiary or by the Subsidiary other than those which in the Subsidiary's reasonable business judgment are no longer in the best interest of the Subsidiary to enforce and which have been previously approved by the Administrative Agent, (c) at the sole cost and expense of the Subsidiary, enforce the performance and observance of each and every material covenant and condition of the Contracts, the Other Contracts and the Leases to which it is a

party other than those which in the Subsidiary's reasonable business judgment are no longer in the best interest of the Subsidiary to enforce and which have been previously approved by the Administrative Agent, and (d) appear in and defend any action growing out of or in any manner connected with any Contract, Other Contract or Lease to which it is a party. The rights and interests granted to the Administrative Agent hereunder include all of the Subsidiary's rights and title (i) to modify the Contracts, the Other Contracts and the Leases, (ii) to terminate the Contracts, the Other Contracts and the Leases, and (iii) to waive or release the performance or observance of any obligation or condition of the Contracts, the Other Contracts and the Leases; provided, however, that the Subsidiary shall have the right to exercise these rights in a fashion consistent with this Agreement prior to any Event of Default and that these rights shall not be exercised by the Administrative Agent prior to the occurrence and during the continuation of an Event of Default.

9. Remedies. Upon the occurrence and during the continuation of an Event of Default, the Banks and the Administrative Agent shall have such rights and remedies as are set forth in the Loan Agreement, the other Loan Documents and herein, all the rights, powers and privileges of a secured party under the Uniform Commercial Code of the State of New York and any other applicable jurisdiction, and all other rights and remedies available to the Banks and the Administrative Agent, or any of them, at law or in equity. The Subsidiary covenants and agrees that any notification of intended disposition of any Collateral, if such notice is required by law, shall be deemed reasonably and properly given if given in the manner provided for in Section 20 hereof at least ten (10) days prior to such disposition. Under such circumstances, the Administrative Agent shall have the right to the appointment of a receiver for the properties and assets of the Subsidiary, and the Subsidiary hereby consents to such rights and to such appointment and hereby waives any objection it may have thereto and hereby waives the right to have a bond or other security posted by the Administrative Agent or any other Person in connection therewith. The Subsidiary agrees, after the occurrence of an Event of Default, to take any actions that the Administrative Agent may reasonably request in order to enable the Administrative Agent to obtain and enjoy the full rights and benefits granted to the Administrative Agent under this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, the Subsidiary shall, at the Subsidiary's cost and expense, use its reasonable best efforts to assist in obtaining all approvals of the FCC which are then required by law for or in connection with any action or transaction contemplated by this Agreement or Article 9 of the Uniform Commercial Code as in effect in any applicable jurisdiction, and, at the Administrative Agent's request, prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of the Licenses or transfer of control

thereof necessary or appropriate under the FCC's rules for approval of any sale or transfer of the Administrative Agent's remedies under this Agreement. The Administrative Agent shall have the right, in connection with the issuance of any order for relief in a bankruptcy proceeding, to petition the bankruptcy court for the transfer of control or assignment of the Licenses to a receiver, trustee, transferee, or similar official or to any purchaser of the Collateral pursuant to any public or private sale, foreclosure or other exercise of remedies available to the Administrative Agent, all as permitted by Applicable Law. All amounts realized or collected through the exercise of remedies hereunder shall be applied to the Obligations as provided in the Loan Agreement.

10. Notification of Account Debtors. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may notify the account debtors that all payments with respect to Accounts are to be paid directly to the Administrative Agent and any amount thereafter paid to the Subsidiary shall be received in trust by the Subsidiary for the benefit of the Administrative Agent and segregated from other funds of the Subsidiary and paid over to the Administrative Agent in the form received (together with any necessary endorsements).

11. Remedies of Administrative Agent. Upon the occurrence of an Event of Default and during the continuation thereof, the Administrative Agent or its designee may proceed to perform any and all of the obligations of the Subsidiary contained in any of the Contracts, Other Contracts or Leases and exercise any and all rights of the Subsidiary therein contained as fully as the Subsidiary itself could. The Subsidiary hereby appoints the Administrative Agent its attorney-in-fact, with power of substitution, to take such action, execute such documents, and perform such work as the Administrative Agent may deem appropriate in exercise of the rights and remedies granted the Banks and the Administrative Agent, or any of them, herein or in any other Loan Document following written notice to the Subsidiary. The powers herein granted shall include, without limitation, powers to: (a) sue on the Contracts, the Other Contracts or the Leases; (b) seek all governmental approvals (other than FCC approvals) required for the operation of the business of the Subsidiary; (c) modify or terminate the Contracts, the Other Contracts and the Leases; and (d) waive or release the performance or observance of any obligation under any of the Contracts, Other Contracts or Leases. The power of attorney granted herein is coupled with an interest and shall be irrevocable.

12. Additional Remedies. Upon the occurrence of an Event of Default and during the continuation thereof, should the Subsidiary fail to perform or observe any covenant or comply with any condition contained in any of the Contracts, the Other Contracts or the Leases, then following written notice to the

Subsidiary, the Administrative Agent may, but without obligation to do so and without releasing the Subsidiary from its obligation to do so, perform such covenant or condition and, to the extent that the Administrative Agent shall incur any reasonable costs or pay any expenses in connection therewith, including any reasonable costs or expenses of litigation associated therewith, such costs, expenses or payments shall be included in the Obligations secured hereby and shall bear interest from the payment of such costs or expenses by the Administrative Agent at the Default Rate. Neither the Administrative Agent nor any Bank shall be obliged to perform or discharge any obligation of the Subsidiary under any of the Contracts, the Other Contracts or the Leases, and, except as may result from the bad faith, gross negligence or willful misconduct of the Person seeking indemnification, the Subsidiary agrees to indemnify and hold the Administrative Agent and each Bank harmless against any and all liability, loss or damage which any such Person may incur under any of the Contracts, the Other Contracts or the Leases or under or by reason of this Agreement, and any and all claims and demands whatsoever which may be asserted against the Subsidiary by reason of an act of the Administrative Agent or any Bank under any of the terms of this Agreement or under the Contracts, the Other Contracts or the Leases.

13. Administrative Agent May Collect Accounts. The Subsidiary hereby further appoints the Administrative Agent as its attorney-in-fact, with power of substitution, with authority to collect all Accounts, to endorse the name of the Subsidiary on any note, acceptance, check, draft, money order or other evidence of debt or of payment which constitutes a portion of the Collateral and which may come into the possession of the Banks and the Administrative Agent, or any of them, and generally to do such other things and acts in the name of the Subsidiary with respect to the Collateral as are necessary or appropriate to protect or enforce the rights hereunder of the Banks and the Administrative Agent. The Subsidiary further authorizes the Administrative Agent, effective upon the occurrence of an Event of Default and during the continuation thereof, to compromise and settle or to sell, assign or transfer or to ask, collect, receive or issue any and all claims possessed by the Subsidiary which constitute a portion of the Collateral, all in the name of the Subsidiary. After deducting all reasonable expenses and charges (including the Administrative Agent's attorneys' fees) of retaking, keeping, storing and selling the Collateral, the Administrative Agent may apply the proceeds in payment of any of the Obligations in the order of application set forth in the Loan Agreement. The power of attorney granted herein is coupled with an interest and shall be irrevocable. The Subsidiary agrees that a failure to so notify the Administrative Agent shall be a waiver and bar to any subsequent claim for any such property. The Subsidiary agrees that if steps are taken by the Administrative Agent to enforce its rights hereunder, or to realize upon any of the Collateral, the Subsidiary shall pay to the Administrative

Agent the amount of the Administrative Agent's reasonable costs, including attorneys' fees, and the Subsidiary's obligation to pay such amounts shall be deemed to be a part of the Obligations secured hereunder. Upon the occurrence and during the continuation of an Event of Default, the Subsidiary shall segregate all proceeds of any Collateral from other assets of the Subsidiary.

14. Indemnification. The Subsidiary shall indemnify and hold harmless the Administrative Agent, each Bank, and any other Person acting hereunder for all losses, costs, damages, fees and expenses whatsoever associated with the exercise of the powers of attorney granted herein and shall release the Administrative Agent, each Bank, and any other Person acting hereunder from all liability whatsoever for the exercise of the foregoing powers of attorney and all actions taken pursuant thereto, except, in either event, in the case of bad faith, gross negligence or willful misconduct by the Person seeking indemnification.

15. Remedies Cumulative. The Subsidiary agrees that the rights of the Banks and the Administrative Agent, or any of them, under this Agreement, the Loan Agreement, any other Loan Document, or any other contract or agreement now or hereafter in existence among the Banks and the Administrative Agent and the Subsidiary and the other obligors thereunder, or any of them, shall be cumulative, and that the Administrative Agent and each Bank may from time to time exercise such rights and such remedies as such Person or Persons may have thereunder and under the laws of the United States or any state, as applicable, in the manner and at the time that such Person or Persons in its or their sole discretion desire, subject to the terms of such agreements. The Subsidiary further expressly agrees that the Banks and the Administrative Agent shall in no event be under any obligation to resort to any Collateral secured hereby prior to exercising any other rights that the Banks and the Administrative Agent, or any of them, may have against the Subsidiary or its property, nor shall the Banks and the Administrative Agent be obliged to resort to any other collateral or security for the Obligations, other than the Collateral, prior to any exercise of the Administrative Agent's rights against the Subsidiary and its property hereunder.

16. Obligations Commercial in Nature. The Subsidiary hereby acknowledges that the Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing, the Administrative Agent shall, to the extent permitted by Applicable Law, have the right to immediate possession without notice or a hearing, and hereby knowingly and intelligently waives, to the extent permitted by Applicable Law, any and all rights it may have to any notice and posting of a bond by the Banks and the Administrative Agent, or any of them, prior to seizure by the Administrative Agent or any of its transferees, assigns or successors in interest of the Collateral or any portion thereof.

17. Amendments and Waivers. No amendment, modification, waiver, transfer or renewal, extension, assignment or termination of this Agreement or of the Loan Agreement or of any other Loan Document, or of any instrument or document executed and delivered by the Subsidiary or any other obligor to the Banks and the Administrative Agent, or any of them, nor additional advances made by the Banks and the Administrative Agent, or any of them, to the Borrower, nor the taking of further security, nor the retaking or re-delivery or release of the Collateral to the Subsidiary by the Banks and the Administrative Agent, or any of them, nor any lack of validity or enforceability of any Loan Document or any term thereof, nor any other act of the Banks and the Administrative Agent, or any of them, shall release the Subsidiary from any Obligation, except a release or discharge executed in writing by the Administrative Agent in accordance with the Loan Agreement with respect to such Obligation or upon full payment and satisfaction of all Obligations and termination of the Commitment. Neither the Administrative Agent nor any Bank shall by any act, delay, omission or otherwise, be deemed to have waived any of its or their rights or remedies hereunder, unless such waiver is in writing and signed by the Administrative Agent in accordance with the Loan Agreement and then only to the extent therein set forth. A waiver by the Banks and the Administrative Agent, or any of them, of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which any such Person would otherwise have had on any other occasion.

18. Assignment. The Subsidiary agrees that this Agreement or the rights hereunder may in the discretion of the Banks and the Administrative Agent, or any of them, as applicable, be assigned in whole or in part in connection with any assignment of the Loan Agreement or the Obligations arising thereunder, as permitted thereunder. In the event this Agreement or the rights hereunder are so assigned by any of the Banks and the Administrative Agent, the terms "Banks" or "Administrative Agent" wherever used herein shall be deemed, as applicable, to refer to and include any such assignee.

19. Successors and Assigns. This Agreement shall apply to and bind the respective successors and permitted assigns of the Subsidiary and inure to the benefit of the successors and permitted assigns of the Subsidiary, the Banks and the Administrative Agent.

20. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be given in a fashion prescribed in Section 11.1 of the Loan Agreement with respect to the Banks and the Administrative Agent, and in the fashion prescribed in Section 11.1 of the Loan Agreement with respect to the Subsidiary to the address of the Borrower set forth in or otherwise provided pursuant to the Loan Agreement.

21. Governing Law. The provisions of this Agreement shall be construed and interpreted, and all rights and obligations of the parties hereto determined, in accordance with the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York. This Agreement, together with all documents referred to herein, constitutes the entire agreement among the Subsidiary and the Banks and the Administrative Agent with respect to the matters addressed herein and may not be modified except by a writing executed by the Administrative Agent and delivered to the Subsidiaries.

22. Severability. If any paragraph or part thereof of this Agreement shall for any reason be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such paragraph or part thereof so adjudicated invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such holding or adjudication.

23. FCC Consent. Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by the Administrative Agent with respect to the Licenses issued by the FCC unless and until all requirements of Applicable Law, including, without limitation, any required approval under the Communications Act, including without limitation the provision for ten (10) days notice to the FCC required by 47 C.F.R. ss. 22.917(e), requiring the consent to or approval of such action by the FCC or any governmental or other authority, have been satisfied. The Subsidiary covenants that upon request of the Administrative Agent it will cause to be filed such applications and take such other action as may be reasonably requested by the Administrative Agent to obtain the consent or approval of the FCC or any governmental or other authority which has granted any License to the Subsidiary to any action contemplated by this Agreement and to give effect to the Security Interest of the Administrative Agent, including, without limitation, the execution of an application for consent by the FCC to an assignment or transfer involving a change in ownership or control pursuant to the provisions of the Communications Act.

24. 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.

25. Changes in Applicable Law. The parties acknowledge their intent that, upon the occurrence of an Event of Default and during the continuance thereof, the Administrative Agent shall receive, to the fullest extent permitted by Applicable Law and governmental policy (including, without limitation, the rules, regulations and policies of the FCC), all rights necessary or desirable to obtain, use or sell the Collateral and to exercise

all remedies available to it under this Agreement, the Uniform Commercial Code as in effect in any applicable jurisdiction, or other Applicable Law. The parties further acknowledge and agree that, in the event of changes in law or governmental policy occurring subsequent to the date hereof that affect in any manner the Administrative Agent's rights of access to, or use or sale of, the Collateral, or the procedures necessary to enable the Administrative Agent to obtain such rights of access, use or sale, the Administrative Agent and the Subsidiary shall amend this Agreement in such manner as the Administrative Agent shall reasonably request in order to provide the Administrative Agent such rights to the greatest extent possible consistent with Applicable Law and governmental policy.

26. Administrative Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Administrative Agent" shall be a reference to the Administrative Agent for the benefit of all the Banks, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Administrative Agent for the benefit of and on behalf of all the Banks.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have hereunto set their hands, by and through their duly authorized representatives, as of the day and year first written above.

SUBSIDIARY: _____, INC., a _____

By:

Its:

[CORPORATE SEAL]

Attest:

Its:

ADMINISTRATIVE AGENT: TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By:

Its:

EXHIBIT J

FORM OF USE OF PROCEEDS LETTER

As of _____ __, ____

Toronto Dominion (Texas), Inc.,
as Administrative Agent
909 Fannin Street
Suite 1700
Houston, Texas 77010

Re: $90,000,000 Loans to American Tower Systems, Inc.

Ladies and Gentlemen:

We refer to the Loan Agreement dated as of November 22, 1996 (as in effect on the date hereof, the "Loan Agreement"), among American Tower Systems, Inc., a Delaware corporation (the "Borrower"), the Banks (as defined in the Loan Agreement) and Toronto Dominion (Texas), Inc., as administrative agent for the Banks (in such capacity, the "Administrative Agent"), pursuant to which and subject to the terms and conditions whereof the Banks agreed to make loans to the Borrower. Unless otherwise defined herein, terms defined in the Loan Agreement are used herein as therein defined.

The Borrower hereby certifies to the Administrative Agent and the Banks that the proceeds of the Advance made under the Commitment on _____ ____, ____ shall be used as follows:

_____
_____
_____

Attached hereto is a sources and uses statement describing the transactions contemplated to occur on _____ __, ____.

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:

Its:

EXHIBIT K

FORM OF BORROWER'S LOAN CERTIFICATE

AMERICAN TOWER SYSTEMS, INC.

The undersigned, _____, as the duly elected _____ of American Tower Systems, Inc., a Delaware corporation (the "Corporation"), hereby certifies, that:

1. The following persons are, on and as of the date hereof, duly elected officers of the Corporation holding the office(s) set opposite their respective names, and the signatures set opposite their respective names are the true signatures of said officers:

Name	Office	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Exhibit A attached hereto is a true and complete copy of the resolutions duly adopted by the Board of Directors of the Corporation; and such resolutions have not been amended, modified or rescinded and remain in full force and effect as of the date hereof.

3. Exhibit B attached hereto is a true and complete copy of the Certificate of Incorporation of the Corporation and all amendments thereto in effect on the date hereof.

4. Exhibit C attached hereto is a true and complete copy of the By-Laws of the Corporation together with all amendments thereto as of the date hereof.

5. Exhibit D attached hereto are true, complete and correct copies of certificates of good standing for the Borrower from the Secretary of State for the State of Delaware and for each other jurisdiction in which the Borrower is required to qualify to do business in order to transact the business which it transacts in such jurisdiction in accordance with Applicable Law, subject to the provisions of the Loan Agreement. The Borrower has, from the dates of such certificates, remained in good standing under the laws of such states.

6. Exhibit E attached hereto is a true, complete and correct copy of any shareholders' agreements or voting trust agreements in effect with respect to the stock of the Borrower.

IN WITNESS WHEREOF, the undersigned _____, as _____ of American Tower Systems, Inc., has executed this Certificate as of the ____ day of November, 1996.

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:
Name:
Title:

EXHIBITS

Exhibit A - Authorizing Resolutions
Exhibit B - Certificate of Incorporation
Exhibit C - By-laws
Exhibit D - Good-Standing Certificates
Exhibit E - Shareholders' or Voting Trust Agreements

EXHIBIT L

FORM OF SUBSIDIARY LOAN CERTIFICATE

[NAME OF SUBSIDIARY]

The undersigned, _____, as the duly elected _____ of _____, a _____ corporation (the "Corporation"), hereby certifies, that:

1. The following persons are, on and as of the date hereof, duly elected officers of the Corporation holding the office(s) set opposite their respective names, and the signatures set opposite their respective names are the true signatures of said officers:

Name	Office	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Exhibit A attached hereto is a true and complete copy of the resolutions duly adopted by the Board of Directors of the Corporation; and such resolutions have not been amended, modified or rescinded and remain in full force and effect as of the date hereof.

3. Exhibit B attached hereto is a true and complete copy of the Certificate of Incorporation of the Corporation and all amendments thereto in effect on the date hereof.

4. Exhibit C attached hereto is a true and complete copy of the By-Laws of the Corporation together with all amendments thereto as of the date hereof.

IN WITNESS WHEREOF, the undersigned _____, as _____ of _____, has executed this Certificate as of the _____ day of November, 1996.

[NAME OF SUBSIDIARY], a _____ corporation

By:
Name:
Title:

EXHIBITS

Exhibit A - Authorizing Resolutions
Exhibit B - Certificate of Incorporation
Exhibit C - By-laws

EXHIBIT M

FORM OF PERFORMANCE CERTIFICATE

The undersigned hereby certifies that he or she is the Chief Financial Officer of American Tower Systems, Inc., a Delaware corporation (the "Borrower"). In connection with that certain Loan Agreement dated as of November 22, 1996 (as in effect on the date hereof, the "Loan Agreement") by and among the Borrower, the Banks (as defined in the Loan Agreement) and Toronto Dominion (Texas), Inc., as administrative agent for the Banks (in such capacity, the "Administrative Agent"), the undersigned does hereby certify, as the Chief Financial Officer of and on behalf of the Borrower, that:

1. Calculations demonstrating the interest rate adjustment, as provided for in Section 2.3(f) of the Loan Agreement, for the [quarter/year] ended _____, 199_, are set forth on Schedule 1 attached hereto;

2. Calculations demonstrating compliance with Sections 7.7, 7.8, 7.9, 7.10 and 7.11 of the Loan Agreement are set forth on Schedule 2 attached hereto; and

4. To the knowledge of the undersigned after due inquiry of other officers of the Borrower, no Default or Event of Default has occurred during or as at the end of such [quarter/year].

Capitalized terms used herein and not otherwise defined are used as defined in the Loan Agreement.

IN WITNESS WHEREOF, I have executed this Performance Certificate as of _____, ____.

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:
Name:
Chief Financial Officer

EXHIBIT N

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is made and entered into as of _____ ____, ____, by and between _____ (the "Assignor"), and _____ (the "Assignee").

Recitals

A. American Tower Systems, Inc., a Delaware corporation (the "Borrower"), the Assignor and certain other financial institutions (together with any other person which becomes a 'Bank' under the Loan Agreement, as such term is hereinafter defined, the "Banks"), and Toronto Dominion (Texas), Inc., as administrative agent for the Banks (in such capacity, the "Administrative Agent"), are parties to a certain Loan Agreement dated as of November 22, 1996 (as the same has been amended, modified or supplemented from time to time, the "Loan Agreement"). Pursuant to the Loan Agreement, the Banks have agreed to extend credit to the Borrower under the Commitment, of which the Assignor's portion of the Commitment is the amount specified in Item 1 of Schedule 1 hereto (the "Assignor's Commitment"). The principal amount of outstanding Loans made by the Assignor to the Borrower pursuant to the Assignor's Commitment is specified in Item 2 of Schedule 1 hereto (the "Assignor's Loans"). All capitalized terms not otherwise defined herein are used herein as defined in the Loan Agreement.

B. The Assignor wishes to sell and assign to the Assignee, and the Assignee wishes to purchase and assume from the Assignor, (i) the portion of the Assignor's Commitment specified in Item 3 of Schedule 1 hereto which is equivalent to the percentage of Assignor's Commitment specified in Item 4 of Schedule 1 ("Assigned Commitment"), and (ii) the portion of the Assignor's Loans under the Commitment specified in Item 5 of Schedule 1 hereto (the "Assigned Loans").

The parties agree as follows:

1. Assignment. Subject to the terms and conditions set forth herein, the Assignor hereby sells and assigns to the Assignee, and the Assignee purchases and assumes from the Assignor, without recourse to the Assignor, on the date set forth above (the "Assignment Date") (a) all right, title, and interest of the Assignor to the Assigned Loans and (b) all obligations of the Assignor under the Loan Agreement with respect to the Assigned Commitment. As full consideration for the sale of the

Assigned Loans and the Assigned Commitment, the Assignee shall pay to the Assignor on the Assignment Date such amount as shall have been agreed to between the Assignor and the Assignee (the "Purchase Price").

2. Consents and Undertaking. The Administrative Agent and the Borrower hereby consent to the assignment made herein, and the Borrower undertakes within five (5) Business Days from the Assignment Date to provide new Notes to the Administrative Agent, for the benefit of the Assignee and the Assignor, as appropriate to reflect the portion of the Commitment held by each of the Assignee and the Assignor after giving effect to the assignment contemplated by this Agreement. The Assignor agrees on the Business Day following receipt by the Administrative Agent of the new Note, to return its superseded Note to the Administrative Agent, which shall thereupon transmit the new Notes to the Assignor and the Assignee and the superseded Note to the Borrower for cancellation.

3. Representations and Warranties. Each of the Assignor and the Assignee represents and warrants to the other, to the Administrative Agent and to the Borrower (a) that (i) it has full power and legal right to execute and deliver this Agreement and to perform the provisions of this Agreement; (ii) the execution, delivery, and performance of this Agreement have been authorized by all necessary action, corporate or otherwise, on its part and do not violate any provisions of its charter or by-laws or any contractual obligations or requirement of law binding on it; and (iii) this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms subject, as to enforcement of remedies, to the following qualifications: (A) 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 (B) 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 Assignee or the Assignor, as the case may be), and (b) that its purchase of the Assigned Loans and the Assigned Commitment does not constitute a "prohibited transaction" as defined in Section 4.1(m) of the Loan Agreement.

4. Condition Precedent. The obligations of the Assignor and the Assignee hereunder shall be subject to the fulfillment of the condition that (i) the Assignor shall have received payment in full of the Purchase Price and (ii) the Assignor and the Assignee shall have complied with other applicable provisions of Section 11.5(c) of the Loan Agreement.

5. Notice of Assignment. The Assignor hereby gives notice of the assignment and assumption of the Assigned Loans and the Assigned Commitment to the Administrative Agent and hereby

instructs the Borrower to make payments with respect to the Assigned Loans and the Assigned Commitment directly to the Administrative Agent for the benefit of the Assignee as provided in the Loan Agreement; provided, however, that the Borrower and the Administrative Agent shall be entitled to continue to deal solely and directly with the Assignor in connection with the interests so assigned until (i) the Administrative Agent shall have received a copy of this Assignment and Assumption Agreement duly executed by the Assignor, the Assignee, and the Borrower, and shall have received the assignment fee described in Section 11.5(c)(iii) of the Loan Agreement, and (ii) the Assignor shall have delivered to the Administrative Agent its Note. From and after the date (the "Effective Date") on which the Administrative Agent shall notify the Borrower, the Assignee and the Assignor that (i) and (ii) have occurred and all consents (if any) required have been given, the Assignee shall be deemed to be a party to the Loan Agreement and, to the extent that rights and obligations thereunder shall have been assigned to Assignee as provided herein, shall have the rights and obligations of a Bank under the Loan Agreement. After the Effective Date, and with respect to all such amounts accrued from the Assignment Date, (a) all interest, principal, fees, and other amounts that would otherwise be payable to the Assignor in respect of the Assigned Loans and the Assigned Commitment shall be paid to the Assignee, (b) if the Assignor receives any payment on account of the Assigned Loans or the Assigned Commitment that is payable to the Assignee, the Assignor shall promptly deliver such payment to the Assignee, and (c) if the Assignee receives any payment in respect of Obligations of the Borrower accrued prior to the Effective Date, then the Assignee shall pay over the same to the Assignor. The Assignee agrees to deliver to the Borrower and the Administrative Agent on or before the Effective Date such Internal Revenue Service forms as may be required to establish that the Assignee is entitled to receive payments under the Loan Agreement without deduction or withholding of tax.

6. Independent Investigation. The Assignee acknowledges that it is purchasing the Assigned Loans and the Assigned Commitment from the Assignor without recourse and, except as provided in Section 3(a) hereof, without representation or warranty. The Assignee further acknowledges that it has made its own independent investigation and credit evaluation of the Borrower in connection with its purchase of the Assigned Loans and the Assigned Commitment and has received copies of all Loan Documents that it has requested. Except for the representations or warranties set forth in Section 3(a), the Assignee acknowledges that it is not relying on any representation or warranty of the Assignor, expressed or implied, including without limitation, any representation or warranty relating to the legality, validity, genuineness, enforceability, collectibility, interest rate, repayment schedule, or accrual status of the Assigned Loans or the Assigned Commitment, the legality, validity, genuineness, or enforceability of the Loan Agreement,

the Notes, or any other Loan Document referred to in, or delivered pursuant to, the Loan Agreement, or the financial condition or creditworthiness of the Borrower. The Assignor has not acted and will not be acting as either the representative, agent or trustee of the Assignee with respect to matters arising out of or relating to the Loan Agreement or this Agreement. From and after the Effective Date, the Assignor shall have no rights or obligations with respect to the Assigned Loans or the Assigned Commitment.

7. Method of Payment. All payments to be made by the Assignor or the Assignee party hereunder shall be in funds available at the place of payment on the same day and shall be made by wire transfer to the account designated by the party to receive payment.

8. Integration. This Agreement shall supersede any prior agreement or understanding between the parties (other than the Loan Agreement or other Loan Documents) as to the subject matter hereof.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon the parties, their successors and assigns.

10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed in New York.

IN WITNESS WHEREOF, the Assignor and Assignee have executed, sealed and delivered this Agreement as of the date first above written.

[ASSIGNOR]

By:

Title:

[ASSIGNEE]

By:

Title:

Agreed and Accepted:

AMERICAN TOWER SYSTEMS, INC.,
a Delaware corporation

By: _____

Title :_____

Acknowledged:

TORONTO DOMINION (TEXAS), INC.,
as Administrative Agent

By: _____

Title :_____

SCHEDULE 1

TO

ASSIGNMENT AND ASSUMPTION AGREEMENT

Loan Agreement
for American Tower Systems, Inc.
dated as of November 22, 1996

Item 1.	Assignor's Commitment:	$_____
Item 2.	Assignor's Loans Outstanding	
	(a) Base Rate Advances	$_____
	(b) LIBOR Advances	$_____
Item 3.	Amount of Assigned Commitment	$_____
Item 4.	Percentage of Commitment Assigned	_____%
Item 5.	Amount of Assigned Loans	$_____
	(a) Base Rate Advances	$_____
	(b) LIBOR Advances	$_____
Item 6.	Lending Office of Assignee and Address for Notices under Loan Agreement	_____ _____ _____ _____

Notes to Schedule 1

1. Insert the dollar amount of Assignor's portion of the Commitment prior to assignment.

2. Insert the total amount of outstanding Loans of Assignor, showing a breakdown by type. Description of the type of Loan should conform to the description in the Loan Agreement.

3. Insert the dollar amount of the Assignor's Commitment, including outstanding Loans, being assigned.

4. Assigned Commitment as of a percentage of total Commitment of all Banks.

5. Insert the total amount of outstanding Loans of Assignor being assigned to Assignee. Description of the type of Loans should be consistent with Item 2.

6. Insert the name and address of the lending office of the Assignee.

EXHIBIT 10.2

AMENDED AND RESTATED
LOAN AGREEMENT

AMONG

AMERICAN TOWER SYSTEMS, INC.;

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 October 15, 1997

Powell, Goldstein, Frazer & Murphy
Atlanta, Georgia

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EXHIBITS

SCHEDULES

AMENDED AND RESTATED
LOAN AGREEMENT
AMONG
AMERICAN TOWER SYSTEMS, INC.;
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, the Borrower, the Administrative Agent and the Banks are all parties to that certain Loan Agreement dated as of November 22, 1996 (the "Prior Loan Agreement"); and

WHEREAS, the Borrower has requested that the Administrative Agent and the Banks consent to certain amendments to the Prior Loan Agreement, as more fully set forth in this Amended and Restated Loan Agreement; and

WHEREAS, the Administrative Agent and the Banks have agreed to amend and restate the Prior Loan Agreement in its entirety as set forth herein; and

WHEREAS, the Borrower acknowledges and agrees that the security interest granted to the Administrative Agent, for itself and on behalf of the Banks pursuant to the Prior Loan Agreement and the Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith shall remain outstanding and in full force and effect in accordance with the Prior Loan Agreement and shall continue to secure the Obligations (as defined therein); and

WHEREAS, the Borrower acknowledges and agrees that (i) the Obligations (as defined herein) represent, among other things, the amendment, restatement, renewal, extension, consolidation and modification of the Obligations (as defined in the Prior Loan Agreement) arising in connection with the Prior Loan Agreement and the other Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith; (ii) the parties hereto intend that the Prior Loan Agreement and the other Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith and the collateral pledged thereunder shall secure, without interruption or impairment of any kind, all existing Indebtedness under the Prior Loan Agreement and the other Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith as so amended, restated, restructured, renewed, extended, consolidated and modified hereunder, together with all other Obligations hereunder; (iii) all Liens evidenced by the Prior Loan Agreement and the

other Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith are hereby ratified, confirmed and continued; and (iv) the Loan Documents (as defined herein) are intended to restructure, restate, renew, extend, consolidate, amend and modify the Prior Loan Agreement and the other Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith; and

WHEREAS, the parties hereto intend that (i) the provisions of the Prior Loan Agreement and the other Loan Documents (as defined in the Prior Loan Agreement) executed in connection therewith, to the extent restructured, restated, renewed, extended, consolidated, amended and modified hereby, are hereby superseded and replaced by the provisions hereof and of the Loan Documents (as defined herein); and (ii) the Notes (as hereinafter defined) amend, renew, extend, modify, replace, are substituted for and supersede in their entirety, but do not extinguish the indebtedness arising under the promissory notes issued pursuant to the Prior Loan Agreement;

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 amend and restate the Prior Loan Agreement 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 Restricted Subsidiary 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 Restricted Subsidiary of all or any substantial part of the assets of any other Person; or (iii) any acquisition by Borrower 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 approved as an Unrestricted Subsidiary.

"Acquisition Operating Cash Flow" shall mean in the case of an Acquisition permitted hereunder, Operating Cash Flow of the Borrower and its Restricted Subsidiaries for the period during which such Acquisition occurs, adjusted (A) 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 of such Acquisition during such period prior to the date of such Acquisition and adding to the Operating Cash Flow of the Borrower, if positive, or subtracting from such Operating Cash Flow, if negative, the product of (i) the actual Operating Cash Flow 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 of such Acquisition through the last day of such period.

"Activation Notice" shall be a notice from the Borrower to the Administrative Agent in substantially the form of Exhibit A attached hereto pursuant to which the Borrower notifies the Administrative Agent on or prior to October 15, 1998, that it is activating the Commitment Increase.

"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 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. For purposes of this Agreement, American Radio Systems and its Affiliates shall be deemed to be Affiliates of the Borrower.

"Agreement" shall mean this Amended and Restated Loan Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"Agreement Date" shall mean October 15, 1997.

"American Radio Systems" shall mean American Radio Systems Corporation, a Delaware corporation.

"Annualized Operating Cash Flow" shall mean (a) for any calculation date up to and including September 30, 1998, the sum of (i) the product of (A) Operating Cash Flow (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 (B) twelve (12) and (ii) the product of (A) Operating Cash Flow (Other Business) for the fiscal quarter end being tested or the most recently completed fiscal quarter immediately preceding such calculation date, times (B) four (4); and (b) for any calculation date after September 30, 1998, the product of (i) Operating Cash Flow 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 (ii) four (4).

"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 Total Debt of the Borrower and its Restricted Subsidiaries on a consolidated basis on such date to (b) the product of (i) Operating Cash Flow of the Borrower and its Restricted Subsidiaries, for the most recently completed fiscal quarter times (ii) four (4).

"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.

"Available Commitment" shall mean the lesser of (i) the Existing Commitment and (ii) the maximum amount of the Loans that could be outstanding hereunder on such date without resulting in a breach of Section 7.8 or Section 7.10 hereof.

"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 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 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.

"Borrower" shall mean American Tower Systems, Inc., a Delaware corporation.

"Borrower's Pledge Agreement" shall mean that certain Amended and Restated Borrower's Pledge Agreement dated as of even date herewith between the Borrower and the Administrative Agent, substantially in the form of Exhibit B attached hereto, pursuant to which the Borrower has pledged to the Administrative Agent for the ratable benefit of the Banks all of the Borrower's stock ownership and/or any partnership interests in each of its Subsidiaries.

"Borrower's Security Agreement" shall mean that certain Amended and Restated Security Agreement dated as of even date herewith, made by the Borrower in favor of the Administrative Agent for the ratable benefit of the Banks, 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 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 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 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 D 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) any change in the ownership of, or lien upon, the stock of the Borrower that results in less than fifty-one percent (51%) of all voting rights with respect to the Capital Stock of the Borrower (including, without limitation, warrants, options, conversion rights, voting rights and calls or claims of any character with respect thereto, to the extent exercisable prior to repayment in full of the Obligations) being owned, directly or indirectly, by the Parent, the senior management of American Radio Systems, or Affiliates of American Radio Systems, the Parent or the Borrower or (b) after any acquisition of all or substantially all of the assets or voting control of the Capital Stock of American Radio Systems (whether by merger or other business combination), any event that results in Steven B. Dodge ceasing to have one of the following: (i) ownership of a material amount of the voting Capital Stock of the Borrower, (ii) ownership of a material amount of the economic ownership interests of the Borrower or (iii) the position of Chairman of the Board of Directors and Chief Executive Officer.

"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 Banks 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 $400,000,000, pursuant to the terms hereof, as such obligations may be reduced from time to time pursuant to the terms hereof.

"Commitment Increase" shall mean the pro rata increase to each Bank's portion of the Existing Commitment from $250,000,000 to $400,000,000.

"Commitment Ratios" shall mean the percentages in which the Banks 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):

Bank	Approximate Percentage	Dollar Commitment
Toronto Dominion (Texas), Inc.	8.750000000%	$ 35,000,000
Banque Paribas	6.750000000%	$ 27,000,000
Barclays Bank PLC	6.750000000%	$ 27,000,000
Bank of Montreal, Chicago Branch	6.750000000%	$ 27,000,000
The Chase Manhattan Bank	6.750000000%	$ 27,000,000
Fleet National Bank	6.750000000%	$ 27,000,000
GE Capital Corporation	6.750000000%	$ 27,000,000
The Bank of New York	6.750000000%	$ 27,000,000
Credit Suisse First Boston	6.750000000%	$ 27,000,000
SunTrust Bank, Central Florida, National Association	6.750000000%	$ 27,000,000
Union Bank of California, N.A.	6.750000000%	$ 27,000,000
Credit Lyonnais New York Branch	6.250000000%	$ 25,000,000
Lehman Commercial Paper Inc.	6.250000000%	$ 25,000,000
The Bank of Nova Scotia	3.750000000%	$ 15,000,000
The Sumitomo Bank, Limited	3.750000000%	$ 15,000,000
Bank of Scotland	3.750000000%	$ 15,000,000
TOTAL	100.00%	$ 400,000,000

"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.

"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, plus (b) the Applicable Margin for Base Rate Advances plus (c) two percent (2%).

"Diablo" shall mean Diablo Communications, Inc., a California corporation, and Diablo Communications of Southern California, Inc., a California corporation.

"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. ss. 9601 et seq.), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. ss. 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 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 that any requirement for notice or lapse of time, or both, has been satisfied.

"Existing Commitment" shall mean (a) prior to receipt by the Administrative Agent of an Activation Notice and from and after October 15, 1998, if no such Activation Notice has been received by the Administrative Agent, and after giving effect to reductions in the Existing Commitment under Section 2.5 and Section 2.6 hereof and repayments of the Loans under Section 2.7 hereof, $250,000,000, and (b) thereafter, after giving effect to reductions in the Existing Commitment under Section 2.5 and Section 2.6 hereof and repayments of the Loans under Section 2.7 hereof, the Commitment.

"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, of (a) Operating Cash Flow for such fiscal year, minus (b) the sum of the following: (i) payments made with respect to Capital Expenditures incurred by

the Borrower and its Restricted Subsidiaries during such fiscal year; (ii) repayments of the Loans resulting from reductions of the Commitment (which shall include any reductions set forth in Section 2.5(a) hereof); (iii) cash taxes paid by the Borrower and its Restricted Subsidiaries (including any paid to American Radio Systems pursuant to the Tax Sharing Agreement) 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 the Loans) paid by the Borrower and its Restricted Subsidiaries during such fiscal year.

"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.

"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.

"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. 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.

"Indemnitee" shall have the meaning ascribed thereto in Section 5.12 hereof.

"Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Annualized Operating Cash Flow as of (i) the calendar quarter end being tested, or (ii) the most recently completed calendar quarter, as the case may be, to (b) Interest Expense for (i) the four (4) calendar quarter period then ended or (ii) the most recently completed four (4) calendar quarter period, as the case may be, in each case calculated in accordance with GAAP.

"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 Borrower 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.

"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 Borrower's repayment obligations under Section 2.5, Section 2.6 or Section 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.

"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 and the general counsel, or any vice president of the Borrower).

"Leverage Ratio" shall mean, as of any date, the ratio of (a) the Total Debt of the Borrower and its Restricted Subsidiaries on a consolidated basis on such date, to (b) Annualized Operating Cash Flow of the Borrower and its Restricted Subsidiaries on a consolidated basis.

"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 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) 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 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 Borrower's Pledge Agreement, the Borrower's Security Agreement, the Subsidiary Security Agreement, the Subsidiary Guaranty, the Subsidiary Pledge Agreement, the Parent Pledge 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 Banks, 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.

"Loans" shall mean, collectively, the amounts advanced by the Banks to the Borrower under the Commitment, not to exceed the Commitment, and evidenced by the Notes.

"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 Borrower 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 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 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 30, 2005, 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).

"MicroNet" shall mean Suburban Cable TV Co., Inc., a Pennsylvania corporation.

"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.

"Net Proceeds" shall mean, with respect to any sale, lease, transfer or other disposition of assets by the Borrower or any of its 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 the Borrower or any of its 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 the Borrower 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 non-compete, consulting or management agreement or covenant or otherwise for which compensation is paid over time. Upon receipt by the Borrower 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 Borrower, such amounts shall then be deemed to be "Net Proceeds."

"Notes" shall mean, collectively, those certain promissory notes in the aggregate original principal amount of $400,000,000, and issued to each of the Banks by the Borrower, each one substantially in the form of Exhibit E 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 Banks, 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 and including Obligations to the Banks pursuant to Section 5.13 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, 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 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 under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower and its Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower and its Restricted Subsidiaries as of the last day of the

immediately preceding calendar quarter and/or calendar month end, as the case may be, shall include "operating cash flow" for the Acquisition for the same period after giving effect to pro forma adjustments reasonably satisfactory to the Administrative Agent.

"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 the Tower Operation Business during such period less (b) the sum of (i) operating expenses attributable to such Tower Operation Business for such period plus (ii) corporate overhead (exclusive of amortization and depreciation) attributable to such Tower Operation Business for such period. In the case of determining Operating Cash Flow under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower and its Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower and its Restricted Subsidiaries as of the last day of the immediately preceding calendar month end shall include "operating cash flow" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent.

"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 the Other Operations during such period less (b) the sum of (i) operating expenses attributable to such Other Operations for such period plus (ii) corporate overhead (exclusive of amortization and depreciation) attributable to such Other Operations for such period. In the case of determining Operating Cash Flow under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower and its Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower and its Restricted Subsidiaries as of the last day of the immediately preceding calendar month end shall include "operating cash flow" 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 Borrower (other than the Tower Operations Business), including, without limitation, the video and data transmission and the site acquisition business.

"Parent" shall mean American Tower Systems Holding Corporation, a Delaware corporation.

"Parent Pledge Agreement" shall mean that certain Amended and Restated Parent Pledge Agreement dated as of even date herewith, made by Parent in favor of the Administrative Agent for the ratable benefit of the Banks, 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 given to secure the Obligations;

(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 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 the Borrower or any of its Subsidiaries;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids, tenders or escrow deposits in connection with permitted Acquisitions;

(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; and

(l) additional Liens securing Indebtedness which does not in the aggregate outstanding at any time exceed $500,000.

"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.

"Pro Forma Debt Service" shall mean with respect to the Borrower and its Restricted Subsidiaries, on a consolidated basis, with respect to the next succeeding complete twelve (12) 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 (i) scheduled payments of principal on Indebtedness for Money Borrowed (determined with respect to the Loans only, as the difference between the outstanding principal amount of the Loans on the calculation date and the amount the Commitment will be after the reductions thereof set forth in Section 2.5 hereof for such four calendar quarter period have taken effect) for such period, (ii) Interest Expense for such period, (iii) fees payable under this Agreement for such period, and (iv) other payments payable by such Persons during such period in respect of Indebtedness for Money Borrowed (other than voluntary repayments under Section 2.7 hereof. 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 (a) 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 (b) 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.

"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 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 (Eurodollar or Base Rate), and, with respect to LIBOR Advances, the Interest Period selected by the Borrower, (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.

"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 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 of the Borrower) 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.

"Restricted Subsidiary" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Security Documents" shall mean the Borrower's Pledge Agreement, the Subsidiary Guaranty, the Subsidiary Pledge Agreement, the Borrower's Security Agreement, the Subsidiary Security Agreement, the Parent Pledge 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 Banks, with Collateral for the Obligations.

"Security Interest" shall mean all Liens in favor of the Administrative Agent, for the benefit of the Banks, created hereunder or under any of the Security Documents to secure the Obligations.

"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 Banks, given by each Restricted Subsidiary of the Borrower, substantially in the form of Exhibit H hereof, and shall include any similar agreements executed pursuant to Section 5.14 hereof.

"Subsidiary Pledge Agreement" shall mean that certain Subsidiary Pledge Agreement dated as of even date herewith made by each Restricted Subsidiary of the Borrower 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 of Exhibit I hereof, and shall include any similar agreements executed pursuant to Section 5.14 hereof.

"Subsidiary Security Agreement" shall mean that certain Subsidiary Security Agreement dated as of even date herewith between each of the Borrower's Restricted Subsidiaries, on the one hand, and the Administrative Agent, (on behalf of itself and the Banks), on the other hand, substantially in the form of Exhibit J hereof, and shall include any similar agreements executed pursuant to Section 5.14 hereof.

"Tax Sharing Agreement" shall mean that certain Tax Sharing Agreement, dated as of October 15, 1996, among Borrower, American Radio Systems and certain other Subsidiaries of American Radio Systems.

"Total Debt" shall mean, for the Borrower and its 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, and (iii) the aggregate amount of all Guarantees.

"Tower Operation Business" shall mean the ownership, leasing and tower management businesses of the Borrower and its Restricted Subsidiaries.

"Unavailable Commitment" shall mean $150,000,000 of the Commitment.

"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 Subsidiary of the Borrower 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 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 on Schedule 2 attached hereto.

"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).

"Use of Proceeds Letter" shall mean that certain Use of Proceeds Letter, substantially in the form of Exhibit K attached hereto, to be delivered to the Administrative Agent and the Banks on the date of any Advance hereunder.

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 Banks agree, severally, in accordance with their respective Commitment Ratios and not jointly, upon the terms and subject to the conditions of this Agreement and provided there exists no Default or Event of Default hereunder, to lend to the Borrower, prior to the Maturity Date, an amount not at any one time outstanding to exceed, in the aggregate, the Available 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 on a revolving basis.

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 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 Bank 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 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 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 Banks. 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 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 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 which represents an additional borrowing hereunder in immediately available funds.

(e) Disbursement.

(i) Prior to 2:00 p.m. (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 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 Bank prior to 12:00 noon (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 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 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 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 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 the Borrower is not in Default and has otherwise satisfied each of the conditions in Section 3.2 hereof, 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 Borrower), or all other Banks 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 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 Borrower, the Administrative Agent or the other Banks in respect of its portion of the Loans.

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 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 exceed six (6).

(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 Borrower 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 Borrower to the Administrative Agent and each Bank for the fiscal quarter most recently ended as follows:

	Base Rate Applicable Margin Ratio	Advance Applicable Margin	LIBOR Advance Applicable Margin
A.	Greater than or equal to 5.50:1	1.000%	2.250%
B.	Greater than or equal to 5.00:1, but less than 5.50: 1	0.875%	2.125%
C.	Greater than or equal to 4.50:1, but less than 5.00:1	0.625%	1.875%
D.	Greater than or equal to 4.00:1, but less than 4.50:1	0.375%	1.625%
E.	Greater than 3.50: 1, but less than 4.00:1	0.000%	1.250%
F.	Less than 3.50:1	0.000%	1.000%

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 Section 6.2 hereof, as the case may be; provided, however, 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 Section 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. The Applicable Margin on the Agreement Date shall be based on the Borrower's financial statements with respect to June 30, 1997 and the Total 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.

(a) Unavailable Commitment. Commencing on the Agreement Date, and continuing until the earlier to occur of (i) the date of the effective date of the Commitment Increase (if any) and (ii) the first anniversary of the Agreement Date, the Borrower agrees to pay 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 amount of the

Unavailable Commitment at a rate of one-eighth of one percent (0.125%) per annum, which 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 on the earliest to occur of the above dates, and shall be fully earned when due and non-refundable when paid.

(b) Available Commitment. Commencing on the Agreement Date and of all times thereafter, the Borrower agrees to pay 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 Commitment (less, if applicable, the Unavailable Commitment) for each day from the date of the Agreement Date until the Maturity Date, at a rate of (i) one-half of one percent (0.500%) per annum when the Applicable Margin Ratio is greater than or equal to 4.00: 1; and (ii) three-eighths of one percent (0.375%) per annum when the Applicable Margin Ratio is less than 4.00: 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 Commitment Reductions

(a) Scheduled Reductions. Commencing on September 30, 2000 and at the end of each calendar quarter thereafter, the Existing Commitment as of September 29, 2000 shall be automatically and permanently reduced as set forth below (which reductions are in addition to those set forth in Sections 2.5(b), 2.5(c), 2.5(d) and 2.6 hereof):

Dates of Existing Commitment Reduction	Quarterly Percentage of Reduction of Existing Commitment As Of September 29, 2000
September 30, 2000 and December 31, 2000	3.750%
March 3 1, 2001, June 30, 2001, September 30, 2001 and December 31, 2001	3.125%
March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002	3.750%
March 31, 2003, June 30, 2003, September 30, 2003 and December 31, 2003	5.000%
March 31, 2004, June 30, 2004, September 30, 2004 and December 31, 2004	5.625%
March 31, 2005	7.500%

The Borrower shall make a repayment of the Loans outstanding, together with accrued interest thereon, on or before the effective date of each reduction in the Existing Commitment under this Section 2.5(a), such that the aggregate principal amount of the Loans outstanding at no time exceeds the Existing Commitment as so reduced. Any remaining unpaid principal and interest under the Existing Commitment shall be due and payable in full on the Maturity Date, and the Existing Commitment shall thereupon terminate.

(b) Reduction From Excess Cash Flow. On April 15, 2001, and on each April 15 thereafter during the term of this Agreement, the Existing Commitment shall be permanently reduced by an amount equal to fifty percent (50%) of Excess Cash Flow for the fiscal year immediately preceding the calculation date. Reductions to the Existing 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. On the Business Day following the date of receipt by the Borrower or any of its Restricted Subsidiaries of the Net Proceeds of any asset sale permitted pursuant to Section 7.4 hereof, the Existing Commitment shall be automatically and permanently reduced by an amount equal to such Net Proceeds; provided, however, that the Existing Commitment shall not be required to be reduced by such Net Proceeds until the amount of such unapplied Net Proceeds exceeds $1,000,000 in the aggregate during the term hereof; provided, further, however, that the Borrower may notify the Administrative Agent in writing that it intends to use any or all of

such Net Proceeds to acquire fixed or capital assets permitted by Section 7.6 hereof within six (6) months of the date of receipt of such Net Proceeds, in which case, the reduction in the Existing Commitment up to the amount of the Net Proceeds intended to be used which is otherwise required by this Section 2.5(c) need not be made, but if all or part of such Net Proceeds are not used or irrevocably committed to be used within such six (6)-month period, the Existing Commitment shall be permanently reduced by an amount equal to such Net Proceeds on the earlier of (i) the first day following the end of such six (6)-month period and (ii) the date on which the Borrower has reasonably determined that such Net Proceeds shall not be so used. Reductions to the Existing 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. On the Business Day following the date of receipt by the Borrower of the net proceeds of any sale its Capital Stock or debt instruments or other securities (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 the Borrower), the Existing Commitment shall automatically and permanently be reduced by an amount equal (i) 100% of such net proceeds to the extent the Leverage Ratio is greater than or equal to 4.0: 1; or (ii) 50% of such net proceeds to the extent the Leverage Ratio is less than 4.0: 1; provided, however, the provisions of this Section 2.5(d) shall not apply to equity contributions by the Parent or American Radio Systems which are made with the proceeds to Indebtedness for Money Borrowed issued in accordance with Section 8.1(p) hereof and which do not exceed $50,000,000 in the aggregate. Reductions to the Existing 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 Borrower 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 Existing Commitment, on a pro rata basis among the Banks, provided, however, that any such partial reduction shall be made in an amount not less than $5,000,000 and in integral multiples of not less than $1,000,000. As of the date of cancellation or reduction set forth in such notice, the Existing Commitment shall be permanently reduced to the amount stated in the Borrower's notice for all purposes herein, and the Borrower shall pay to the Administrative Agent for the Banks the amount necessary to reduce the principal amount of the Loans then outstanding under the Existing Commitment to not more than the amount of the Existing 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. Reductions in the Existing Commitment pursuant to this Section shall be applied pro rata to the then remaining reductions set forth in Section 2.5(a) hereof.

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 penalty and without regard to the Payment Date for such Advance. LIBOR Advances may be prepaid prior to the applicable Payment Date, upon three (3) Business Days' prior written notice to the Administrative Agent, provided that the Borrower shall reimburse the Banks and the Administrative Agent, on demand by the applicable Bank or the Administrative Agent, for any loss or reasonable 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. Any prepayment hereunder shall be in amounts of not less than $500,000 and in integral multiples of $100,000.

(b) Repayments.

(i) Loans in Excess of Commitment. If, at any time, the amount of the Loans then outstanding shall exceed the Available Commitment, the Borrower shall, on such date and subject to Sections 2.10 and 2.11 hereof, make a repayment of the principal amount of the Loans in an amount equal to such excess, together with any accrued interest and fees with respect thereto.

(ii) From Excess Cash Flow. On April 15, 2000, and on each April 15 thereafter during the term of this Agreement, the Borrower shall make a repayment of the Loans then outstanding in an amount equal to fifty percent (50%) of the Excess Cash Flow for the fiscal year immediately preceding the calculation date.

(iii) From Permitted Asset Sales. On the Business Day following the date of receipt by the Borrower or any of its Restricted Subsidiaries of the Net Proceeds of any asset sale permitted pursuant to Section 7.4 hereof, and to the extent that the Borrower is required to reduce the Existing Commitment pursuant to Section 2.5(c) hereof, the Borrower shall make a repayment of the Loans by an amount equal to the amount of such reduction.

(iv) From Capital Stock and Debt Instruments. On the Business Day following the receipt by the Borrower of the Net Proceeds of any sale of its Capital Stock or debt instruments or other securities, and to the extent that the Borrower is required to reduce the Existing Commitment pursuant to Section 2.5(d) hereof, the Borrower shall make a repayment of the Loans by an amount equal to the amount of such reduction.

(v) 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 Note shall be payable to the order of each Bank, in accordance with such Bank's respective Commitment Ratio. The Notes shall be issued by the Borrower to the Banks and shall be duly executed and delivered by one or more Authorized Signatories.

(b) Each Bank 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 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 Borrower's repayment obligations with respect to such Loans.

Section 2.9 Manner of Payment.

(a) Each payment (including 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 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 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 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 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 Borrower 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 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 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.

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 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), 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 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 Obligations.

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) 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 Borrower agrees 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 the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower 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 Borrower shall promptly pay 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 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 2.13 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 Borrower 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 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. Each such Bank 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 Amendment and Restatement. The effectiveness of this amendment and restatement to the Prior Loan 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 the Borrower dated as of the Agreement Date, in substantially the form attached hereto as Exhibit L, 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 Bank and the Administrative Agent and dated as of the Agreement Date;

(vii) duly executed Certificates 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 Bank and each Administrative Agent, certified by the chief financial officer of the Borrower;

(ix) duly executed Master Assignment and Assumption Agreement dated as of the Agreement Date, among the Banks and Signet Bank, N.A. in form and substance satisfactory to the Banks; 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 Banks shall have received evidence satisfactory to them that all Necessary Authorizations, 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 Banks shall have received a certificate of an Authorized Signatory so stating.

(c) The Borrower 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 and that no Default or Event of Default then exists or is continuing.

(d) The Borrower 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.

(e) The Administrative Agent shall have received copies of executed asset purchase agreements for certain acquisitions from Diablo and Micronet for an aggregate purchase price of not greater than $120,000,000 and in form and substance satisfactory to the Banks.

(f) The Administrative Agent shall have received evidence reasonably satisfactory to it that no real property owned by the Borrower is located in a Federal or state designated flood zone or, to the extent that any such real property is located in a Federal or state designated flood zone, evidence satisfactory to it that such real property is sufficiently insured against flood related losses.

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 Borrower under this Agreement and the other Loan Documents (including, without limitation, all representations and warranties with respect to the Borrower's 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;

(d) With respect to any Advance relating to any Acquisition or the formation of any 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 5.14 hereof or otherwise required herein.

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 Bank 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.l(a) 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 Borrower's Restricted Subsidiaries and the Borrower's direct and indirect ownership thereof as of the Agreement Date are as set forth on Schedule 4.1(c) attached hereto, and to the extent such Restricted Subsidiaries are corporations, the Borrower has the unrestricted right to vote the issued and outstanding shares of the Restricted Subsidiaries shown thereon and such shares of such Restricted Subsidiaries have been duly authorized and issued and are fully paid and

nonassessable. Each Restricted Subsidiary of the Borrower 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 of the Borrower 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 of its Restricted Subsidiaries 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 of the Borrower, (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 of the Borrower, or under any material indenture, agreement, or other instrument, including without limitation the Licenses, to which the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries, 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.

(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 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.

(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. None of the properties or assets of the Borrower or any of its Restricted Subsidiaries is subject to any Liens, except for Permitted Liens. 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 of its Restricted Subsidiaries as debtor or which covers or purports to cover any of the assets of the Borrower or any of its Restricted Subsidiaries is currently effective and on file in any state or other jurisdiction, and neither the Borrower nor any of its Restricted Subsidiaries 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.

(i) Litigation. As of the date hereof, 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 of its Restricted Subsidiaries 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 4.1(i) 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 of its Restricted Subsidiaries, would have a Materially Adverse Effect.

(j) Taxes. All federal, state and other tax returns of the Borrower and each of its Restricted Subsidiaries 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 of its Restricted Subsidiaries or imposed upon the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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 Banks as of the Agreement Date, the audited financial statements for American Radio Systems and its Subsidiaries on a consolidated basis for the fiscal year ended December 31, 1996, and unaudited financial statements for the Borrower and its Restricted Subsidiaries for the fiscal quarter ended June 30, 1997, 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 of its 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, 1996 which has or which could reasonably be expected to have a Materially Adverse Effect.

(m) ERISA. The Borrower and each Subsidiary of the Borrower and each of their respective Plans are in compliance with ERISA and the Code 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 G, T, U and X. Neither the Borrower nor any of the Borrower's 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 the Borrower nor any of the Borrower's Restricted Subsidiaries owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations G, T, U, and X (12 C.F.R. Parts 207, 220, 221 and 224) 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 said Regulations G, T, U, and X. 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 Regulation G, T, U, or X or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, 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 Forms G-3 and/or U-I referred to in Regulations G and U of said Board of Governors 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 Regulation G, T, U, or X of said Board of Governors.

(o) Investment Company Act. Neither the Borrower nor any of its 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 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 of its 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 the Borrower nor any of its 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 performance, in accordance with their respective terms, of this Agreement or any other Loan Document, other than filing of appropriate UCC financing statements and mortgages.

(q) Absence of Default, Etc. The Borrower and its 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 the Borrower or any of its Restricted Subsidiaries under any indenture, agreement or other instrument relating to Indebtedness of the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries is a party or by which the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries and furnished by or on behalf of the Borrower or any of its Restricted Subsidiaries 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 consolidated projected cash flow statement, an income statement, and a balance sheet for Borrower and its Restricted Subsidiaries (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 such Affiliates for fair consideration or which are set forth on Schedule 4.l(s) attached hereto, neither the Borrower nor any of its Restricted Subsidiaries 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 those between the Borrower and its Restricted Subsidiaries.

(t) Payment of Wages. The Borrower and each of its Restricted Subsidiaries 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, 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 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 June 30, 1997, or as described on Schedule 4.l(v) attached hereto neither the Borrower nor any of its 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 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.

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 Borrower will, and will cause each of its 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; 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 of its Restricted Subsidiaries to, (a) engage in the business of owning, constructing, managing, operating and investing in communications tower facilities and related businesses and no 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 of its 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 Borrower will, and will cause each of its 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 Borrower and its Restricted Subsidiaries will maintain a fiscal year ending on December 31.

Section 5.5 Insurance. The Borrower will, and will cause each of its 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 Borrower and each of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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; except 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 of its Restricted Subsidiaries to, timely file all information returns required by federal, state or local tax authorities.

Section 5.7 Compliance with ERISA.

(a) The Borrower shall, and shall cause 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 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 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, 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 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 of its Restricted Subsidiaries to, permit representatives of the Administrative Agent and any of the Banks, upon reasonable notice, to (a) visit and inspect the properties of the Borrower or any of its Restricted Subsidiaries 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 of its Restricted Subsidiaries will also permit representatives of the Administrative Agent and any of the Banks to discuss with their respective accountants the Borrower's and the Borrower's 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 of its Restricted Subsidiaries 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 will use the aggregate proceeds of all Advances under the Loans directly or indirectly:

(a) to fund Acquisitions permitted by Section 7.6 hereof;

(b) to fund Capital Expenditures to the extent permitted under Section 7.11 hereof; and

(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) 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 Regulations G, T, U, and X of the Board of Governors of the Federal Reserve System.

Section 5.11 Real Estate. The Borrower shall, and shall cause its Restricted Subsidiaries to, within ninety (90) days from the Agreement Date, and, thereafter, within thirty (30) days of the acquisition of any real estate permitted under Section 7.13 hereof and within thirty (30) days after the reports produced pursuant to Section 6.6 hereof, grant a mortgage to the Administrative Agent securing the Obligations (or such amount thereof as is equal to the fair market value of such real estate if the Majority Banks so permit), in form and substance reasonably satisfactory to the Administrative Agent, covering the parcels of real estate owned by the Borrower or any of its Restricted Subsidiaries which in the aggregate account for not less than seventy-five percent (75%) of the revenues generated by all such parcels of real estate based upon the reports required pursuant to Section 6.6 hereof. The Borrower shall, and shall cause its Restricted Subsidiaries to, deliver to the Administrative Agent all documentation, including opinions of counsel and policies of title insurance, which in the reasonable opinion of the Administrative Agent are appropriate with each such grant, including any phase I environmental audit requested by the Majority Banks.

Section 5.12 Indemnity. The Borrower agrees 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 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 the Borrower 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 of its Restricted Subsidiaries, (ii) allegations of any participation by the Banks, 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 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 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 5.12 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 5.13 Interest Rate Hedging. Within sixty (60) days of the Agreement Date and forty-five (45) days after each Advance, the Borrower 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 Borrower's interest obligations on not less than fifty percent (50%) of the principal amount of the 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 Borrower to either 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; and any Interest Hedge Agreement between the Borrower and any other Person shall be unsecured.

Section 5.14 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 of its Restricted Subsidiaries 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 of its Restricted Subsidiaries 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 J 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 H 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 M 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 Subsidiary or Person which is acquired or formed, beneficially owned by the Borrower or any of the Borrower's Restricted Subsidiaries, 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 I 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 their 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 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 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 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 5.14 shall be a "Loan Document" for purposes of this Agreement.

Section 5.15 Payment of Wages. The Borrower shall, and shall cause each of its Restricted Subsidiaries 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 5.16 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 this Agreement), resulting from any acts or failure to act by the Borrower or any of the Borrower's Restricted Subsidiaries or any employee or officer thereof. The Borrower at its 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 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 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 Borrower 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 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 which shall be in scope and substance reasonably satisfactory to the Administrative Agent of Deloitte & Touche, LLP, or other independent certified public accountants of recognized national standing reasonably acceptable 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 Sections 7.8, 7.9, 7.10 and 7.11 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 N:

(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 Borrower was in compliance with the requirements of Sections 7.7, 7.8, 7.9, 7.10 and 7.11 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 of its Restricted Subsidiaries, as 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 31 of each year, the annual budget for the Borrower and the Borrower's Restricted Subsidiaries, including 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 of its Restricted Subsidiaries 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 Material Adverse Effect;

(c) any material adverse amendment or change to the projections or annual budget provided to the Banks 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 of the Borrower under any material agreement other than this Agreement and the other Loan Documents to which the Borrower or any Restricted Subsidiary of the Borrower 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) of this Agreement.

Section 6.6 Real Estate. Within seventy (70) days from closing, and thereafter at the time the Borrower delivers its financial statements under Sections 6.1 and 6.2 hereof, the Borrower shall provide to the Administrative Agent a schedule setting forth the annual revenues generated by each owned parcel of real estate and indicating that parcels representing not less than seventy-five percent (75%) of such revenues are encumbered by mortgages in favor of the Administrative Agent and the Banks.

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 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;

(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 the Borrower or any of its Restricted Subsidiaries to the Borrower or any other Restricted Subsidiary so long as 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 that such Indebtedness is non-recourse to the Borrower or any of its Restricted Subsidiaries and no Lien is placed on the Borrower's or any of its Restricted Subsidiaries' equity interests in such Unrestricted Subsidiary;

(g) Capitalized Lease Obligations not to exceed in the aggregate at any one time outstanding $1,000,000; and

(h) Indebtedness of the Borrower or any of its Restricted Subsidiaries incurred in connection with an Acquisition; provided 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(h) does not exceed $5,000,000 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 of its 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 Borrower shall not, and shall not permit any of its 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 Borrower shall not, and shall not permit any of its 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 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 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, (ii) the disposition of communications tower facilities that contribute in the aggregate, less than (A) five percent (5%) of the Operating Cash Flow of Borrower for the twelve calendar month period immediately preceding such disposition, and (B) fifteen percent (15%) of the Operating Cash Flow of the Borrower for the period from the Agreement Date through the date of such disposition, or (iii) subject to Section 2.5(c) hereof, any other property (real or personal) not used or useful in Borrower's or such Restricted Subsidiary's business; provided 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 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 of its 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 Borrower and one or more Restricted Subsidiaries, provided the Borrower is the surviving corporation, or (ii) a merger between or among two 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; provided 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 Borrower 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 Borrower or any of its Restricted Subsidiaries entered into in connection with Acquisitions permitted under this Agreement leases of real property or the acquisition of services, supplies and equipment in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries, or (c) Guaranties of Indebtedness incurred as permitted pursuant to Section 7.1 hereof, or (d) as may be contained in any Loan Document including, without limitation, any Subsidiary Guaranty.

Section 7.6 Investments and Acquisitions. The Borrower shall not, and shall not permit any of its 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, except that so long as no Default then exists or would be caused thereby:

(a) The Borrower and its Restricted Subsidiaries 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) Subject to compliance with Section 5.14 hereof, the Borrower or any of its Restricted Subsidiaries may (i) make Acquisitions; (ii) initiate construction of new communications tower facilities; and (iii) make investments in Unrestricted Subsidiaries so long as (A) the maximum amount expended to acquire tower management businesses and site acquisitions does not exceed $25,000,000 in the aggregate, (B) the maximum amount of

the proceeds of the Loans invested in or used to acquire interests in any Unrestricted Subsidiary does not exceed the sum of (1) $13,500,000 in the aggregate during the term hereof and (2) to the extent not used for Restricted Payments, funds permitted to be used for Restricted Payments pursuant to Sections 7.7(a) and (b) hereof, provided that proceeds from the disposition of any such investment permitted by this clause (b)(iii), shall be available to be used for Restricted Payments or to make additional investments permitted hereunder; provided, further, that Borrower may, subject to Section 2.5(d) hereof, use the Net Proceeds of any issuance of equity interests to invest in any Unrestricted Subsidiary over and above the limitations set forth in this clause (b) and (C) the contribution to the Operating Cash Flow of the Borrower at the time of such investment of all such Unrestricted Subsidiaries does not exceed fifteen percent (15%) of the Operating Cash Flow of the Borrower; and

(c) Loans or advances to OPM-USA-Inc., as contemplated by that Stock Purchase Agreement between the Borrower and OPM-USA-Inc. not to exceed $9,000,000 (so long as such loans and advances are evidenced by a promissory note).

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 so long as no Default hereunder then exists or would be caused thereby, the Borrower may make (a) subject to Section 2.5(b) hereof, (i) cash distributions in an amount not to exceed fifty percent (50%) of Excess Cash Flow for the immediately preceding calendar year, on or after April 15 of each calendar year commencing on April 15, 2000 less (ii) any portion thereof used for purposes of investing in Unrestricted Subsidiaries; (b) (i) cash distributions from fifty percent (50%) of the net proceeds of any equity offering less (ii) any portion thereof used for purposes of investing in Unrestricted Subsidiaries, subject to Section 2.5(d) hereof and so long as the Leverage Ratio on such date is less than 4.0 to 1 after giving effect to any payment pursuant to Section 2.7(b)(iv) hereof; and (c) interest payments on Indebtedness incurred pursuant to Section 7.1(h) hereof.

Section 7.8 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 its Leverage Ratio to exceed the ratios set forth below during the periods indicated:

Period	Ratio
Agreement Date through September 29, 1999	6.00:1
September 30, 1999 through March 30, 2000	5.50:1
March 31, 2000 through September 29, 2000	5.00:1
September 30, 2000 through March 30, 2001	4.50:1
March 31, 2001 through December 30, 2001	4.00:1
December 31, 2001 through December 30, 2002	3.50:1
December 31, 2002 and thereafter	3.00:1

Section 7.9 Interest Coverage Ratio. The Borrower and its consolidated Restricted Subsidiaries 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 September 29, 2000	2.00:1
September 30, 2000 and thereafter	2.50:1

Section 7.10 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 Borrower shall not permit the ratio of (i) its Annualized Operating Cash Flow (for the calendar quarter/month end being tested in the case of Section 7.10(a) hereof, or for the most recently completed calendar quarter/month end, in the case of Section 7.10(b) hereof) to (ii) its Pro Forma Debt Service to be less than the ratio set forth below opposite each such period:

Period	Ratio
Agreement Date through September 29, 2000	1.10:1
September 30, 2000 and thereafter	1.15:1

Section 7.11 Limitation on Capital Expenditures. The Borrower, on a consolidated basis with its Restricted Subsidiaries, shall not permit its Capital Expenditures to exceed the amounts set forth below for the periods indicated:

Period	Dollar Amount
From January 1, 1997 through December 31, 1997	$15,000,000
From January 1, 1998 through December 31, 1998	$22,000,000
From January 1, 1999 through December 31, 1999	$10,000,000
From January 1, 2000 through December 31, 2000 and each calendar year period thereafter	$ 5,000,000

To the extent not used in any calendar year, an amount equal to the lesser of (a) the unused amounts permitted for Capital Expenditures for such calendar year and (b) fifteen percent (15%) of the maximum Capital Expenditure availability for such calendar year may (exclusive of any carryforwards from prior periods) be carried forward to the next calendar year, and may be spent in addition to the otherwise applicable limitations for such year.

Section 7.12 Affiliate Transactions. Except as specifically provided herein (including, without limitation, Sections 7.4 and 7.7 hereof) and as may be described on Schedule 4.1(s) attached hereto, the Borrower 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 Borrower or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate.

Section 7.13 Real Estate. Subject to Section 5.11 hereof, the Borrower and its Restricted Subsidiaries may purchase real estate solely for use in the business of the Borrower and its Restricted Subsidiaries unless incidental to an Acquisition permitted hereunder.

Section 7.14 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 7.15 Sales and Leasebacks. The Borrower will not and will not permit any of its Restricted Subsidiaries 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 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 Borrower shall default in the performance or observance of any agreement or covenant contained in Sections 5.2(a) or 5.10 hereof, or Sections 7.1, 7.2, 7.4, 7.5, 7.7, 7.8, 7.9, 7.10 and 7.11 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, 5.14, 5.15, 5.16, 6.4, 6.5, 7.3, 7.12, 7.13 and 7.14 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 later of (i) occurrence of such Default and (ii) 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 Section 8.1 of this Agreement) by the Borrower, any of its 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

Borrower 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 of the Borrower's 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 the Borrower or any of the Borrower's Restricted Subsidiaries, or of any substantial part of their respective properties, or ordering the winding-up or liquidation of the affairs of the Borrower, or any of the Borrower's Restricted Subsidiaries; or an involuntary petition shall be filed against the Borrower or any of the Borrower's 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) The Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's Restricted Subsidiaries or of any substantial part of their respective properties, or the Borrower or any of the Borrower's Restricted Subsidiaries 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; the Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's 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 the Borrower or any of the Borrower's Restricted Subsidiaries for the payment of money which exceeds singly, or in the aggregate with other such judgments, $1,000,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of the Borrower or any of the Borrower's Restricted Subsidiaries which, together with all other such property of the Borrower or any of the Borrower's Restricted Subsidiaries subject to other such process, exceeds in value $1,000,000 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 of the Borrower's Restricted Subsidiaries in an aggregate principal amount exceeding $1,000,000, 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 the Borrower to make payments to the counterparty thereunder to be then due and payable;

(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 such loss, destruction, termination, revocation or failure to renew would be to reduce 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;

(l) 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 of the Borrower's Restricted Subsidiaries or by any governmental authority having jurisdiction over the Borrower or any of the Borrower's Restricted Subsidiaries seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof),

or the Borrower or any of the Borrower's 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; provided, however, that if such Change of Control is solely a result of American Radio Systems no longer owning 51% of the Capital Stock of the Borrower, no Event of Default shall occur hereunder, if the Borrower has, on or prior to such date, received equity contributions of not less than $125,000,000 (of which not less than $100,000,000 must be in cash or cash equivalents) in the aggregate;

(o) Borrower or any of its Restricted Subsidiaries shall be indicted under the Racketeer Influenced and Corrupt Organizations Act of 1970 (18 U.S.C.ss.1961 et seq.); or

(p) The Parent shall incur or suffer to exist any Indebtedness for Money Borrowed other than Indebtedness for Money Borrowed which (i) does not exceed $50,000,000 in principal amount outstanding (ii) has no scheduled principal repayment prior to the Maturity Date, (iii) has a scheduled maturity not earlier than the second anniversary of the Maturity Date, (iv) does not cause the ratio of Indebtedness of the Borrower and the Parent to Annualized Operating Cash Flow to exceed 7.0:1 and (v) is approved in all respects by the Majority Banks.

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 Section 8.1(g) hereof) shall have occurred and shall be continuing, the Administrative Agent, at the request of the Majority Banks subject to Section 9.8(a) hereof, shall (i) terminate the 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 Commitment shall thereupon forthwith terminate.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 8.1(f) or Section 8.1(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 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 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 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 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 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. The Borrower hereby irrevocably appoints the Administrative Agent as agent for the Banks, 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 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 the appointment of 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 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) and (c) 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 Borrower or as otherwise required by law.

ARTICLE 9 The Administrative 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 the Borrower, any of its Subsidiaries or any Affiliates of, or Persons doing business with, the Borrower, 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 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 Borrower 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 that the Administrative Agent shall not exercise any rights under Section 8.2(a) of this Agreement 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 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 Banks (or, where expressly required, all the Banks), and any action taken or failure to act pursuant to such instructions shall be binding on all 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 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 the 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 Borrower of any of its obligations under this Agreement or the Notes or any other Loan Document, or (ii) any Restricted Subsidiary of the Borrower 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 Borrower) pro rata according to their respective Commitment Ratios, from and against any and all liabilities, obligations, losses (other than the loss of principal and interest hereunder in the event of a bankruptcy or out-of-court 'work-out' of the Loans), damages, penalties, actions, judgments, suits, costs, expenses (including 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 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 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 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 Banks and the Borrower 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 Borrower, 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 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 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.

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 Borrower and the Banks, whereupon until the Administrative Agent notifies the Borrower 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 Borrower. 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 Borrower 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 Borrower 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 existing 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, in respect of its portion of LIBOR Advances 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 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 Borrower agrees to pay to such Bank such additional amount or amounts as will compensate such Bank for such

increased costs. Each Bank 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 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.

(b) Any Bank 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 Bank may use any reasonable averaging and attribution methods. If any Bank demands compensation under this Section 10.3, the Borrower 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 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 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 Borrower 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, 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 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 Systems, Inc.
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 on the signature pages hereof.

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, but not limited to, the reasonable fees and disbursements of Powell, Goldstein, Frazer & Murphy LLP, 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 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 Borrower is 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 Borrower at any time or from time to time, without notice to the Borrower or to any other Person, any such notice being 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 Borrower or any of its Restricted Subsidiaries, against and on account of the obligations and liabilities of the Borrower to the Banks 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 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 the Borrower or any of its Restricted Subsidiaries 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 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 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.

(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 Bank.

(b) Each Bank may sell (i) assignments of any amount of its interest hereunder to any Bank, or (ii) assignments or participations of one hundred percent (100%) (or, with the consent of the Borrower, a smaller percentage) of its interest hereunder to (A)

one (1) or more wholly-owned Affiliates of such Bank (provided 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 (no 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 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, that (1) all assignments (other than assignments described in clause (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 clause (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 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 Borrower, 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 O attached hereto. An administrative fee of $3,500 shall be payable to the Administrative Agent by the assigning Bank 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 Borrower with prompt written notice of any issuance of participations in or 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 the 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 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 Banks pursuant to Section 2.11 hereof.

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 Operating Cash Flow, Total Debt, Fixed Charges, Pro Forma Debt Service, 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 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 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 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 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 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, 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 Bank, then such excess sum shall be credited as a payment of principal, unless the Borrower 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 Borrower 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 Borrower 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 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 Banks and, in the case of an amendment, by the Borrower, except that in the event of (a) any increase in the amount of any Bank's portion of the Commitment, (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 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 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 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 Banks.

Section 11.13 Entire Agreement. Except as otherwise expressly provided herein, this Agreement and the other documents described or contemplated herein 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 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 (a) shall 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) shall 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 Borrower.

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 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, the Banks may make disclosure of any such information 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 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 Borrower. 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 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 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 BORROWER, ANY OF THE BORROWER'S 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.

[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 SYSTEMS, INC., a Delaware corporation

By: /s/ Joseph J. Winn
Its: Chief Financial Officer

ADMINISTRATIVE AGENT:

TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By: /s/ Kimberly Burleson
Its: Vice President

BANKS:

TORONTO DOMINION (TEXAS), INC., as a Bank

Address:
909 Fannin Street, Suite 1700
Houston, Texas 77010
Telecopy: (713) 951-9921

By:/s/ Kimberly Burleson
Its: Vice President

BANQUE PARIBAS, as a Bank

Address:
The Equitable Tower
787 Seventh Avenue
New York New York 10022
Telecopy: (212) 841-2369

By:

Its: Vice President

By: /s/ Lynne S. Randall
Its: Director

BARCLAYS BANK PLC, as a Bank

Address:
75 Wall Street, 12th Floor
New York, New York 10015
Telecopy: (212) 412-5308

By:

Its: Associate Director

BANK OF MONTREAL, CHICAGO BRANCH,
as a Bank

Address:
430 Park Avenue, 15th Floor
New York, New York 10022
Telecopy: (212) 605-1648

By: /s/ W.T. Calder
Its: Director

THE CHASE MANHATTAN BANK, as a Bank

Address:
270 Park Avenue, 37th Floor
New York, New York 10017
Telecopy: (212) 270-4584

By: /s/ Mitchell J. Gervis
Its: Vice President

FLEET NATIONAL BANK, as a Bank

Address:
MA/OF/DO3D
One Federal Street
Boston, Massachusetts 02110
Telecopy: (617) 346-4356

By:
Its: Vice President

GE CAPITAL CORPORATION, as a Bank

Address:
120 Longridge Road, 3rd Floor
Stamford, Connecticut 06927
Telecopy: (203) 357-6828

By: /s/ Molly S. Fergurson
Its: Manager, Operations

THE BANK OF NEW YORK, as a Bank

Address:
One Wall Street, 16th Floor
New York, New York 10286
Telecopy: (212) 635-8593

By:
Its: Vice President

CREDIT SUISSE FIRST BOSTON, as a Bank

Address:
11 Madison Avenue, 20th Floor
New York, New York 10010
Telecopy: (212) 325-8314

By: /s/ Todd C. Morgan
Its: Vice President

By: /s/ Judit E. Smith
Its: Director

SUNTRUST BANK, CENTRAL FLORIDA,
NATIONAL ASSOCIATION, as a Bank

Address:
200 S. Orange Avenue
Orlando, Florida 32801
Telecopy: (407) 237-4253

By:
Its: Vice President

UNIOBANK OF CALIFORNIA, N.A.,
as a Bank

Address:
445 S. Figueroa, 15th Floor
Los Angeles, California 90071
Telecopy: (213) 236-5747

By: /s/ Peter C. Connoy
Its: Assistant Vice President

THE BANK OF NOVA SCOTIA, as a Bank

Address:
One Liberty Plaza
New York, New York 10006
Telecopy: (212) 225-5090

By: /s/ Margot C. Bright
Its: Authorized Signatory

CREDIT LYONNAIS NEW YORK BRANCH,
as a Bank

Address:
1301 Avenue of the Americas
18th Floor
New York, New York 10019
Telecopy: (212) 261-3288

By: /s/ Stephen C. Levi
Its: Vice President

THE SUMITOMO BANK, LIMITED, acting
through its Chicago Branch, as a Bank

Address:
1 Post Office Square, Suite 3820
Boston, Massachusetts 02109
Telecopy: (617) 423-4884
and
Lending Office Address:
233 South Wacker, Suite 5400
Chicago, Illinois 60606

By:
Its: Vice President & Manager

By: /s/ Jean Robert
Its: Executive Officer

BANK OF SCOTLAND, as a Bank

Address:
565 Fifth Avenue
New York, New York 10017
Telecopy: (212) 557-9460

By: /s/ Annie Chin Tat
Its: Vice President

LEHMAN COMMERCIAL PAPER INC., as a Bank

Address:
3 World Financial Center, 10th Floor
New York, New York 10285
Telecopy: (212) 528-0819

By: /s/ Dennis J. Lee
Its: Authorized Signatory

EXHIBIT 10.3

FIRST AMENDMENT
TO
AMENDED AND RESTATED LOAN AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT (this "Amendment"), dated as of the 31st day of December, 1997 (the "Amendment Date"), by and among AMERICAN TOWER SYSTEMS, INC., a Delaware corporation (the "Borrower"); the FINANCIAL INSTITUTIONS SIGNATORY HERETO and TORONTO DOMINION (TEXAS), INC., as administrative agent (the "Administrative Agent") for the Banks (as defined in the Loan Agreement defined below);

W I T N E S S E T H:

WHEREAS, the Borrower, the Banks and the Administrative Agent are parties to that certain Amended and Restated Loan Agreement dated as of October 15, 1997 (as hereafter amended, modified, supplemented and restated from time to time, the "Loan Agreement"); and

WHEREAS, the Borrower has requested that the Banks consent to the Gearon Acquisition (as defined below) and the Restructure Transaction (as defined below); and

WHEREAS, the Borrower and the Banks have agreed to amend certain provisions of the Loan Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that all capitalized terms used herein shall have the meanings ascribed thereto in the Loan Agreement, and further agree as follows:

1. Consents.

(a) Gearon Acquisition. The Borrower has requested that the Banks consent to the Acquisition by the Borrower of all of the stock of Gearon & Co., Inc. ("Gearon") through a merger by the Borrower (or any successor to the Borrower permitted herein) with Gearon, with the Borrower (or such successor) being the surviving entity as more fully described in that certain Agreement and Plan of Merger, dated as of November 21, 1997, by and among Gearon, J. Michael Gearon, Jr., the Borrower and the Parent (the "Gearon Acquisition"). Notwithstanding anything to the contrary in Section 7.6(b)(A) of the Loan Agreement, the Banks hereby consent, subject to compliance by the Borrower with Sections 5.14 and 7.4(b) of the Loan Agreement, to the Gearon Acquisition, provided, however, that (a) the total amount of consideration (which may include stock in the Parent) paid for the Gearon Acquisition does not exceed $85,000,000 and (b) the total cash consideration paid by the Borrower shall not exceed $35,000,000.

(b) Restructure Transaction. The Borrower has requested that the Banks consent to the transfer by the Borrower of substantially all of its assets to, and the assumption of all of the Obligations by, a to be formed Subsidiary ("Newco") of the Borrower (the "Restructure Transaction") with a resulting organizational structure as set forth on Schedule 1 attached hereto. Following the assumption, the Borrower will remain as a co-borrower under the Loan Agreement, and will retain the assets to be acquired in the Gearon Acquisition and the acquisition of American Tower Corporation. Notwithstanding anything in the Loan Agreement to the contrary, subject to the execution and delivery by the Borrower, Newco, the Administrative Agent and the Banks of an Assumption Agreement in form and substance substantially similar to Exhibit A attached hereto (the "Assumption Agreement") and satisfaction of all of the conditions set forth therein, the Banks hereby consent to the Restructure Transaction.

2. Amendments.

(a) Amendments to Article 1.

(i) Article 1 of the Loan Agreement is hereby amended by deleting the definitions of "Annualized Operating Cash Flow" and "Leverage Ratio" in their entireties and by substituting in lieu thereof the following:

"'Annualized Operating Cash Flow' shall mean (a) for any calculation date up to and including September 30, 1998, the sum of (i) the product of (A) Operating Cash Flow (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 (B) twelve (12) and (ii) Operating Cash Flow (Other Business) for the twelve calendar month period ending on the calendar month end being tested or the most recently completed calendar month immediately preceding such calculation date; and (b) for any calculation date after September 30, 1998, the sum of (i) the product of (A) 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 (B) four (4) and (ii) Operating Cash Flow (Other Business) for the twelve calendar month period ending on the calendar month end being tested or the most recently completed calendar month immediately preceding such calculation date."

"'Leverage Ratio' shall mean, as of any date, the ratio of (a)(i) the Total Debt on such date minus (ii) the then outstanding principal amount of all Investor Notes (not to exceed $60,000,000), to (b) Annualized Operating Cash Flow."

(ii) Article 1 of the Loan Agreement is hereby amended by inserting the following new definitions in appropriate alphabetical order:

"'Gearon' shall mean Gearon & Co., Inc., a Georgia corporation."

"'Investor Notes' shall mean those certain notes received by the Parent in connection with a private placement by the Parent, which notes are secured by common stock of American Radio Systems Corporation having a market value of not less than one hundred seventy-five percent (175%) of the principal amount of such notes, which are payable in full contemporaneously with the merger of the Parent with R Acquisition Corp., a wholly-owned Subsidiary of CBS Corporation and which notes have been assigned (on terms and conditions satisfactory to the Banks) to the Administrative Agent as Collateral for the Obligations; provided, however, that none of the foregoing notes shall qualify as, or continue to qualify as, "Investor Notes" hereunder if such notes are, on the date of determination, in default in any respect."

"'Significant Default' shall mean an Event of Default under Sections 8.1(b), 8.1(c) or 8.1(h) hereof."

(b) Amendment to Article 2. Article 2 of the Loan Agreement, Loans, is hereby amended by deleting Section 2.7(b)(v) in its entirety and by substituting the following in lieu thereof:

"(v) Reduction from Payment of Investor Notes. On the Business Day following receipt by the Borrower of any payment with respect to any Investor Note, the Borrower shall make a repayment of the Loan by an amount equal to the amount of such payment.

(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."

(c) Amendment to Article 5. Article 5 of the Loan Agreement, General Covenants, is hereby amended by deleting Section 5.11 thereof, Real Estate, in its entirety and by substituting the following in lieu thereof:

"Section 5.11 Real Estate. The Borrower shall, and shall cause its Restricted Subsidiaries to on or prior to June 30, 1998, and, thereafter, within thirty (30) days of the acquisition of any real estate permitted under Section 7.13 hereof provide an executed mortgage to the Administrative Agent in favor of the Administrative Agent securing the Obligations (or such amount thereof as is equal to the fair market value of such real estate if the Majority Banks so permit), in form and substance reasonably satisfactory to the Administrative Agent, covering the parcels of real estate owned by the Borrower or any of its Restricted Subsidiaries; provided, however, that the Administrative Agent shall not record any of such mortgages unless and until a Significant Default shall have occurred and shall be continuing. The Administrative Agent is hereby authorized by the Borrower to cause any or all of the foregoing mortgages to be recorded upon the occurrence and during the continuance of a Significant Default."

(d) Amendment to Article 6. Article 6 of the Loan Agreement, Information Covenants, is hereby amended by deleting Section 6.6 thereof, Real Estate, in its entirety.

(e) Amendments to Article 7. Article 7 of the Loan Agreement, Negative Covenants, is hereby amended by adding the following new subsections to Section 7.6, Investments and Acquisitions, thereof:

"(c) loans or advances to Gearon, as contemplated by that certain Agreement and Plan of Merger, dated as of November 21, 1997, by and among Gearon, J. Michael Gearon, Jr., the Borrower and the Parent, not to exceed $10,000,000 (so long as such loans and advances are evidenced by a promissory note); and

(d) the Borrower may own the Investor Notes."

3. No Other Amendment or Waiver. Except for the amendment set forth above, the text of the Loan Agreement and all other Loan Documents shall remain unchanged and in full force and effect. No waiver by the Administrative Agent or the Banks under the Loan Agreement or any other Loan Document

is granted or intended except as expressly set forth herein, and the Administrative Agent and the Banks expressly reserve the right to require strict compliance in all other respects (whether or not in connection with any Requests for Advance). Except as set forth herein, the amendment agreed to herein shall not constitute a modification of the Loan Agreement or any of the other Loan Documents, or a course of dealing with the Administrative Agent and the Banks at variance with the Loan Agreement or any of the other Loan Documents, such as to require further notice by the Administrative Agent, the Banks or the Majority Banks to require strict compliance with the terms of the Loan Agreement and the other Loan Documents in the future.

4. Loan Documents. This document shall be deemed to be a Loan Document for all purposes under the Loan Agreement and the other Loan Documents.

5. Counterparts. This Amendment 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.

6. Governing Law. This Amendment shall be construed in accordance with and governed by the laws of the State of New York.

7. Severability. Any provision of this Amendment which is prohibited or unenforceable 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.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment or caused it to be executed by their duly authorized officers, all as of the day and year first above written.

BORROWER:

AMERICAN TOWER SYSTEMS, INC., a Delaware corporation

By:_____

Its:_____

Attest:_____

Its:_____

ADMINISTRATIVE AGENT AND BANKS:

TORONTO DOMINION (TEXAS), INC., as Administrative Agent and as a Bank

By:_____

Its:_____

BANQUE PARIBAS, as a Bank

By:_____

Its:_____

By:_____

Its:_____

BARCLAYS BANK PLC, as a Bank

By:_____

Its:_____

BANK OF MONTREAL, CHICAGO BRANCH

By:_____

Its:_____

THE CHASE MANHATTAN BANK, as a Bank

By:_____

Its:_____

FLEET NATIONAL BANK, as a Bank

By:_____

Its:_____

GENERAL ELECTRIC CAPITAL CORPORATION
(formerly known as GE Capital
Corporation), as a Bank

By:_____

Its:_____

THE BANK OF NEW YORK, as a Bank

By:_____

Its:_____

CREDIT SUISSE FIRST BOSTON, as a Bank

By:_____

Its:_____

By:_____

Its:_____

SUNTRUST BANK, CENTRAL FLORIDA,
NATIONAL ASSOCIATION, as a Bank

By:_____

Its:_____

UNION BANK OF CALIFORNIA, N.A., as a
Bank

By:_____

Its:_____

THE BANK OF NOVA SCOTIA, as a Bank

By:_____

Its:_____

CREDIT LYONNAIS NEW YORK BRANCH, as a Bank

By:_____

Its:_____

THE SUMITOMO BANK, LIMITED, acting through its Chicago Branch, as a Bank

By:_____

Its:_____

By:_____

Its:_____

BANK OF SCOTLAND, as a Bank

By:_____

Its:_____

LEHMAN COMMERCIAL PAPER INC., as a Bank

By:_____

Its:_____

KEY CORPORATE CAPITAL INC., as a Bank

By:_____

Its:_____

EXHIBIT A

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT is made as of this _____ day of January, 1998 (this "Agreement"), by and among AMERICAN TOWER SYSTEMS (DELAWARE), INC., a Delaware corporation (formerly known as American Tower Systems, Inc.) ("American Tower"), AMERICAN TOWER SYSTEMS, L.P., a Delaware limited partnership ("Newco"), the FINANCIAL INSTITUTIONS SIGNATORIES HERETO, TORONTO DOMINION (TEXAS), INC., as Administrative Agent (the "Administrative Agent") and AMERICAN TOWER SYSTEMS CORPORATION (formerly known as American Tower Systems Holding Corporation), a Delaware corporation (the "Parent").

W I T N E S S E T H:

WHEREAS, American Tower, the Administrative Agent and the Banks are parties to that certain Amended and Restated Loan Agreement dated as of October 15, 1997 (as heretofore and hereafter amended, modified, supplemented or restated from time to time, the "Loan Agreement"), whereby the Banks agreed to extend loans to American Tower; and

WHEREAS, the Parent has heretofore executed and delivered to the Administrative Agent and the Banks that certain Amended and Restated Parent Pledge Agreement dated as of October 15, 1997 (the "Parent Pledge Agreement"); and

WHEREAS, American Tower has requested that the Banks consent to an assumption by Newco of all of the Obligations and all of the other obligations under the Loan Agreement, the Notes (as defined in the Loan Agreement) and the other Loan Documents (as defined in the Loan Agreement) and the creation of a co-borrower arrangement with Newco and American Tower as borrowers under the Loan Agreement; and

WHEREAS, the Administrative Agent and the Banks have agreed to such assumption only on the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the foregoing premises, and the mutual agreements and covenants herein contained, the parties hereto agree that capitalized terms used herein shall, unless otherwise defined herein, have the meaning ascribed thereto in the Loan Agreement and further agree as follows:

1. Consent and Release. Subject to satisfaction of the conditions precedent set forth in Section 3 hereof, the Banks and the Administrative Agent hereby consent to the assumption by Newco of all of the Obligations of American Tower under the Loan Agreement, the Notes and the other Loan Documents pursuant to Section 2 of this Agreement. Upon receipt of notice from the Administrative Agent that the conditions precedent set forth in Section 4 hereof have been satisfied, American Tower shall become a co-borrower under the Loan Agreement and American Tower hereby agrees that it shall at all times after the effectiveness hereof be jointly and severally liable for any and all of Obligations under the Loan Agreement, the Notes and all other Loan Documents. Each Bank hereby agrees that promptly following (a) its receipt of its Replacement Note (as defined below) and (b) satisfaction of the conditions precedent set forth in Section 3 hereof, such Bank shall return to American Tower the Note issued to such Bank by American Tower. Each of American Tower and Newco hereby agree that effective immediately upon the effectiveness of this Agreement, they shall be jointly and severally liable for all of the Obligations.

2. Assumption. Newco hereby assumes and agrees to pay and perform all of the Obligations of American Tower under the Loan Agreement (including, without limitation, indemnity obligations under Sections 2.10, 2.12, 5.12, 10.3 and 11.2 of the Loan Agreement, whether arising prior to the date hereof or thereafter and whether resulting from the actions of American Tower or Newco), the Notes and the other Loan Documents, in accordance with the terms thereof, at the times and in the manner and amounts therein set forth. Without in any way limiting the foregoing, Newco hereby acknowledges and agrees that all covenants, agreements and obligations (including, without limitation, the Obligations) of the Borrower set forth in the Loan Agreement, the Notes and the other Loan Documents shall at all times be the covenants,

agreements and obligations of Newco, except to the extent modified or amended herein. American Tower hereby agrees that, notwithstanding the foregoing assumption, it shall remain liable for the Obligations on a joint and several basis under the Loan Agreement as modified by the terms and provisions hereof.

3. Amendments to Loan Agreement. The parties hereto hereby agree that effective upon satisfaction of the conditions set forth in Section 4 hereof, the Loan Agreement shall be amended as follows:

a Amendment to Article 1.

i Article 1 of the Loan Agreement, Definitions, is hereby amended by deleting the definitions of "Acquisition," "Acquisition Operating Cash Flow," "Applicable Margin Ration," "Borrower," "Change of Control," "Excess Cash Flow," "Interest Expense," "known to the Borrower," "Leverage Ratio," "Licenses," "Loans," "Materially Adverse Effect," "Necessary Authorizations," "Net Income," "Net Proceeds," "Obligations," "Operating Cash Flow," "Operating Cash Flow (Towers)," "Operating Cash Flow (Other Business)," "Other Operations," "Permitted Liens," "Pro Forma Debt Service," "Request for Advance," "Restricted Payment," "Restricted Subsidiary," "Total Debt," "Tower Operation Business," "Unrestricted Subsidiary" and "Unrestricted Subsidiary Distributions" in their entirety and by substituting in lieu thereof each of the definitions set forth on Schedule 1 attached hereto.

i Article 1 of the Loan Agreement, Definitions, is hereby further amended by inserting the following definitions into such Article in appropriate alphabetical order:

"'Co-Borrower' shall mean American Tower Systems (Delaware), Inc., a Delaware corporation."

"'ATSC Operating' shall mean ATSC Operating Inc., a Delaware corporation."

"'ATSC LP' shall mean ATSC LP Inc., a Delaware corporation."

"'ATSC Holding' shall mean ATSC Holding Inc., a Delaware corporation."

"'ATSC GP' shall mean ATSC GP Inc., a Delaware corporation."

"'Subordination Agreement' shall mean, collectively, that certain Subordination Agreement dated as of January ____, 1998 among ATSC Operating, ATSC LP and the Administrative Agent and that certain Subordination Agreement dated as of January ____, 1998 among ATSC Holding, ATSC GP and the Administrative Agent.

a Amendment to Article 2.

i Article 2 of the Loan Agreement, Loans, is hereby amended by deleting Section 2.1 thereof in its entirety and by substituting in lieu thereof the following:

"Section 2.1 The Loans.

a Loans to the Borrower. 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 and provided there exists no Default or Event of Default hereunder, to lend to the Borrower, prior to the Maturity Date, an amount not at any one time outstanding to exceed, in the aggregate, the Available 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 on a revolving basis.

a Loans to the Co-Borrower. 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 and provided there exists no Default or Event of Default hereunder, to lend to the Co-Borrower, prior to the Maturity Date, an amount not at any one time outstanding to exceed (without the consent of the Majority Banks), in the aggregate, the lesser of (A) the Available Commitment and (B) $45,000,000. 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 on a revolving basis."

i Article 2 of the Loan Agreement, Loans, is hereby further amended by modifying each of the provisions set forth therein so that every place in which the term "Borrower" is used it shall be deemed to include the "Co-Borrower" on a joint and several basis with the Borrower.

a Amendment to Article 4. Article 4 of the Loan Agreement, Representations and Warranties, is hereby amended by modifying each of the provisions set forth therein so that every place in which the term "Borrower" is used it shall be deemed to include the "Co-Borrower" and so that every place where the representations therein refer to the Borrower and its Restricted Subsidiaries on a consolidated basis it shall be deemed to refer to the Co-Borrower, the Borrower and their Restricted Subsidiaries on a consolidated basis.

a Amendment to Article 5. Article 5 of the Loan Agreement, General Covenants, is hereby amended by modifying each of the provisions set forth therein

so that every place in which the term "Borrower" is used it shall be deemed to include the "Co-Borrower" and so that every place where the covenants contained therein refer to the Borrower and its Restricted Subsidiaries on a consolidated basis it shall be deemed to refer to the Co-Borrower, the Borrower and their Restricted Subsidiaries on a consolidated basis.

a Amendments to Article 6. Article 6 of the Loan Agreement, Information Covenants, is hereby amended by modifying each of the provisions set forth therein so that every place in which there is a requirement for information to be reported with respect to the Borrower, there shall be a similar requirement for substantially similar information with respect to the Co-Borrower and its Restricted Subsidiaries. This amendment shall include the requirements in Sections 6.1 and 6.2 that the Borrower provide consolidating financial statements (which need not be audited) with respect to the Borrower and the Co-Borrower and their Restricted Subsidiaries.

a Amendments to Article 7. Article 7 of the Loan Agreement, Negative Covenants, is hereby amended by modifying each of the provisions set forth therein so that every place in which the term "Borrower" is used it shall be deemed to include the "Co-Borrower" and so that every place where the covenants contained therein refer to the Borrower and its Restricted Subsidiaries on a consolidated basis it shall be deemed to refer to the Co-Borrower, the Borrower and their Restricted Subsidiaries on a consolidated basis. Notwithstanding the foregoing, any dollar limitations contained in any of the covenants in Article 7 and any restrictions based upon Operating Cash Flow shall be determined in the aggregate for the Borrower and the Co-Borrower. In addition, the Borrower may, subject to the conditions of the Subordination Agreement, make distributions to GP Inc. and LP Inc. for the purpose of paying current interest on the Subordinated Indebtedness described therein.

Amendments to Article 8. Article 8 of the Loan Agreement, Default, is hereby amended as follows:

(i) Section 8.1, Events of Default, is hereby amended so that each reference to the Borrower and the Borrower and its Restricted Subsidiaries in subsections (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l) or (o) thereof shall be deemed to include the Co-Borrower and the Co-Borrower and its Restricted Subsidiaries, as applicable.

(ii) Section 8.1, Events of Default, is hereby further amended to add a new subsection (q) as follows:

"(q) Any of ATSC Operating, ATSC LP, ATSC Holding and ATSC GP shall incur and suffer to exist any Indebtedness for Money Borrowed, other than Indebtedness for Money Borrowed which is subordinated to the Obligations and assigned to the Banks as additional Collateral, in each case on terms and conditions satisfactory to the Majority Banks."

a Amendments to Article 10. Article 10 of the Loan Agreement, Changes in Circumstances Affecting LIBOR Advances, is hereby amended by modifying each of the provisions therein such that they apply equally to the Borrower and the Co-Borrower and further to provide that to the extent that any of the provisions therein create a payment obligation on behalf of the Borrower, that such provisions shall hereafter refer to the Borrower and the Co-Borrower on a joint and several basis.

a Amendments to Articles 11 and 12. Article 11 of the Loan Agreement, Miscellaneous, and Article 12 of the Loan Agreement, Waiver of Jury Trial, are hereby amended to the extent necessary to make the provisions thereof applicable equally to the Borrower and the Co-Borrower, and each of them hereby confirm and acknowledge each of the waivers set forth

therein. The Borrower and Co-Borrower hereby further agree that any notices under the Loan Documents shall be sent to the Borrower and the Co-Borrower at the address set forth for the Borrower in Section 11.1 of the Loan Agreement in the manner set forth therein.

4. Conditions Precedent to Effectiveness of Consent. The effectiveness of this Agreement is subject to the prior or contemporaneous fulfillment of each of the following conditions:

a. the truth and accuracy in all material respects on the effective date hereof of the representations and warranties set forth in Article 4 of the Loan Agreement, which, pursuant to Section 4.2 of the Loan Agreement, are made as of the time of each Advance, in each case, before and after giving effect to Sections 1 and 2 of this Agreement, except to the extent previously modified or waived in accordance with the terms of the Loan Agreement and to the extent relating specifically to the Agreement Date or some other date;

b. the non-existence on the effective date hereof of any Default or Event of Default both before and after giving effect to Sections 1 and 2 of this Agreement;

c. receipt by the Administrative Agent of a duly executed promissory note in favor of each Bank representing such Bank's portion of the Commitment and the Loans of such Bank assumed by Newco, which Notes shall be in substantially the form of Exhibit A attached hereto
----
(collectively, for all Banks, the "Replacement Notes");
----

d. receipt by the Administrative Agent of a Borrower Security Agreement, substantially in the form of Exhibit B attached hereto,
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together with appropriate UCC financing statements, each duly executed by Newco;

d. receipt by the Administrative Agent of copies of insurance binders or certificates covering the assets of Newco and the Restricted Subsidiaries, and otherwise

meeting the requirements of Section 5.5 of the Loan Agreement;

e. legal opinion of Sullivan & Worcester LLP, counsel to Newco and addressed to each Bank and the Administrative Agent, and dated as of the Agreement Date substantially in the form of Exhibit C attached hereto;

f. any required consents to the closing of this Agreement or to the execution, delivery and performance by Newco of this Agreement, the Replacement Notes and the other Loan Documents, together with evidence satisfactory to the Administrative Agent that all assets of American Tower have been transferred to Newco, each of which shall be in form and substance reasonably satisfactory to the Administrative Agent and the Majority Banks;

g. the loan certificate of Newco dated as of the effective date of this Agreement, in substantially the form of Exhibit D attached hereto;

h. the loan certificate of ATSC Operating dated as of the effective date of this Agreement, in substantially the form of Exhibit E attached hereto;

i. the loan certificate of ATSC LP dated as of the effective date of this Agreement, in substantially the form of Exhibit F attached hereto;

j. the loan certificate of ATSC Holding dated as of the effective date of this Agreement, in substantially the form of Exhibit G attached hereto;

k. the loan certificate of ATSC GP dated as of the effective date of this Agreement, in substantially the form of Exhibit H attached hereto;

l. execution and delivery of this Agreement by Newco, American Tower, the Parent, the Administrative Agent and the Banks;

m. execution and delivery of a Stock Pledge Agreement by American Tower pursuant to which American Tower pledges

its interest in the stock of Newco to the Administrative Agent (on behalf of the Banks), in substantially the form of Exhibit I attached hereto;

n. execution and delivery of an Assignment of Intercompany Indebtedness by American Tower pursuant to which American Tower grants to the Administrative Agent (on behalf of the Banks) a security interest in all Indebtedness for Money Borrowed owed to American Tower by Newco, in substantially the form of Exhibit J attached hereto; and

o. subordination of all intercompany Indebtedness for Money Borrowed owed by Newco to American Tower on terms and conditions satisfactory to the Majority Banks.

5. Representations and Warranties. Newco hereby represents and warrants in favor of the Administrative Agent and each Bank that:

a. Organization; Ownership; Power; Qualification. As of the effective date of this Agreement, Newco is a partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. Newco has the partnership power and authority to own its properties and to carry on the business of the Restricted Subsidiaries as now being and as proposed hereafter to be conducted. Newco and the Restricted Subsidiaries will be within thirty (30) days 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 so qualify and be qualified could not reasonably be expected to have a Materially Adverse Effect.

b. Authorization; Enforceability. Newco has the partnership power and ATSC GP has taken all necessary corporate action to authorize Newco to assume the Obligations as set forth 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 Newco and is, and each of the other Loan Documents to which Newco is party is, a legal, valid and binding obligation of Newco enforceable against Newco in accordance with its terms, 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 Newco).

c. Restricted Subsidiaries: Authorization; Enforceability. The Borrower, the Co-Borrower and their Restricted Subsidiaries and the direct and indirect ownership thereof by the Parent as of the effective date of this Agreement are as set forth on Schedule 1 attached hereto, and to the extent such Restricted Subsidiaries are corporations, the Parent has the unrestricted right to vote the issued and outstanding shares or ownership interests of the Restricted Subsidiaries shown thereon and such shares of such Restricted Subsidiaries have been duly authorized and issued and are fully paid and nonassessable. Each Restricted Subsidiary has the corporate or partnership power and has taken all necessary corporate or partnership action to authorize it to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement. The Parent's ownership interest in each of the Restricted Subsidiaries 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 Newco of this Agreement, the Loan Agreement, the Replacement Notes and the other Loan Documents, 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 other than consents and approvals that may be required from the issuers of Licenses in connection with the exercise by the Administrative Agent or the Banks of certain of their remedies under the Loan Documents, (ii) violate any Applicable Law respecting Newco 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 Newco or of any Restricted Subsidiary, or under any material indenture, agreement, or other instrument 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 Newco or any of the Restricted Subsidiaries, except for Permitted Liens.

6. Ratification. Newco hereby (a) ratifies and confirms the terms and conditions of the Loan Agreement and the Replacement Notes; (b) acknowledges that the Loan Agreement and all other Loan Documents are in full force and effect including, without limitation Section 12.1 of the Loan Agreement; and (c) covenants that as of the date hereof Newco has no defenses or offsets with respect to the Obligations herein assumed by Newco, and no counterclaims against the Banks whether based upon the transactions evidenced by the Loan Agreement, the Loan Documents or otherwise.

7. Parent's Acknowledgement. The Parent acknowledges and agrees that the Obligations (as defined in the Parent Pledge Agreement) include, without limitation, all of the Obligations of Newco under the Loan Agreement, the Replacement Notes and the other Loan Documents. The Parent hereby (a) consents to the assumption of the Obligations by Newco and (b) covenants that as of the date hereof the Parent has no defenses or offsets with respect to the Obligations defined in the Parent Pledge Agreement, and no counterclaims against the Administrative Agent or any of the Banks whether based upon the transactions evidenced by this Agreement, the Loan Documents or otherwise.

8. No Waiver. Notwithstanding the agreement of the Banks and the Administrative Agent to the terms and provisions of this Agreement, each of American Tower and Newco acknowledges and expressly agrees that the consent of the Administrative Agent and the Banks to the assumption of American Tower's Obligations under the Loan Agreement by Newco does not constitute a waiver of the Banks' right to declare the Obligations immediately due and payable after the occurrence and during the continuance of an Event of Default under the Loan Agreement and, further, shall not constitute a modification of the Loan Agreement or any other Loan Document, except to the extent expressly provided herein or therein, or constitute a course of dealing at variance with the terms of the Loan Agreement or any other Loan Document such as to require further notice of their intent to require strict adherence to the terms of the Loan Agreement or any other Loan Document in the future.

9. Administrative Agent as Attorney-in-Fact. Newco hereby names, constitutes, and appoints the Administrative Agent as its agent and attorney-in-fact to exercise, at such times and in such manner as set forth therein, all powers granted to the Administrative Agent or the Banks, or any of them, under the Loan Agreement and all other Loan Documents.

10. 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.

11. Governing Law. THIS AGREEMENT AND THE REPLACEMENT 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 NEW YORK.

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IN WITNESS WHEREOF the undersigned have caused this Agreement to be executed as of the day and year first above written.

AMERICAN TOWER: AMERICAN TOWER SYSTEMS (DELAWARE), INC., a Delaware corporation

By:_____

Its:_

NEWCO: AMERICAN TOWER SYSTEMS, L.P., a _____ limited partnership

By its General Partner,
ATSC GP INC., a Delaware corporation

By:_____

Its:_

PARENT: AMERICAN TOWER SYSTEMS CORPORATION (formerly known as American Tower Systems Holding Corporation), a Delaware corporation

By:_____

Its:_

ADMINISTRATIVE AGENT AND BANKS: TORONTO DOMINION (TEXAS), INC., as Administrative Agent and as a Bank

By:_____

Its:_

BANQUE PARIBAS, as a Bank

By:_____

Its:_

By:_____

Its:_

BARCLAYS BANK PLC, as a Bank

By:_____

Its:_

BANK OF MONTREAL, CHICAGO BRANCH

By:_____

Its:_

THE CHASE MANHATTAN BANK, as a Bank

By:_____

Its:_

FLEET NATIONAL BANK, as a Bank

By:_____

Its:_

GENERAL ELECTRIC CAPITAL CORPORATION (formerly known as GE Capital Corporation), as a Bank

By:_____

Its:_

THE BANK OF NEW YORK, as a Bank

By:_____

Its:_

CREDIT SUISSE FIRST BOSTON, as a Bank

By:_____

Its:_

By:_____

Its:_

SUNTRUST BANK, CENTRAL FLORIDA, NATIONAL ASSOCIATION, as a Bank

By:_____

Its:_

UNION BANK OF CALIFORNIA, N.A., as a Bank

By:_____

Its:_

THE BANK OF NOVA SCOTIA, as a Bank

By:_____

Its:_

CREDIT LYONNAIS NEW YORK BRANCH, as a Bank

By:_____

Its:_

THE SUMITOMO BANK, LIMITED, acting through its Chicago Branch, as a Bank

By:_____

Its:_

By:_____

Its:_

BANK OF SCOTLAND, as a Bank

By:_____

Its:_

LEHMAN COMMERCIAL PAPER INC., as a Bank

By:_____

Its:_

KEY CORPORATE CAPITAL INC., as a Bank

By:_____

Its:_

SCHEDULE 1
to Assumption 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, the Co-Borrower or any of their Restricted Subsidiaries of any other Person, which Person shall then become consolidated with the Borrower, the Co-Borrower or any such Restricted Subsidiary in accordance with GAAP; (ii) any acquisition by the Borrower,the Co-Borrower or any of their Restricted Subsidiaries of all or any substantial part of the assets of any other Person; or (iii) any acquisition by the Borrower, the Co-Borrower or any of their Restricted Subsidiaries 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 approved as an Unrestricted Subsidiary.

"Acquisition Operating Cash Flow" shall mean in the case of an Acquisition permitted hereunder, Operating Cash Flow of the Borrower, the Co-Borrower and their Restricted Subsidiaries for the period during which such Acquisition occurs, adjusted (A) 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 of such Acquisition during such period prior to the date of such Acquisition and adding to the Operating Cash Flow of the Borrower and the Co-Borrower, if positive, or subtracting from such Operating Cash Flow, if negative, the product of (i) the actual Operating Cash Flow 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 of such Acquisition through the last day of such period.

"Applicable Margin Ratio" shall mean, as of any date, the ratio of (a) the Total Debt on such date to (b) the product of

(i) Operating Cash Flow for the most recently completed fiscal quarter times (ii) four (4).

"Borrower" shall mean American Tower Systems, L.P.

"Change of Control" shall mean (a) any change in the ownership of, or lien
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upon, the partnership interests of the Borrower or the stock of the Co-Borrower that results in less than fifty-one percent (51%) of all voting rights with respect to the ownership interests of the Borrower and the Co-Borrower (including, without limitation, warrants, options, conversion rights, voting rights and calls or claims of any character with respect thereto, to the extent exercisable prior to repayment in full of the Obligations) being owned, directly or indirectly, by the Parent, the senior management of American Radio Systems, or Affiliates of American Radio Systems, the Parent or the Borrower or (b) after any acquisition of all or substantially all of the assets or voting control of the Capital Stock of American Radio Systems (whether by merger or other business combination), any event that results in Steven B. Dodge ceasing to have one of the following: (i) ownership, directly or indirectly, of a material amount of the voting ownership interests of the Borrower and the Co-Borrower, (ii) ownership, directly or indirectly, of a material amount of the economic ownership interests of the Borrower and the Co-Borrower or (iii) the position of Chairman of the Board of Directors and Chief Executive Officer of the General Partner of the Borrower and the Co-Borrower.

"Excess Cash Flow" shall mean, as of the end of any fiscal year of the
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Borrower based on the audited financial statements provided under Section 6.2 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 incurred by the Borrower, the Co-Borrower and their Restricted Subsidiaries during such fiscal year; (ii) repayments of the Loans resulting from reductions of the Commitment (which shall include any reductions set forth in Section 2.5(a) hereof); (iii) cash taxes paid by the Borrower, the Co-Borrower and their Restricted Subsidiaries (including any paid to American Radio Systems pursuant to the Tax Sharing Agreement) 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 the Loans) paid by the Borrower, the Co-Borrower and their Restricted Subsidiaries during such fiscal year.

"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 Borrower, the Co-Borrower and their 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.

"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 or the Co-Borrower (which shall include, without limitation, the chief executive officer, the chief operating officer, if any, the chief financial officer and the general counsel, or any vice president of the Borrower or Co-Borrower).

"Leverage Ratio" shall mean, as of any date, the ratio of (a)(i) the Total Debt on such date minus (ii) the then outstanding principal amount of all Investor Notes (not to exceed $60,000,000), to (b) Annualized Operating Cash Flow.

"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, the Co-Borrower or any of their Restricted Subsidiaries, all of which as of the Agreement Date are listed on Schedule 1 attached hereto.

"Loans" shall mean, collectively, the amounts advanced by the Banks to the Borrower and the Co-Borrower under the Commitment, and evidenced by the Notes."

"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, the Co-Borrower and their 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 Agreement and the Notes, or upon the ability of the Borrower, the Co-Borrower and their 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.

"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, the Co-Borrower and their 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, the Co-Borrower and their 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 the Borrower, the Co-Borrower or any of their 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 the Borrower, the Co-Borrower or any of their 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 the Borrower, the Co-Borrower or any of their 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 the Borrower, the Co-Borrower or any of their 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 Borrower, the Co-Borrower or any of their Restricted Subsidiaries, such amounts shall then be deemed to be "Net Proceeds."

"Obligations" shall mean all payment and performance obligations of every
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kind, nature and description of the Borrower, the Co-Borrower, their 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 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 or the Co-Borrower, whether or not such claim is allowed in such bankruptcy action and including Obligations to the Banks pursuant to Section 5.13 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, with respect to the Borrower, the Co-
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Borrower and their Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrower, the Co-Borrower and their 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 under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower, the Co-Borrower and their Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower, the Co-Borrower and their Restricted Subsidiaries as of the last day of the immediately preceding calendar quarter and/or calendar month end, as the case may be, shall include "operating cash flow" for the Acquisition for the same period after giving effect to pro forma adjustments reasonably satisfactory to the Administrative Agent.

"Operating Cash Flow (Towers)" shall mean, with respect to the Borrower, the Co-Borrower and their Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrower, the Co-Borrower and their Restricted Subsidiaries in connection with the Tower Operation Business of the Borrower, the Co-Borrower and their Restricted Subsidiaries plus (ii) Unrestricted Subsidiary Distributions with respect to the Tower Operation Business during such period less (b) the sum of (i) operating expenses attributable to such Tower Operation Business for such period plus (ii) corporate overhead (exclusive of amortization and depreciation) attributable to such Tower Operation Business for such period. In the case of determining Operating Cash Flow under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower, the Co-Borrower and their Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower, the Co-Borrower and their Restricted Subsidiaries as of the last day of the immediately preceding calendar month end shall include "operating cash flow" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent.

"Operating Cash Flow (Other Business)" shall mean, with respect to the
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Borrower, the Co-Borrower and their Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrower, the Co-Borrower and their Restricted Subsidiaries in connection with the Other Operations of the Borrower, the Co-Borrower and their Restricted Subsidiaries plus (ii) Unrestricted Subsidiary Distributions with respect to the Other Operations during such period less (b) the sum of (i) operating expenses attributable to such Other Operations for such period plus (ii) corporate overhead (exclusive of amortization and depreciation) attributable to such Other Operations for such period. In the case of determining Operating Cash Flow under Sections 2.3, 7.8, 7.9 and 7.10 hereof following an Acquisition permitted hereunder, Operating Cash Flow of the Borrower, the Co-Borrower and their Restricted Subsidiaries shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition, Operating Cash Flow for the Borrower, the Co-Borrower and their Restricted Subsidiaries as of the last day of the immediately preceding calendar month end shall include "operating cash flow" 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 Borrower, the Co-
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Borrower and their Restricted Subsidiaries (other than the Tower Operations Business), including, without limitation, the video and data transmission and the site acquisition business.

"Permitted Liens" shall mean, as applied to any Person:

(a) any Lien in favor of the Administrative Agent given to secure the Obligations;

(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, the Co-Borrower or their 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 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 the Borrower, the Co-Borrower or any of their Subsidiaries;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids,

tenders or escrow deposits in connection with permitted Acquisitions;

(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; and

"Pro Forma Debt Service" shall mean with respect to the Borrower, the Co-Borrower and their Restricted Subsidiaries, on a consolidated basis, with respect to the next succeeding complete twelve (12) 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 (i) scheduled payments of principal on Indebtedness for Money Borrowed (determined with respect to the Loans only, as the difference between the outstanding principal amount of the Loans on the calculation date and the amount the Commitment will be after the reductions thereof set forth in Section 2.5 hereof for such four calendar quarter period have taken effect) for such period, (ii) Interest Expense for such period, (iii) fees payable under this Agreement for such period, and (iv) other payments payable by such Persons during such period in respect of Indebtedness for Money Borrowed (other than voluntary repayments under Section 2.7 hereof). 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 (a) 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 (b) 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.

"Request for Advance" shall mean a certificate designated as a "Request for Advance," signed by an Authorized Signatory

of the Borrower or the Co-Borrower requesting an Advance hereunder, which shall be in substantially the form of Exhibit G attached hereto, and shall, among
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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 or the Co-Borrower, (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.

"Restricted Payment" shall mean any direct or indirect distribution,
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dividend or other payment to any Person (other than to the Borrower, the Co-Borrower or any of their Restricted Subsidiaries) on account of any general or limited partnership interest in, or shares of Capital Stock or other securities of, the Borrower, the Co-Borrower or any of their Restricted Subsidiaries (other than dividends payable solely in 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, the Co-Borrower or any Restricted Subsidiary of the Borrower or the Co-Borrower) 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.

"Restricted Subsidiary" shall mean (a) with respect to the Borrower, any
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Subsidiary of the Borrower other than an Unrestricted Subsidiary, (b) with respect to the Co-Borrower, any Subsidiary of the Co-Borrower other than an Unrestricted Subsidiary.

"Total Debt" shall mean, for the Borrower, the Co-Borrower and their
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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, and (iii) the aggregate amount of all Guarantees.

"Tower Operation Business" shall mean the ownership, leasing and tower management businesses of the Borrower, the Co-Borrower and their Restricted Subsidiaries.

"Unrestricted Subsidiary" shall mean any Subsidiary of the Borrower or the Co-Borrower or any joint venture (which may represent a minority interest) between the Borrower, the Co-Borrower and/or any their Subsidiaries and any other Person, in each case, which the Borrower or the Co-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 on Schedule 2 attached hereto.

"Unrestricted Subsidiary Distributions" shall mean the amount of cash distributions received during such period by the Borrower, the Co-Borrower and their Restricted Subsidiaries from any Unrestricted Subsidiary (other than in connection with the repayment of intercompany Indebtedness).

EXHIBIT 10.5

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

MERIDIAN RADIO SITES

Dated as of

February 5, 1997

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SCHEDULES:

Meridian Disclosure Schedule
Tax Allocation Schedule

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of February 5, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Meridian Radio Sites, a California general partnership ("Meridian").

WHEREAS, Meridian owns and leases and operates communication towers and is engaged in the business of managing communication sites for third parties (the "Meridian Business");

WHEREAS, ATS desires to purchase and Meridian desire to sell the Meridian Assets and the Meridian Business on the terms and conditions hereinafter set forth;

WHEREAS, simultaneously with the execution and delivery of this Agreement, ATS and Meridian have entered into an escrow agreement (the "Escrow Agreement") with Sullivan & Worcester LLP, counsel for ATS, and Levinson, Miller, Jacobs & Phillips, counsel for Meridian (the "Escrow Agent"), pursuant to which ATS has made a deposit of $37,500 (the "Escrow Deposit"); and

WHEREAS, ATS is or will become a party to an asset purchase agreement with each of Meridian Sales and Service Company ("MSSC") and Meridian Communications North ("MCN") (individually, an "Other Agreement" and collectively, the "Other Agreements" as further modified in the definition thereof), relating to the purchase and sale of the communication towers and the business of managing communication sites for third parties of each of MSSC and MCN;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the Meridian Disclosure Schedule and each Collateral Document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. The term "either party" shall, unless the context otherwise requires, refer to Meridian and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Meridian hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the Meridian Assets and the Meridian Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Meridian Assets" shall mean all of the Assets of Meridian, including without limitation the right to use the name "Meridian" and all variations thereof, other than the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(i) all cash and cash equivalents;

(ii) all Accounts Receivable;

(iii) all FCC licenses and equipment and other assets relating to the repeater radio service business of Meridian as more specifically described in Section 2.1(iii) of the Meridian Disclosure Schedule;

(iv) all books and records (including without limitation, if retained by Meridian, any financial records necessary or desirable to enable the condition specified in Section 6.2(g) to be satisfied) which Meridian is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of five (5) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Meridian;

(v) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts;

(vi) the personal assets of the partners of Meridian and their principals as more specifically described in Section 2.1(vi) of the Meridian Disclosure Schedule;

(vii) any and all rights of Meridian and its partners for federal, state and local tax refunds; and

(viii) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of Meridian (collectively, the "Meridian Assumed Obligations"): (i) all of the obligations and liabilities of Meridian under the ATS Assumable

Agreements, (ii) all obligations and liabilities of Meridian with respect to the ownership and operation of the Meridian Assets and the conduct of the Meridian Business, on and after the Closing Date, and (iii) all obligations and liabilities of Meridian arising from or relating to the acquisition, ownership or operation of the New Sites, if any, whether arising prior to or after the Closing Date (the "New Site Assumed Obligations"), except for such obligations and liabilities (A) that arise from grossly negligent or willful misconduct of Meridian prior to the Closing Date or (B) the existence of which is in contravention of (I) representations or warranties made by Meridian pursuant to the provisions of Article 3, (II) covenants or agreements made by Meridian pursuant to the provisions of Section 5.6, or (III) provisions of this Agreement requiring the approval of ATS; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the Meridian obligation and liabilities referred to in Section 2.2(b) (the "Meridian Nonassumed Obligations"); provided further, however, that, notwithstanding the preceding proviso or Section 2.2(b), the term "Meridian Nonassumed Obligations" shall not include, and the term "Meridian Assumed Obligations" shall include, any liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(a) of the Meridian Disclosure Schedule) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Meridian in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Meridian to obtain the approval or consent of an Authority or a third party whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or elects to receive the benefits of such Nonassumable Contract, in either of which events, if the approval or consent of an Authority or a third party applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS's obligations at Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of the third party is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, the rights and obligations of the parties shall be as follows unless otherwise agreed by Meridian and ATS in writing: (1) if obtaining such approval or consent was a condition to ATS's obligations at the Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), this Agreement shall terminate in the manner described in Section 7.2(a); and (2) if obtaining such approval or consent was not such a condition to ATS's obligations, the purchase and sale contemplated hereunder shall proceed in accordance with all the terms of this Agreement, except that the Nonassignable Contract shall no longer constitute part of the "Meridian Assets" and Meridian shall retain all benefits and liabilities thereunder.

(b) Except for the Meridian Assumed Obligations or as expressly provided in this Agreement, ATS shall not assume or become obligated to perform any debt, liability or obligation of Meridian or relating to the ownership or operation of any of the Meridian Assets or the conduct of the Meridian Business whatsoever, including without limitation the following:

(i) subject to the provisions of Article 8, the ownership and operation of the Meridian Assets or the conduct of the Meridian Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of

Meridian (including without limitation any obligation to any Meridian Employee for severance benefits, vacations time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the ATS Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of Meridian;

(iv) those required to be disclosed in the Meridian Disclosure Schedule which are not so disclosed or which, if disclosed, Section 8.2(b)(ii) of the Meridian Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Meridian under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Meridian's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any taxes, fees, expenses or other amounts required to be paid by Meridian pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of Meridian, other than those set forth in Section 2(b)(x) of the Meridian Disclosure Schedule.

The term "ATS Assumable Agreements" shall mean all obligations and liabilities of Meridian under all Contractual Obligations, Governmental Authorizations and Private Authorizations relating to the ownership or operation of any of the Meridian Assets or the conduct of the Meridian Business, other than any Meridian Nonassumed Obligation.

(c) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Article 8 or Section 2.2(c) of the Meridian Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of Meridian employees) arising from the ownership or operation of the Meridian Assets or the conduct of the Meridian Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with Meridian entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins

before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Meridian Disclosure Schedule, with sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Meridian and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Meridian and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Meridian or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, ATS shall be solely responsible for the payment of, and shall defend, indemnify and hold harmless Meridian, its officers, directors and shareholders from, any and all supplemental or additional real property or personal property taxes assessed on or in connection with the Meridian Assets or any part thereof, which arise from the transactions contemplated by this Agreement, except as otherwise provided in Section 9.3 with respect to California or other sales and/or use taxes, and documentary or governmental transfer or stamp taxes arising from the purchase and sale of the Meridian Assets and the Meridian Business contemplated hereby.

Nothing contained in this Section 2.2(c) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Levinson, Miller, Jacobs & Phillips, 1875 Century Park East, Los Angeles, California 90067, at 10:00 a.m., local time, on the date on or prior to June 30, 1997 which is five (5) business days after all of the conditions specified in Article 6 (other than those which are to be satisfied at the Closing) have been satisfied or waived in writing or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Meridian Assets and the Meridian Business (the "Purchase Price") shall be an amount equal to $4,811,000, plus an amount equal to the Construction Adjustment. The term "Construction Adjustment" shall mean an amount equal to the aggregate amount actually paid by Meridian after June 13, 1996 and prior to the Closing Date with respect to the costs and expenses incurred in the acquisition and construction of those certain projects (collectively, the "New Sites") (a) described in Section 2.3 of the Meridian Disclosure Schedule or (b) acquired after the date of this Agreement with the prior written consent of ATS, which consent

shall not be unreasonably withheld, other than, in all cases, those costs and expenses which are unreasonable or to which ATS shall have objected in writing prior to their incurrence or commitment by Meridian. The Purchase Price shall be payable by wire transfer of immediately available funds (a) to the Indemnity Escrow Agent (or as it may designate) pursuant to the provisions of the Indemnity Escrow Agreement in the amount of $481,000 minus an amount equal to
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the amount, if any, expended by Meridian subsequent to the date of this Agreement pursuant to a mutually agreed upon designation of Meridian and ATS entitled an "Indemnity Escrow Fund Reducing Expense" to remedy any misrepresentation, breach of warranty or other breach or defect (the "Indemnity Escrow Fund") and (b) to Meridian for the balance of the purchase price to such account as is designated by Meridian in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

The parties hereto have heretofore agreed upon an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price shall be allocated among the Meridian Assets. Each of Meridian and ATS shall report the purchase and sale of the Meridian Assets and the Meridian Business and the other Transactions in accordance with the Tax Allocation Schedule (as adjusted for Events between the date hereof and the Closing Date) for purposes of all federal, state and local Tax Returns and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or report, inconsistent with such reporting position. Each of Meridian and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority. Notwithstanding the provisions of this Section, the parties to this Agreement will rely solely on their own advisors in determining the tax consequences of the transactions contemplated by this Agreement and each party is not relying, and will not rely, on any representations or assurances of any other party regarding such consequences other than the representations, warranties, covenants and agreements set forth in writing in this Agreement or furnished pursuant to the provisions hereof.

2.4 Accounts Receivable. At the closing, Meridian shall appoint ATS its
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agent for the purpose of collecting all Accounts Receivable relating to the Meridian Business. Meridian shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the Meridian Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the Meridian Business will be for the account of Meridian. ATS shall use its reasonable business efforts to collect the Accounts Receivable with respect to the Meridian Business for a period of ninety (90) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the Meridian Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests in writing the validity of such application. During the Collection Period, ATS shall furnish Meridian with a list of, and pay over to Meridian, the amounts collected with respect to the Accounts Receivable with respect to the Meridian Business on a bi-weekly basis and forward to Meridian, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide Meridian with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts

Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to Meridian if ATS, in its sole discretion, chooses to retain such Accounts Receivable. Meridian shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to Meridian any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of Meridian. ATS shall not incur any liability to Meridian for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Meridian nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by Meridian after the Collection Period. The provisions of this Section shall not apply to those certain Accounts Receivable set forth in Section 2.4 of the Meridian Disclosure Schedule or to any other Accounts Receivable which Meridian, in its sole business judgment, determines will require extraordinary collection efforts or referrals to a collection agency or attorney for collection (collectively, the "Retained Accounts Receivable"), provided the Retained Accounts Receivable are set forth in a written notice delivered to ATS by Meridian on or prior to the Closing Date. As to all Retained Accounts Receivable, Meridian shall retain the sole and exclusive right to collect same as Meridian in its sole discretion may determine.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF MERIDIAN

Meridian hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Meridian is a general partnership validly existing under the laws of its jurisdiction of organization, has all requisite power and authority (partnership and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Meridian has all requisite partnership power and partnership authority and has in full force and effect all Governmental Authorizations (which, for purposes of this Section 3.1(b), relate only to the sale of the Meridian Assets and Meridian Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) and Private Authorizations, except for those set forth in Section 3.1(b) of the Meridian Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any Material Adverse Effect on ATS, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite partnership

action on the part of Meridian. This Agreement has been duly executed and delivered by Meridian and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Meridian will constitute, legal, valid and binding obligations of Meridian, 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) Except as set forth in Section 3.1(c) of the Meridian Disclosure Schedule, and except for matters which would have no Material Adverse Effect on ATS, neither the execution and delivery by Meridian of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Meridian of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Meridian:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Meridian or any Applicable Law (which, for purposes of this Section 3.1(c)(i), relates only to the sale of the Meridian Assets and the Meridian Business generally and not to local Applicable Law) on the part of Meridian, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Meridian, other than those constituting Meridian Nonassumed Obligations; or

(ii) will require Meridian to make or obtain any Governmental Authorization or Filings (which, for purposes of this Section 3.1(c)(ii), relates only to the sale of the Meridian Assets and the Meridian Business generally and not to "site-specific" authorizations or those required by local Applicable Law) or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

(d) Meridian does not have any Subsidiaries, except as set forth in Section 3.1(d) of the Meridian Disclosure Schedule.

3.2 Financial and Other Information. Meridian has heretofore furnished to ATS copies of the financial statements of the Meridian Business listed in Section 3.2 of the Meridian Disclosure Schedule (the "Meridian Financial Statements"). The Meridian Financial Statements, including in each case the notes thereto, have been prepared in accordance with Applicable Principles applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Meridian Disclosure Schedule, are true, accurate and complete in all Material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by Applicable Principles to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present in all material respects the financial position and the results of operations of the Meridian Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals.

3.3 Changes in Condition. Since November 30, 1996, except to the extent specifically described in Section 3.3 of the Meridian Disclosure Schedule and except for the effect, if any, of the New Sites, there has been, to Meridian's knowledge, no Material Adverse Change in Meridian. There is no Event (other than Events which generally affect the economy or any identifiable segment thereof including without limitation the industries in which Meridian does business and in which it competes) known to Meridian which Materially Adversely Affects, or (so far as Meridian can now reasonably foresee) is likely to Materially Adversely Affect, Meridian, except to the extent specifically described in Section 3.3 of the Meridian Disclosure Schedule and except for the effect, if any, of the New Sites.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or materiality qualifications contained therein or set forth in the Meridian Disclosure Schedule, except for such exceptions and qualifications (other than those set forth in the Meridian Disclosure Schedule) which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be Materially Adverse to Meridian.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Meridian Disclosure Schedule contains a true, accurate and complete list of all real property owned or leased by Meridian that is part of the Meridian Assets. Subject to any exceptions set forth with reasonable specificity on Section 3.5(a) of the Meridian Disclosure Schedule, Meridian has good and marketable title to all real property (other than leasehold Real Property and Insured Real Property) and good and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Meridian Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Meridian Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the Meridian Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Meridian as debtor or which covers or purports to cover any of the Meridian Assets is on file in any state or other jurisdiction, and Meridian has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as otherwise set forth in Schedule 3.5(a) of the Meridian Disclosure Schedule, each Lease or other occupancy or other agreement under which Meridian holds real or personal property constituting a part of the Meridian Assets has been duly authorized, executed and delivered by Meridian and, to Meridian's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Meridian, and, to Meridian's knowledge, each of the other parties thereto, enforceable in accordance with its 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. Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule, Meridian has, to Meridian's knowledge, a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule, all of such Leases are, to Meridian's knowledge, valid and subsisting and in full force and effect; neither

Meridian nor, to Meridian's knowledge, any other party thereto, is in Material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease.

Except as disclosed in Section 3.5(a) of the Meridian Disclosure Schedule, to Meridian's current actual knowledge, all improvements on the real property owned or leased by Meridian are in compliance with applicable zoning and land use laws, ordinances and regulations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a Material Adverse Effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 3.5(a) of the Meridian Disclosure Statement, all such improvements, to Meridian's current actual knowledge, comply in all Material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the Meridian Disclosure Statement, to Meridian's current actual knowledge, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Meridian are located entirely on such real property. Meridian has no knowledge of any pending, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Meridian. The representations and warranties set forth in this paragraph shall not apply to the New Sites.

(b) Section 3.5(b) of the Meridian Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the Meridian Business is leased. None of the fixed assets or equipment comprising a part of the Meridian Assets is subject to contracts of sale, and none is held by Meridian as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Meridian Disclosure Schedule. Except for the New Sites, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, between November 30, 1996 and the date of this Agreement, been maintained in all Material respects in a manner consistent with past practice.

(c) Except as set forth in Section 3.5(c) of the Meridian Disclosure Schedule, since January 1, 1993, Meridian has not received any written notice that any such real property owned or leased by Meridian and reflected in Section 3.5(b) of the Meridian Disclosure Schedule or the use thereof, violates any applicable title covenant, condition, restriction or reservation or any applicable zoning, wetlands, land use or other Applicable Law.

3.6 Compliance with Private Authorizations. Section 3.6 of the Meridian Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization (other than those with respect to the New Sites) which individually is Material to the Meridian Assets or the Meridian Business, all of which are, to Meridian's current actual knowledge, in full force and effect. To Meridian's knowledge, Meridian has obtained all Private Authorizations (other than those with respect to the New Sites) with respect to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business as currently conducted which, if not obtained and maintained, could, individually or in the aggregate, Materially Adversely Affect Meridian. Meridian is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any

requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any Material Adverse Effect on Meridian. No such Private Authorization is the subject of any pending or, to Meridian's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.7(a) of the Meridian Disclosure Schedule contains a description of:

(i) all Legal Actions pending or, to Meridian's knowledge, at any time since January 1, 1993 was pending or is currently threatened against Meridian with respect to the operation or ownership of the Meridian Assets or conduct of the Meridian Business;

(ii) all Legal Actions pending or, to Meridian's knowledge, threatened with respect to the operation or ownership of the Meridian Assets or the conduct of the Meridian Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would Adversely Affect the ownership or operations of the Meridian Business; in particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Meridian's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, (y) involving charges of illegal discrimination by Meridian under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws; and

(iii) to Meridian's current actual knowledge, each Governmental Authorization required by a conditional use permit or special use permit that is necessary to permit Meridian to execute and deliver this Agreement and to perform its obligations hereunder.

(b) To Meridian's current actual knowledge, Meridian has obtained all Governmental Authorizations which constitutes conditional use permits or special use permits (other than those with respect to the New Sites) (a true, complete and accurate, in all material respects, list of which is set forth in Section 3.7(b) of the Meridian Disclosure Schedule or referenced in the documents or agreements so listed) which are necessary for the ownership or operation of the Meridian Assets or the conduct of the Meridian Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any Material Adverse Effect on Meridian. None of such Governmental Authorizations is, to Meridian's current actual knowledge, subject to any restriction or condition which would limit in any Material respect the ownership or operations of the Meridian Assets or the conduct of the Meridian Business as currently conducted, except for restrictions and conditions that are either (i) set forth in the documents evidencing such Governmental Authorization or (ii) generally applicable to Governmental Authorizations of such type. To Meridian's current actual knowledge: (x) such Governmental Authorizations are valid and in good standing, are in full force and effect and are not impaired in any Material respect by any act or omission of Meridian or its officers, directors, employees or agents; and (y) the ownership or operation of the Meridian Assets or the conduct of the Meridian Business are in accordance in all

Material respects with the Governmental Authorizations. To Meridian's current actual knowledge, all Material reports, forms and statements required to be filed by Meridian with all Authorities with respect to the Meridian Business (other than with respect to the New Sites) have been filed and are true, complete and accurate in all Material respects. No such Governmental Authorization is the subject of any pending or, to Meridian's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. To Meridian's current actual knowledge, no such Governmental Authorization would not be renewed in the name of Meridian by the granting Authority in the ordinary course, except as set forth in Section 3.7(b) of the Meridian Disclosure Schedule or except with respect to the New Sites.

(c) Neither Meridian nor any of its partners (nor any of their officers, directors, shareholders or principals), in connection with ownership, operation or operation of the Meridian Assets or the conduct of the Meridian Business, is in or is charged by any Authority with or, to Meridian's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to Meridian's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Meridian Assets or the conduct of the Meridian Business, and, to Meridian's current actual knowledge, no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under

(x) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any Material Adverse Effect on Meridian, or

(y) any Material requirement of any insurance carrier, applicable to the ownership or operations of the Meridian Assets or the conduct of the Meridian Business;

except as otherwise specifically described in Section 3.7(c) of the Meridian Disclosure Schedule. or except with respect to the New Sites.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Meridian Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Meridian Disclosure Schedule, all such information and matters set forth in the Meridian Disclosure Schedule, if adversely determined against Meridian, will not, individually or in the aggregate, in the reasonable business judgment of Meridian, Materially Adversely Affect Meridian.

3.8 Intangible Assets. Section 3.8 of the Meridian Disclosure Schedule sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations) relating to the ownership and operation of the Meridian Assets or the conduct of the Meridian Business held or used by Meridian, including without limitation the nature of Meridian's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 3.8 of the Meridian Disclosure Schedule, to Meridian's knowledge, no Intangible Assets (except Governmental Authorizations and Private Authorizations and the Intangible Assets so set forth) are required for the ownership or operation of the Meridian Assets

or the conduct of the Meridian Business substantially as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. To Meridian's knowledge, Meridian does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Meridian has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. Meridian is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business between Meridian and any of its partners or employees or, to the knowledge of Meridian, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the Meridian Disclosure Schedule, (ii) Contractual Obligations between Meridian and any of its directors, shareholders, officers, employees or Affiliates of Meridian or any of the foregoing, which constitute Excluded Assets or Meridian Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Meridian Disclosure Schedule.

3.10 Insurance. Meridian maintains, with respect to the Meridian Assets and the Meridian Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Meridian Disclosure Schedule.

3.11 Tax Matters.

(a) Except as set forth in Section 3.11(a) of the Meridian Disclosure Schedule, Meridian has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, except with respect to failures to file which in the aggregate would not have a Material Adverse Effect on Meridian and, to Meridian's knowledge, has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Meridian Financial Statements. The Tax Returns of Meridian have, to Meridian's knowledge, been prepared in all Material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Meridian is required by law to withhold and collect have, to Meridian's knowledge, been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Meridian has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of Meridian for the fiscal years prior to and including the most recent fiscal year. Except as set forth in Section 3.11(a) of the Meridian Disclosure Schedule, adequate provision has, to Meridian's knowledge, been made on the most recent balance sheet forming part of Meridian Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Meridian's knowledge, no past transactions or matters which could result in additional Taxes of a Material

nature to Meridian for which an adequate reserve has not been provided on such balance sheet. Meridian is not a "consenting corporation" within the meaning of Section 341(f) of the Code. Meridian has since January 1, 1989 (i) at all times been taxable as a partnership under the Code, and (ii) never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the Meridian Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of Meridian for each of the most recent five tax years (true and complete copies of which have been furnished by Meridian to ATS to the extent requested in writing by ATS) is, to Meridian's knowledge, true, accurate and complete in all Material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Meridian have not been examined by the IRS or applicable state Authority, and Meridian has not been notified of any proposed examination, except as shown in Section 3.11(b) of the Meridian Disclosure Schedule.

(c) Meridian is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974.

(a) Meridian (which for purposes of this Section shall include any ERISA Affiliate) has not been and has not made at any time since its organization any contribution to any Plans and has not sponsored any Plan or Benefit Arrangement except as set forth in Section 3.12(a) of the Meridian Disclosure Schedule. As to all Plans and Benefit Arrangements listed in Section 3.12(a) of the Meridian Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation with all Applicable Laws in all Material respects, and Meridian has not received any notice from any Authority questioning or challenging such compliance;

(ii) all such Plans maintained or previously maintained by Meridian that are or were intended to comply with Sections 401 and 501 of the Code comply and complied in form and in operation with all applicable requirements of such sections, and no event has occurred which will or could give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any such Plan and Meridian has not otherwise engaged in any prohibited transaction;

(v) there have been no acts or omissions by Meridian which have given rise to or may give rise to any material fines, penalties, taxes or related charges under Sections 502(c), 502(i) or 4071 or ERISA or Chapter 43 of the Code for which Meridian may be liable;

(vi) there are no Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders) pending or threatened involving such Plans or the assets of such Plans, and, to Meridian's knowledge, no facts exist which could give rise to any such Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders);

(vii) no such Plan is subject to Title IV of ERISA, or, if subject, there have been no "reportable events" (as described in Section 4043 of ERISA), and no steps have been taken to terminate any such Plan;

(vii) all group health Plans of Meridian have been operated in compliance in all Material respects with the group health plan continuation coverage requirements of COBRA;

(ix) actuarially adequate accruals for all obligations under the Plans are reflected in the most recent balance sheet forming part of the Meridian Financial Statements and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the Plan years which include the Closing Date;

(x) neither Meridian nor any of its respective partners, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject Meridian or any of its respective directors, officers or employees to Material liability under ERISA or any similar Applicable Law;

(xi) no such Plan which is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code had an accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied, nor would have had an accumulated funding deficiency on such date if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied;

(xii) no Material liability to the PBGC has been or is expected by Meridian to be incurred by Meridian with respect to any Plan, and there has been no event or condition which presents a material risk of termination of any Plan by the PBGC;

(xiii) Meridian is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(xiv) except as set forth in Section 3.12(a)(xiv) of the Meridian Disclosure Schedule (which entry, if applicable, shall indicate the present value of accumulated plan liabilities calculated in a manner consistent with FAS 106 and actual annual expense for such benefits for each of the last two (2) years) and pursuant to the provisions of COBRA, Meridian does not maintain any Plan that provides benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of Meridian; and

(xv) Meridian has made available to ATS a copy of the two most recently filed Federal Form 5500 series and accountant's opinion, if applicable, for each Plan (and the two most recent actuarial valuation reports for each Plan, if any, that is subject to Title IV of ERISA), and all information provided by Meridian to any actuary in connection with the preparation of any such actuarial valuation report was true, accurate and complete in all material respects.

(b) The execution, delivery and performance by Meridian of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

3.13 Absence of Sensitive Payments. Neither Meridian nor, to Meridian's knowledge, any of its partners, employees, agents or other representatives, has with respect to the Meridian Assets or the Meridian Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. Meridian is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the Meridian Disclosure Schedule contains a true, accurate and complete list of all Meridian employees involved in the ownership or operation of the Meridian Assets or the conduct of the Meridian Business (the "Meridian Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. Meridian has no obligation or liability, contingent or other, under any Employment Arrangement with any Meridian Employee, other than those listed or described in Section 3.15 of the Meridian Disclosure Schedule. Except as described in Section 3.15 of the Meridian Disclosure Schedule, (i) none of the Meridian Employees is now, or, to Meridian's knowledge, since January 1, 1993, has been, represented by any labor union or other employee collective bargaining organization, and Meridian is not, and has never been, a party to any labor or other collective bargaining agreement with respect to any of the Meridian Employees, (ii) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, and (iii) neither Meridian nor any of such employees is now, or, to Meridian's knowledge, has since January 1, 1993 been, subject to or involved in or, to Meridian's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the Meridian Employees. Meridian has performed in all Material respects all obligations required to be performed under all Employment Arrangements and

is not in Material breach or violation of or in Material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the Meridian Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Meridian Assets or the conduct of the business of the Meridian Business or to which Meridian is a party or to which it is bound or which any of the Meridian Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by Meridian to ATS and Meridian has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.16 of the Meridian Disclosure Schedule, with respect to Material Agreements comprised of site leases and site licenses granted by Meridian to third parties and with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Meridian and, to Meridian's knowledge, all other parties thereto, 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. Meridian has duly complied with all of the Material terms and conditions of each such Material Agreement (including without limitation with respect to site user agreements which are Material Agreements) and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Meridian, Claim threatened in writing that Meridian has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Meridian under any of such Material Agreements in any Material respect, except to the extent set forth in Section 3.16 of the Meridian Disclosure Schedule or with respect to the New Sites.

3.17 Ordinary Course of Business. Meridian, from November 30, 1996 to the date hereof, except (i) as may be described on Section 3.17 of the Meridian Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the Meridian Assets and the Meridian Business:

(a) has operated its business in all Material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice, except with respect to the New Sites;

(b) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000, other than in the ordinary course of business;

(c) except in each case in the ordinary course of business (including without limitation with respect to site user agreements), consistent with prior practice or with respect to the New Sites:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(ii) has not entered into any individual commitment having a value in excess of $20,000; and

(iii) has not canceled any Material debts or claims;

(d) has not discharged or satisfied any Lien, other than a Permitted Lien, and has not paid any obligation or liability (absolute or contingent) other than current liabilities or obligations under contracts then existing or thereafter entered into in the ordinary course of business (including without limitation site user agreements) and commitments under Leases existing on that date or incurred since that date in the ordinary course of business or repaying or prepaying Long-Term Indebtedness or the current portion thereof, except with respect to the New Sites;

(e) has not created or permitted to be created any Lien on any of its tangible property other than Permitted Liens;

(f) has not made or committed to make any Material additions to its property or any purchases of equipment, except (i) in the ordinary course of business consistent with past practice or for normal maintenance and replacements or (ii) with respect to the New Sites;

(g) except as described in Section 3.17(h) of the Meridian Disclosure Schedule, has not increased the compensation payable or to become payable to any of the Meridian Employees other than in the ordinary course of business or otherwise Materially altered, modified or changed the terms of their employment;

(h) has not suffered any Material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(i) has not waived any rights of Material value without fair and adequate consideration;

(j) has not experienced any work stoppage;

(k) except in the ordinary course of business (including without limitation site user agreements), or with respect to the New Sites, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Meridian, except for Meridian Nonassumed Obligations; and

(l) has not entered into any other transaction or series of related transactions which individually or in the aggregate is Material to the Meridian Assets or the Meridian Business except in the ordinary course of business or with respect to the New Sites.

3.18 Material and Adverse Restrictions. To Meridian's current actual knowledge, none of the telecommunication towers owned or operated by Meridian, during the year ended December 31, 1996, incurred costs in connection with such site in excess of revenues or other benefits

attributable to such site, except as specifically set forth in Section 3.18 of the Meridian Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Meridian.

3.20 Solvency. As of the execution and delivery of this Agreement, Meridian is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the Meridian Disclosure Schedule and except with respect to the New Sites, with respect to the Meridian Assets, Meridian:

(a) to the knowledge of Meridian, has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any final order issued pursuant to any Environmental Law;

(d) is, to the knowledge of Meridian, in substantial compliance in all Material respects with all Environmental Laws, has, to Meridian's knowledge, obtained all Environmental Permits required under Environmental Laws, and is not the subject of or, to Meridian's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to Material violations or Material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the Meridian Business or the Meridian Assets which Event, individually or in the aggregate, will interfere with or prevent continued Material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any Material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Meridian as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have not Material Adverse Effect on Meridian, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

4.5 Physical Assets "AS IS". ATS acknowledges and agrees as follows:

ALL BUILDINGS, STRUCTURES, TRANSMITTING AND COMMUNICATION TOWERS, EQUIPMENT, LEASEHOLD IMPROVEMENTS, PHYSICAL ASSETS AND OTHER PERSONAL PROPERTY (AS DEFINED IN THIS AGREEMENT) PURCHASED BY ATS HEREUNDER IS BEING PURCHASED "AS IS", "WHERE IS", AND "WITH ALL FAULTS". BY ITS EXECUTION OF THIS AGREEMENT, ATS ACKNOWLEDGES AND AGREES THAT, MERIDIAN MAKES NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) AS TO THE WORKING ORDER OR PHYSICAL CONDITION OF ANY SUCH PERSONAL PROPERTY, EXCEPT AS PROVIDED IN THE LAST SENTENCE OF SECTION 3.5(b).

Nothing contained in this Section shall be construed as a limitation on Meridian's obligations pursuant to Section 5.6(a).

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Meridian shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Meridian's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Meridian Assets and the Meridian Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an Adverse Effect on the Meridian Assets or the Meridian Business or the businesses, operations, properties, prospects, personnel, condition, (financial or other), or results of operations thereof, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed and controlled by Meridian or its accountants deemed by ATS or its Representatives necessary or useful

for the purpose of performing an audit of the business of the Meridian Business and certifying financial statements and financial information, and (iii) such other information in the possession and control of Meridian or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Meridian shall not be required to permit any such access to the extent same would unreasonably interfere with Meridian's normal business operations. All non-public information relating to the Meridian Assets or the Meridian Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, or, in the case of Meridian, with respect to the covenant hereinafter set forth, whether or not so furnished, will be kept confidential and shall not, (x) prior to the Closing, without the prior written consent of Meridian, or (y) from and after the Closing, without the prior written consent of ATS, be disclosed by ATS or Meridian, as the case may be, in any manner whatsoever, in whole or in part, and shall not be used by ATS prior to the Closing for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Meridian or, from and after the Closing by Meridian or any of its Representatives, to the detriment of ATS. Prior to the Closing, ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such the information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, Meridian shall not, without the prior written consent of ATS, disclose any information remaining in its possession with respect to the Meridian Assets or the Meridian Business or to which it may have access in accordance with the provisions of the following paragraph, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law, except as otherwise provided in the following paragraph.

All books and records to which Meridian is entitled to access pursuant to the provisions of this Agreement shall be retained by ATS at is offices in the Los Angeles area for a period of at least five (5) years from the Closing Date. ATS shall permit Meridian to photocopy such books and records to the extent reasonably required for the permissible purposes described in the definition of Assets. In the event of any conflict between the provisions of this paragraph and the provisions of any noncompetition or confidentiality agreement executed by Meridian or any of its principals, the provisions of this paragraph shall be controlling.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Meridian, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for such party and may be used only in the event of any Legal Action or other Claim arising in connection with the subject matter of this Agreement or the termination of this Agreement.

(c) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto, except as set forth in Section 8.3(e).

5.2 Agreement to Cooperate.

(a) Subject to the provisions of Section 9.16, each of the parties hereto shall use reasonable business efforts promptly (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), without payment of consideration to the other party, (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the Meridian Assets and conduct the Meridian Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party, without the payment of any amounts, except to the extent otherwise required by the provisions of this Agreement.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Meridian shall cooperate and use its reasonable business efforts to (i) prepare balance sheets and statements of income (loss) and cash flow for eleven month period ended November 30, 1996 and thereafter on a monthly basis until the month preceding the Closing in accordance with GAAP subject only to such exceptions for periods ending on or before December 31, 1996 as are set forth in Section 3.2 of the Meridian Disclosure Schedule, and (ii) cause its independent accountants to reasonably cooperate with ATS, and at ATS's expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Meridian Business described in Section 6.2(g). Without limiting the generality of the foregoing, Meridian agrees that after the Closing Date it will (x) consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under the Securities Act or the Exchange Act to the extent required by Applicable Law or any underwriter in an

underwritten public offering, and (y) execute and deliver, and cause its directors and officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS's independent accountants may reasonably request under the circumstances; provided, however, that as a condition precedent to the use of such audited financial statements by any Affiliate of ATS, such Affiliate shall execute an indemnification agreement, in form and content reasonably acceptable to Meridian's counsel, pursuant to which such Affiliate agrees to indemnify Meridian and related parties from liability arising from the use of such statements on the same terms and subject to the same conditions as ATS so agrees in Section 8.2(e)(ii) of this Agreement.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, Meridian and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Meridian and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement.

5.4 Notification of Certain Matters. Meridian and ATS shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Meridian Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. Meridian shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Meridian is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Meridian Assets or the Meridian Business. If Meridian or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect,

Meridian shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction. ATS acknowledges that prior to the date of this Agreement, Meridian engaged in discussion with certain other parties relating to the possibility of acquiring the Meridian Assets and the Meridian Business.

5.6 Conduct of Business by Meridian Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Meridian shall, to the extent relating to the Meridian Business or the Meridian Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Meridian Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report Material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Meridian Business in conformity in all Material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Meridian Assets or the Meridian Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Meridian Business;

(f) not (i) dispose of any of the Meridian Assets owned by Meridian or used in the operation of the Meridian Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Meridian Business) or (ii) modify or change in any Material respect, or enter into, any Material Agreement relating to the Meridian Business (other than site user agreements); and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the Meridian Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Meridian which, pursuant to Sections 5.1(a) through (g), requires the prior approval of ATS, ATS shall be deemed to have approved same unless written notice of disapproval is received by Meridian within five (5) business days after receipt by Meridian of a written request for approval made by Meridian.

5.7 Preliminary Title Reports. Prior to the execution of this Agreement, Meridian has, at its sole cost and expense, delivered or caused to be delivered to ATS a standard preliminary title report dated as of a recent date issued by one or more title companies authorized to do business in the State of California (the "Title Company") with respect to those Meridian Assets comprised of the parcels of real property described in Section 5.7 of the Meridian Disclosure Schedule (the "Insured Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional title matters, are referred to herein as the "Title Reports". Section 5.7 of the Meridian Disclosure Schedule sets forth a description of those matters, if any, shown in the Title Reports as to which ATS has objected and which Meridian has agreed to remedy prior to or, with the written approval of ATS, subsequent to the Closing Date (the "Disapproved Title Matters", which term shall include any matters added thereto pursuant to the provisions of the last sentence of this Section). All matters disclosed by the Title Reports (as of the date hereof) which are not reflected on Section 5.7 of the Meridian Disclosure Schedule have heretofore been approved by ATS. If, at any time following the date hereof, Meridian or the Title Company notifies ATS of any additional matter affecting title to the Insured Real Property, the parties shall negotiate in good faith in an effort to resolve such matters and, in the event that are not able to reach such agreement within thirty (30) days of the date ATS has received written notification thereof, either party may terminate this Agreement with the effect set forth in Section 7.2.

5.8 Environmental Site Assessments. Prior to the execution of this Agreement, ATS has, at it sole cost and expense, delivered or caused to be delivered to Meridian a Phase I environmental assessment report dated as of a recent date issued by Aquaterra Environmental Services Corp. (the "Environmental Company ") with respect to those Meridian Assets comprised of the parcels of real property described in Section 5.8 of the Meridian Disclosure Schedule (the "Environmental Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional environmental matters, are referred to herein as the "Environmental Reports". Section 5.8 of the Meridian Disclosure Schedule sets forth a description of those matters, if any, shown in the Environmental Reports as to which ATS has objected and which Meridian has agreed to remedy prior to or, with the written approval of ATS, subsequent to the Closing Date (the "Disapproved Environmental Matters" which term shall include any matters added thereto pursuant to the provisions of the last sentence of this Section). All matters disclosed by the Environmental Reports (as of the date hereof) which are not reflected on Section 5.8 of the Meridian Disclosure Schedule have heretofore been approved by ATS. If, at any time following the date hereof, Meridian or the Environmental Company notifies ATS of any additional matter affecting the environmental status of the Environmental Real Property, the parties shall negotiate in good faith in an effort to resolve such matters and, in the event that are not able to reach such agreement within thirty (30) days of the date ATS has received written notification thereof, either party may terminate this Agreement with the effect set forth in Section 7.2.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party to Effect the Transactions.

The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Meridian with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 6.1(a) of the Meridian Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of each of the parties, have a Material Adverse Effect on the Meridian Assets and the Meridian Business; and

(b) The transactions contemplated by the Other Agreements shall have been consummated prior to or simultaneously with the consummation of the Transactions.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) Meridian shall have furnished ATS and, at ATS's request, any bank or other financial institution providing credit to ATS, with an opinion, dated the Closing Date of Levinson, Miller, Jacobs & Phillips, counsel for Meridian, reasonably acceptable to ATS, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(a)(i) and (ii), and 3.14 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations, warranties, covenants and agreements of Meridian contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though

made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all Material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Meridian or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by Meridian hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all Material respects; and Meridian shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 6.2(d) of the Meridian Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Meridian Assets and the Meridian Business (including without limitation all Private Authorizations, Leases and Material Agreements of Meridian and, at the cost and expense of Meridian, all modifications of Leases and other Contractual Obligations heretofore requested by ATS and set forth in Section 6.2(d) of the Meridian Disclosure Schedule) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could Adversely Affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any Material Adverse Change in Meridian from that reflected in the most recent Meridian Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business shall not have been Materially and Adversely Affected by any act, or failure to act, of Meridian;

(f) Meridian shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Meridian to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from Meridian such documentation as shall reasonably enable ATS's independent accountants to advise ATS in writing that they could issue an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets and statements of operations and cash flow required by Rule 3.05(b)(2) of Regulation S-X) of the Meridian Assets and the Meridian Business, and that such financial statements can be prepared in conformity with GAAP and Regulation S-X under the Securities Act;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Meridian Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose

any Materially Adverse conditions in connection with, the consummation of the Transactions, or which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a Material Adverse Effect on the Meridian Assets and the Meridian Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) All Disapproved Environmental Matters shall have been cured or arrangement shall have been made to cure, in each case, in a manner reasonably satisfactory to ATS;

(j) Norman Kramer shall have executed and delivered to ATS an agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Kramer Noncompetition Agreement");

(k) Meridian and the partners thereof shall have executed and delivered to ATS and the escrow agent named therein (the "Indemnity Escrow Agent") an escrow agreement (the "Indemnity Escrow Agreement") substantially in the form of Exhibit B attached hereto and made a part hereof;

(l) All Disapproved Title Matters shall have been cured or arrangements shall have been made to cure, in each case, in a manner reasonably satisfactory to ATS, and ATS shall have received standard CLTA title insurance policies insuring ATS' fee interests in all Insured Real Property, subject only to Approved Title Conditions;

(m) Meridian shall have delivered to ATS, or ATS shall have otherwise received, all use permits, consents or other Governmental Authorizations of and Leases from the United States Forest Service set forth in Section 6.2(m) of the Meridian Disclosure Schedule;

(n) Meridian shall have an assignment, in form, scope and substance reasonably satisfactory to ATS, from the holder or holders of all interests in the sites identified in Section 6.2(n) of the Meridian Disclosure Schedule of such holder's or holders' interests in al such sites;

(o) Meridian shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) Meridian will hold (but with no obligation to perform services thereunder), for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse Meridian for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Meridian with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by Meridian pursuant thereto other than those relating to the bad faith or willful misconduct of Meridian or its officers, directors, stockholders or employees; and

(p) To the extent that the representations and warranties of Meridian specifically exclude a reference to the New Sites, ATS shall have determined, in its reasonable business judgment, that representations and warranties to the extent not so made would be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made with respect to the New Sites as of the Closing Date.

6.3 Conditions to Obligations of Meridian. The obligation of Meridian to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Meridian and its counsel, and Meridian and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) ATS shall have furnished Meridian and, at ATS's request, any bank of other financial institution providing credit to Meridian, with an opinion, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, reasonably acceptable to Meridian, with respect to matters set forth in Sections 4.1(a), (b) and (c) and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Meridian or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations, warranties, covenants and agreements of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all Material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Meridian or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all Material respects; and ATS shall have furnished Meridian with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Meridian or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Meridian all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Meridian at or prior to the Closing pursuant to the terms of this Agreement;

(e) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any Materially Adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(f) ATS shall have executed and delivered to Meridian and its partners and the Indemnity Escrow Agent a counterpart of the Indemnity Escrow Agreement substantially in the form of Exhibit C attached hereto and made a part hereof;

(g) ATS shall have executed and delivered to Meridian an agreement (the "Meridian License Agreement"), reasonably satisfactory to Meridian, pursuant to which ATS will grant to Meridian (and its successors and assigns) a non-exclusive three-year royalty-free license to use, throughout Southern California, the name "Meridian Radio Sites" with respect to Meridian's radio repeater service business; provided, however, that such agreement shall continue only so long as Reichler, members of his family or trusts for the benefit of same are actively involved in such business and own equity interests in proportions not less than those they currently hold in Meridian;

(h) ATS shall have executed and delivered to Meridian site user agreements for Meridian's radio repeater service business, containing the terms and conditions described in Section 6.3(h) of the Meridian Disclosure Schedules; and

(i) ATS shall have executed and delivered to Meridian the Nonassumable Contracts Agreement, in form, scope and substance reasonably satisfactory to Meridian.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement shall terminate if the Closing does not occur on or prior to the Termination Date and may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Meridian and ATS;

(b) by either ATS or Meridian if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Meridian in the event (i) Meridian is not in Material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any Material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date and ATS is in Material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any Material respect, or (B) such a breach or untruth

exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in Material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any Material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date and Meridian is in Material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any Material respect, or (B) such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 6.2(i) or 6.2(l); or.

(f) by either party pursuant to the provisions of Section 9.16.

The term "Termination Date" shall mean June 30, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Meridian to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1, 5.3 and 9.3 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Meridian pursuant to the provisions of Section 7.1(c) or by ATS pursuant to the provisions of Section 7.1(d), the terminating party shall be entitled to damages as follows and in no other circumstances other than fraud:

(i) in the event that any misrepresentation that was made was not a willful misrepresentation at the time it was made, or any breach of any warranty, covenant or agreement set forth in this Agreement was not a willful breach, on the part of the non-terminating party, then the terminating party shall be entitled to recover only its reasonable out-of-pocket fees and expenses not to exceed in the aggregate $37,500; and

(ii) in the event that any misrepresentations that was made was a willful misrepresentation at the time it was made, or the breach of any warranty, covenant or agreement was a willful breach, on the part of the non-terminating party, then the terminating party shall be entitled to recover the actual amount of its damages, including without limitation consequential damages and reasonable out-of-pocket fees and expenses, in an amount not to exceed the amount of the Indemnity Escrow Fund.

Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Sections 5.7, 5.8, 7.1(a), 7.1(b), 7.1(e) or 7.1(f), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations, warranties, covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document (including without limitation the indemnification obligations set forth in this Article) shall, except as provided in Section 8.3(e), survive the Closing and shall remain operative and in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto, for a period of two (2) years after the Closing Date (the "Indemnity Period"); provided, however, that notwithstanding the foregoing (a) the representations and warranties referred to in (i) Section 3.21 shall survive for a period of four (4) years after the Closing Date, and (ii) Sections 3.1 (to the extent they relate to valid existence of Meridian, partnership power and partnership authority of Meridian, the due execution, delivery and performance by Meridian of this Agreement and each Collateral Document, and the legal, valid, binding and enforceable nature of this Agreement and each Collateral Document on Meridian), 3.12, and 4.1 (to the extent they related to due organization, valid existence and good standing of ATS, corporate power and corporate authority of ATS, the due execution, delivery and performance by ATS of this Agreement and each Collateral Document, and the legal, valid, binding and enforceable nature of this Agreement and each Collateral Document of ATS) shall survive for the applicable statute of limitations, (b) those covenants and agreements set forth in Sections 5.1, 5.2(b) and 5.2(c) and Article 9 shall survive for the statute of limitations applicable to contracts, (c) the indemnification obligations of ATS set forth in Section 8.2(c), to the extent same relate to New Site Assumed Obligations or to obligations and liabilities under ATS Assumable Agreements applicable to periods from and after the Closing Date, shall survive until all liabilities and obligations which are the subject thereof have been paid or discharged in full, and (d) the indemnification obligations of ATS referred to in Section 8.2(e) shall survive until all liabilities and obligations which are the subject thereof have been paid or discharged in full. No claim for indemnification, other than with respect to fraud, may be asserted after the expiration of the Indemnity Period, except as provided in this Section and Section 8.3(d). Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the Indemnity Period shall

survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

8.2 Indemnification.

(a) Each of Meridian and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(i) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document (including without limitation any Legal Action or other Claim by any third party which Claim is based upon a breach or alleged breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document); or

(ii) in the case of Meridian as the indemnifying party, the failure of Meridian to comply with Bulk Sales law of the State of California.

(b) Meridian agrees that from and after the Closing it shall indemnify and hold harmless ATS and each of its officers, directors, stockholders, and any of their respective heirs, executors, representatives, successors and assigns, from and against any and all Loss and Expense suffered, directly or indirectly, by any of them by reason of, or arising out of, including without limitation any Legal Action or other Claim that relates to Meridian Nonassumed Obligations or the ownership and operation of the Meridian Assets and the Meridian Business prior to the Closing Date; provided, that the foregoing obligation shall not extend to any Claim, Legal Action, Loss or Expense from or relating to (i) the condition of physical assets which, pursuant to the provisions of Section 4.5, are being sold hereunder on an "AS IS" basis, (ii) Events, Contracts, transactions, acts, omissions, agreements, matters or things the existence or nonexistence of which is disclosed with reasonable specificity in the Meridian Disclosure Schedule or in the documents reference therein (to the extent copies thereof have been furnished to ATS), except to the extent, if at all, Section 8.2(b) of the Meridian Disclosure Schedule specifically indicates to the contrary, (iii) Environmental Law or environmental matters, except to the extent Meridian is in breach of the representations and warranties set forth in Section 3.21 with respect thereto, or (iv) matters of a type described in Section 8.2(d).

(c) ATS agrees that from and after the Closing it shall indemnify and hold harmless Meridian and each of its partners and each officer, director, stockholder and beneficiary of any of Meridian's partners and any of the respective heirs, executors, trustees, beneficiaries, representatives, successors and assigns of any of the foregoing (collectively, the "Meridian Indemnified Parties") from and against any and all Loss and Expense suffered, directly of indirectly,

by any of them by reason of, or arising out of, including without limitation any Legal Action or other Claim that relates to, (i) Meridian Assumed Obligations or (ii) the ownership and operation of the Meridian Assets and the Meridian Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the Meridian Assumed Obligations or are within the provisions of Section 8.2(d).

(d) Notwithstanding any provision of this Agreement to the contrary, ATS agrees that from and after the Closing it shall indemnify and hold harmless Meridian and each of the other Meridian Indemnified Parties from and against any Legal Action or other Claim arising from damage or injury to person or property (including wrongful death) based upon, involving or arising out of the ownership or operation (whether prior to or after the Closing Date) of the Meridian Assets and the Meridian Business; provided, however, that nothing contained in this Section is intended to relieve Meridian of its obligations set forth in Section 8.2(a).

(e) ATS agrees that from and after the Closing, it shall indemnify and hold harmless Meridian and each of the other Meridian Indemnified Parties from and against the following:

(i) Such matters as are the subject of ATS's indemnification obligations under the Nonassignable Contracts Agreement described in Section 6.2(o); and

(ii) All Loss and Expense suffered, directly or indirectly, by any of them by reason of, or arising out of, the use by ATS of audited financial statements relating to the Meridian Business as described in Section 5.2(c); provided, however, that notwithstanding the foregoing, to the extent (A) such Loss and Expense is attributable to a breach of warranty and a misrepresentation from those contained in Section 3.2 of this Agreement and (B) at the time ATS is obligated to make indemnification under this subparagraph (ii) or any ATS Affiliate is so obligated pursuant to the provision of any agreement executed pursuant to the provisions of Section 5.2(c) there are Escrow Indemnity Funds to cover all or part of such obligation, then ATS may utilize such Escrow Indemnity Funds to discharge that portion of its or such Affiliate's obligation as is commensurate with the amount of Escrow Indemnity Funds so available.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnifying party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $25,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $25,000), and (ii) in no event shall the aggregate amount required to be paid pursuant to the provisions of this Article exceed the Escrow Indemnity Fund in the case of Meridian or $481,100 in the case of ATS' obligations under Sections 8.2(a) and 8.2(c); provided, that ATS's obligation to indemnify Meridian or other Persons from (x) New Site Assumed Obligations, (y) liabilities or obligations arising after the Closing Date pursuant to ATS Assumable Agreements, or (z) liabilities or obligations referred to in Section 8.2(e), shall be subject to no maximum dollar limitation.

(b) Anything in this Agreement, including without limitation the provisions of Sections 8.2 or 8.3(a), to the contrary notwithstanding, except as provided in Sections 8.3(d) and 8.6, (i) the exclusive recourse of ATS with respect to the liability of Meridian pursuant to Section 8.2 or any other provision of this Agreement or Applicable Law which requires Meridian to defend, indemnify or hold harmless ATS from or against any Claim, Loss or Expense shall be the Escrow Indemnity Fund; and (ii) ATS's remedies for any such liability of Meridian, or for any Claim or Loss or Expense arising under this Agreement, shall be limited to its right to recover from the Escrow Indemnity Funds in accordance with the provisions of the Escrow Indemnity Agreement, and neither ATS nor any of its officers, directors, shareholders, agents or Affiliated Entities shall have any right of recovery against Meridian or any other Meridian Indemnified Party or against the assets of any of them for any such liability.

(c) In the event there shall be no Claims pursuant to the provisions of this Agreement with respect to the Escrow Indemnity Funds, if any, existing at the expiration of the Indemnity Period, the Escrow Indemnity Funds then remaining (together with any then existing interest or earnings) shall be distributed to the Persons entitled thereto. In the event one or more such Claims with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of the Indemnity Period, funds in an amount equal to the sum of (i) the aggregate amount of such Claims and (ii) the amount reasonably necessary to cover the fees, expense and other costs (including reasonable counsel fees and expenses) which will be required to resolve such Claims shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to the Persons entitled thereto. Upon the resolution of all such Claims and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the remainder of the Escrow Indemnity Funds, if any, shall be distributed to the Persons entitled thereto.

(d) If, following the expiration of the Indemnity Period and the distribution to Meridian or any other Person claiming by, through or in the name of Meridian of any remaining Escrow Indemnity Funds, ATS becomes entitled to indemnification for Loss and Expense suffered by ATS arising from (i) any misrepresentation or breach of warranty with respect to the matters referred to in clause (a) of the proviso or (ii) any breach of the covenants and agreements referred to in clause (b) of the proviso, in each case in the first sentence of Section 8.1, then, subject to the limitation periods stated in such proviso, ATS may pursue its Claim for such indemnification directly against Meridian, its partners, and their successors and assigns; provided, however, that the maximum amount of liability in the aggregate of Meridian (its partners and their successors and assigns) for any and all such Claims shall be the amount of Escrow Indemnity Funds that were distributed to Meridian or any other Person (other than a claimant whose Claim is alleged by ATS to be subject to satisfaction from the Indemnity Escrow Fund) claiming by, through or in the name of Meridian (including without limitation Meridian's, its partners or their successors, assigns, trustees, beneficiaries, representatives, heirs or executors) upon the expiration of the Indemnity Period or thereafter.

(e) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto. No indemnifying party shall be liable under this Article for a loss resulting from any

event relating to a misrepresentation or breach of warranty if the indemnifying party can establish that the indemnified party had actual knowledge on or before the Closing Date of such event and did not, on or before the Closing Date, reserve its rights with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party; provided, however, that if the indemnified party fails or refuses to consent in writing to any compromise of settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") within ten (10) business days after receipt of written notice of all of the material terms and conditions of the Settlement Proposal, and such terms and conditions (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership and operations of the Meridian Assets and the conduct of the Meridian Business in substantially the manner theretofore owned, operated and conducted by Meridian, then, unless the indemnifying party forthwith withdraws the Settlement Proposal, the indemnified party (i) shall have the right but not the obligation to undertake the conduct of the defense of such Legal Action or other Claim, and (ii) whether or not it shall so undertake the defense of such Legal Action or other Claim, shall bear, and shall indemnify and hold the indemnifying party harmless from, all Loss and Expense arising from such Legal Action or other Claim (to the extent not theretofore (x) accrued with respect to the costs and expenses of the defense of such Legal Action or other Claim or (y) paid with respect to such Legal Action or other Claim) in excess of the amount contained in the Settlement Proposal, it being understood, in such event, that the indemnifying party shall bear all Loss and Expense, including subsequently incurred Loss and Expense (including without limitation those attributable to legal fees and expenses) up to the amount

contained in the Settlement Proposal, even if the ultimate disposition of such Legal Action or other Claim results in payments to the claimant of less than those contained in the Settlement Proposal.

8.6 Exclusive Remedy. Except for fraud or willful or intentional breach of representation or warranty or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or Meridian may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All California and other sales and/or use Taxes, documentary or governmental transfer Taxes, recording fees, or other comparable charges levied by any Authority in connection with the purchase and sale of the Meridian Assets and the Meridian Business contemplated hereby, and all Hart-Scott-Rodino filing fees, shall be borne equally by Meridian and ATS. All title insurance costs and expenses shall be borne by Meridian and all Environmental Report costs and expenses shall be borne by ATS, except that in the event this Agreement is terminated pursuant to the provisions of Section 5.8, all such Environmental Report costs and expenses shall be borne by Meridian. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, and in compliance with Applicable Law and Contractual Obligations as a consequence hereof and thereof, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto shall be borne solely and entirely by the party which has incurred such costs and expenses (with respect to such party, its "Expenses").

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

6400 North Congress Avenue, Suite 1750
Boca Raton, Florida 33487
Attention: Chief Executive Officer and
Chief Financial Officer
Telecopier No.: (407) 998-2278

with copies to:

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph B. Winn, Chief Financial Officer
Telecopier No.: (617) 375-7575

and

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Telecopier No.: (617) 338-2880

(b) If to Meridian:

23501 Park Sorrento, Suite 213A
Calabasas, California 91302
Attention: E. J. Reichler, Chief Executive Officer
Telecopier No.: (818) 222-2857

with copies to:

Levinson, Miller, Jacobs & Phillips
1875 Century Park East, Suite 2000
Los Angeles, California 90067-2534
Attention: Stephen I. Halper, Esq.
Telecopier No.: (310) 282-0472

Prime Communication Sites of California, Inc.
5400 Jillson Street
Los Angeles, California 90040
Attention: Charles Crawford

and

Norman Kramer
c/o Lee's Two-Way Radio
569 Constitution Avenue, Unit G
Camarillo, California 93012

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, ATS shall not be entitled to specific performance or any other remedy to the extent that the aggregate costs and expenses required to be paid by Meridian arising from the enforcement or exercise of such remedy (inclusive of reasonable attorneys fees) would exceed an amount equal to the amount of the Escrow Indemnity Fund, and after the Closing Meridian shall not be required to expend any of its funds (other than payments by the Indemnity Escrow Agent out of the Escrow Indemnity Fund (as reduced in accordance with the provisions of Section 2.3) or except as provided in Section 8.3(d)) for such purpose.

9.6 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 effect of which is to Affect Materially and Adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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.

9.10 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 any 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.

9.11 Entire Agreement; Separate Agreements. This Agreement (together with the Meridian Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated July 24, 1996, between the parties. ATS acknowledges that (i) Meridian, MSSC and MCN are separate parties with differing ownership, (ii) this Agreement and the Other Agreements are separate agreements, and (iii) Meridian (and its partners, in their capacity as such) shall have no obligation or liability with respect to the Other Agreements or any claims made thereunder.

9.12 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of Meridian and ATS, 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.

9.15 Venue. In the event of any Legal Action between the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate municipal, state or federal court sitting in Los Angeles County, California, and the parties agree to submit to the jurisdiction of such courts.

9.16 Meridian Disclosure Schedule. Meridian will deliver to ATS, on or before February 21, 1997, the Meridian Disclosure Schedule and all other documents (including the interim financial statements constituting a part of the Meridian Financial Statements) required to be delivered by Meridian pursuant to Article 3 of this Agreement. Without limiting the generality of the foregoing, the Meridian Disclosure Schedule shall set forth Meridian's proposal with respect to which (a) authorizations, consents, waivers, orders or approvals are proposed to be a condition of Closing pursuant to the provisions of Section 6.1(a), (ii) which Private Authorizations, Leases and Material Agreements and which modifications, if any, of Leases and other Contractual Obligations are proposed to be a condition to Closing pursuant to the provisions of Section 6.2(d), and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are proposed to be a condition to Closing pursuant to the provisions of Section 6.2(m).

ATS shall have the right, for a period commencing upon its receipt of the Meridian Disclosure Schedule and each other document (other than such interim financial statements) together with a letter from Meridian indicating that such delivery constitutes a "final and complete" delivery pursuant to this Section and terminating at 11:59 p.m. on the fifteenth (15th) day following such receipt, (a) to terminate this Agreement, if the Meridian Disclosure Schedule reveals any Event of which it was unaware as of the date of this Agreement, which unknown Events, individually or in the aggregate, would have a Material Adverse Effect on Meridian, and (b) to propose to Meridian alternatives as to which (i) authorizations, consents, waivers, orders or approvals are to be a condition of Closing pursuant to the provisions of Section 6.1(a), (ii) which Private Authorizations, Leases and Material Agreements and which modifications, if any, of Leases and other Contractual Obligations are to be a condition to Closing pursuant to the provisions of Section 6.2(d), and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are to be a condition to Closing pursuant to the provisions of Section 6.2(m). ATS shall have a further right to terminate this Agreement for a period of five (5) business days following receipt of such interim financial statements marked "final and complete" if such interim financial statements indicate that a Material Adverse Change in Meridian has occurred of which ATS was unaware of the date of this Agreement.

Anything in this Section 9.16 or elsewhere in this Agreement to the contrary notwithstanding, Meridian shall not be obligated to agree to any proposal of ATS pursuant to clause (b) of the first sentence of the preceding paragraph and neither Meridian nor ATS shall be obligated

to negotiate in good faith with respect to resolving such matters and each may make a determination to terminate in its sole and absolute discretion. In the event ATS and Meridian do not agree in writing on the resolution of matters raised by any proposal made by ATS pursuant to such clause (b) on or prior to ten (10) business days of receipt by Meridian of any such proposal of ATS (the "Interim Period") either party may, on or prior to ten (10) business days (the "Termination Period"), following the expiration of the Interim Period, terminate this Agreement. In the event neither party shall have so terminated this Agreement on or prior to the expiration of the Termination Period, or, in the event ATS makes no proposal pursuant to clause (b) of the preceding paragraph, this Agreement shall continue in full force and effect and the original proposal of Meridian (as set forth in the Meridian Disclosure Schedule) shall control for purposes of determining the conditions of Closing set forth in Section 6.1(a), 6.2(d) and 6.2(m).

IN WITNESS WHEREOF, ATS and Meridian have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name:
Title:

Meridian Radio Sites

By:

Norman Kramer, General Partner

Prime Communication Sites of California, Inc.,
General Partner

By:

Name:
Title:

Edward J. Reichler, Trustee of the Reichler Family Trust dated May 24, 1989, and Edward J.Reichler, Trustee of the Sue H. Reichler Testamentary Trust, General Partners

By:

E.J. Reichler, Trustee

The undersigned hereby acknowledges and agrees to be bound by the provisions of Section 8.3(d).

Edward J. Reichler, Trustee of the Reichler Family Trust dated May 24, 1989 and Edward J. Reichler, Trustee of the Sue H. Reichler Testamentary Trust

By:

E.J. Reichler, Trustee

Prime Communication Sites of California, Inc.

By:

Name:
Title:

Norman Kramer

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Meridian Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Meridian and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(a).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Meridian attributable to the ownership or operation of the Meridian Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Meridian's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Adverse, Adversely, when used alone or in conjunction with other terms (including without limitation "Affect," "Change" and "Effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Meridian Business, or (c) impair Meridian's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or any identifiable segment thereof, including without limitation the industries in which Meridian does business and in which it competes, shall not be deemed to constitute an Adverse Change, have an Adverse Effect or to Adversely Affect or Effect.

Additional Title Matter shall have the meaning given to it in Section 5.7.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Meridian Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Applicable Principles shall mean (a) with respect to Meridian Financial Statements for periods ending prior to November 30, 1996, tax accounting principles and (b) with respect to Meridian Financial Statements for periods ending on or after November 30, 1996, generally accepted accounting principles.

Approved Title Conditions shall mean any one or more of the following: (a) Liens for real property taxes and assessments not then delinquent; (b) the Lien of supplemental Taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code, to the extent that such supplemental Taxes are attributable to the transactions contemplated by this Agreement; (c) matters set forth on the Title Reports other than Disapproved Title Matters; and (d) matters of title created following the date of this Agreement by or with the written consent of ATS.

Assets shall mean the business and the tangible and intangible assets owned by Meridian and used in connection with the conduct of the business or operations of the Meridian Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations, to the extent transferable;

(d) the Private Authorizations;

(e) the Contracts (other than the Meridian Nonassumed Obligations);

(f) the corporate name of Meridian and all variations thereof;

(g) all Intellectual Property and other proprietary information, which relate to the Meridian Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Meridian Business;

(h) all claims, choses in action and rights under warranties (to the extent transferable) relating to the Meridian Business or any of the Meridian Assets;

(i) all books and records relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Meridian; and

(j) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS Assumable Agreements shall have the meaning given to it in Section 2.2(b).

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person

involved in the ownership and operation of the Assets or the conduct of the business of the Meridian Business.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Escrow Agreement, the Indemnity Escrow Agreement, the Meridian License Agreement, the Nonassumable Contracts Agreement, the Reichler Noncompetition Agreement, deeds (warrantying against Meridian's acts), bills of sale, assignments of intangibles, assumption agreements with respect to the Meridian Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Meridian Assets and the Meridian Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Construction Adjustment shall have the meaning given to it in Section 2.3.

Contract, Contractual Obligation shall mean any agreement (including without limitation any Lease), arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, other than pursuant to a Governmental Authorization or Private Authorization.

Control (including the terms "controlled," "controlled by" and "under common control with") shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership,

by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Disapproved Environmental Matter shall have the meaning given to it in Section 5.8.

Disapproved Title Matter shall have the meaning given to it in Section 5.7.

Escrow Agent shall have the meaning given to it in the fourth Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the fourth Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the fourth Whereas paragraph.

Employment Arrangement shall mean, with respect to Meridian, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Meridian or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Meridian Assets or the conduct of the Meridian Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Company shall have the meaning given to it in Section 5.8.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the

Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Real Property shall have the meaning given to it in Section 5.8.

Environmental Reports shall have the meaning given to it in Section 5.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Meridian under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service (other than Leases from the United States Forest Service) and the Federal Aviation Administration, in connection with the ownership or operation of the Meridian Assets or the conduct of the Meridian Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 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.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Meridian, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agent shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Agreement shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Fund shall have the meaning given to it in Section 2.3.

Insured Real Property shall have the meaning given to it in Section 5.7.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Interim Period shall have then meaning given to it in Section 9.16.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Kramer Noncompetition Agreement shall have the meaning given to it in Section 6.2(j).

Law shall mean any (a) administrative, judicial, legislative or other 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 any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 8.2.

Material, Materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Meridian, any Contractual Obligation (other than Governmental Authorizations) which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the Meridian Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the

Meridian Business during the current fiscal year, (d) is with the United States Forest Service or any other Authority, or (e) involves the management by Meridian of any communication tower of any other Person.

MCN shall have the meaning given to it in the fourth Whereas paragraph.

Meridian shall have the meaning given to it in the Preamble.

Meridian Assets shall have the meaning given to it in Section 2.1.

Meridian Assumed Obligations shall have the meaning given to it in Section 2.2(a).

Meridian Business shall have the meaning given them in the first Whereas paragraph.

Meridian Disclosure Schedule shall mean the Meridian Disclosure Schedule dated as of the date of this Agreement delivered by Meridian to ATS. Anything in this Agreement to the contrary notwithstanding, all matters set forth under a specific Section number of the Meridian Disclosure Schedule (or in any agreement, instrument or other document specifically referenced therein to the extent a copy thereof has been delivered to ATS) shall be deemed to have been fully disclosed and set forth under all other Sections of the Meridian Disclosure Schedule.

Meridian Employees shall have the meaning given it in the Section 3.15(a).

Meridian Financial Statements shall have the meaning given to it in Section 3.2(b).

Meridian Indemnified Parties shall have the meaning given to it in Section 8.2(c).

Meridian License Agreement shall have the meaning given to it in Section 6.3(g).

Meridian Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Meridian's current actual knowledge shall mean the actual knowledge of any Meridian director or executive officer, as such knowledge exists on the date of this Agreement and on no later date, without any duty of inquiry or investigation on the part of such director or executive officer and without any review of (i) Meridian's Contracts, Governmental Authorizations, Private Authorizations, files, books or records or (ii) public records or the files or records of any Authority.

Meridian's knowledge shall mean the actual knowledge of any Meridian director or officer, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Meridian records.

MCN shall have the meaning given to it in the fourth Whereas paragraph.

MSSC shall have the meaning given to it in the fourth Whereas paragraph.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

New Sites shall have the meaning to it in Section 2.3.

New Sites Assumed Obligations shall have the meaning given to it in Section 2.2(a).

Nonassignable Contracts shall have the meaning to it in Section 2.2(a).

Nonassignable Contracts Agreement shall have the meaning to it in Section 2.2(a).

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Otay Mountain Litigation shall have the meaning given to it in Section 2.1.

Other Agreement(s) shall have the meaning given to it in the fourth Whereas paragraph, it being understood by the parties, however, that the Other Agreement which relates to MCN may be modified to reflect the acquisition by ATS of the partnership interest of Reichler in MCN rather than the assets and business of MCN and that all references in this Agreement to the Other Agreements, insofar as they relate to MCN shall be deemed to include such understanding.

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not Materially detract from the value, or Materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise Materially impair the conduct of the Meridian Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Meridian and used or useful as of the date hereof in the conduct of the business or operations of the Meridian Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date. Personal Property includes without limitation the communication towers, buildings and other fixtures and improvements located on Real Property.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Meridian Business.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Real Property shall mean all of the fee estates, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned by Meridian as of the date hereof, in the operations of the Meridian Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 5.1(a).

Retained Accounts Receivable shall have the meaning given to it in Section 2.4.

SEC shall mean the United States Securities and Exchange Commission, or any successor Authority.

Securities Act shall mean the Securities Act of 1933, and the rules and regulations of the SEC 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.

Settlement Proposal shall have the meaning given to it in Section 8.5.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is

outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.3.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Tax accounting principles shall have the meaning given to it in Section 3.2.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Termination Date shall have the meaning given to it in Section 7.1.

Termination Period shall have the meaning given to it in Section 9.16.

Title Company shall have the meaning given to it in Section 5.7.

Title Reports shall have the meaning given to it in Section 5.7.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Meridian Assets and the Meridian Business and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.6

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 10th day of February, 1997 by and between MERIDIAN RADIO SITES, a general partnership ("Meridian") and AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("ATS"), with reference to the following facts:

Meridian and ATS are parties to a certain Asset Purchase Agreement dated February 5, 1997 (the "Agreement") relating to the sale by Meridian to ATS of substantially all the assets of Meridian. The parties desire to amend the Agreement in the manner set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties hereby agree as follows:

1. The last sentence of the first paragraph of Section 3.5(a) of the Agreement is hereby amended to read as follows: "Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule: (i) all of such Leases are, to Meridian's knowledge, valid and subsisting and in full force and effect and (ii) neither Meridian nor, to Meridian's knowledge, any other party thereto, is in Material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease."

2. Section 3.6 of the Agreement is hereby amended by adding the following sentence thereto: "All warranties and representations set forth in this Section 3.6 are subject to such exceptions as are set forth in Section 3.6 of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

3. Section 3.7(b) of the Agreement is hereby amended by adding the following sentence thereto: "The warranties and representations set forth in this Section 3.7(b) are subject to such exceptions as are set forth in Section 3.7(b) of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

4. Section 3.16 of the Agreement is hereby amended by adding the following sentence thereto: "The warranties and representations set forth in this Section 3.16 are subject to such exceptions as are set forth in Section 3.16 of the Meridian

Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

5. Except to the extent set forth to the contrary in this Amendment, all provisions of the Agreement remain in full force and effect.

6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

"Meridian"

MERIDIAN RADIO SITES

By: ----------
E.J. Reichler, Trustee of the Reichler Family Trust dated May 24, 1989, General Partner

By: ----------
Norman Kramer, General Partner

By: Prime Communication Sites of California, Inc., General Partner

By: ----------
Charles Crawford, President

By: ----------
E.J. Reichler, Trustee of the Sue H. Reichler Testamentary Trust

"ATS"

AMERICAN TOWER SYSTEMS, INC.

By: ----------

EXHIBIT 10.7

SECOND AMENDMENT TO
ASSET PURCHASE AGREEMENT

THIS SECOND AMENDMENT ("Amendment") is made and entered into this 24th day of June, 1997 by and between MERIDIAN RADIO SITES, a general partnership ("Meridian") and AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("ATS"), with reference to the following facts:

Meridian and ATS are parties to a certain Asset Purchase Agreement dated February 5, 1997 as amended by a First Amendment thereto dated February 10, 1997 (collectively, the "Agreement"), relating to the sale by Meridian to ATS of substantially all the assets of Meridian. The parties desire to amend the Agreement in the manner set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties hereby agree as follows:

1. Notwithstanding the provisions of Section 7.1 of the Agreement, the "Termination Date" shall mean July 3, 1997, or such other date as the parties may, from time to time, mutually agree.

2. Except to the extent set forth to the contrary in this Amendment, all provisions of the Agreement remain in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same instrument. This Amendment shall be effective upon delivery (i) to ATS's counsel, by telecopier, of an executed counterpart signed by Meridian, and (ii) to Meridian's counsel, of an executed counterpart signed by ATS.

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IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

"Meridian"

MERIDIAN RADIO SITES

By: ----------
NORMAN KRAMER,
General Partner

By: ----------
E.J. REICHLER, as Trustee of the Reichler Family Trust dated May 24, 1989, and as Trustee of the Sue H. Reichler Testamentary Trust, General Partners

By: Prime Communication Sites of California, Inc., General Partner

By: ----------
Charles Crawford,
President

"ATS"

AMERICAN TOWER SYSTEMS, INC.

By: ----------
James S. Eisenstein,
Chief Operating Officer

EXHIBIT 10.8

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

MERIDIAN SALES AND SERVICES COMPANY

Dated as of

February 5, 1997

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SCHEDULES:

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of February 5, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Meridian Sales and Services Company, a California corporation ("Meridian").

WHEREAS, Meridian owns and leases and operates communication towers and is engaged in the business of managing communication sites for third parties (the "Meridian Business");

WHEREAS, ATS desires to purchase and Meridian desire to sell the Meridian Assets and the Meridian Business on the terms and conditions hereinafter set forth;

WHEREAS, simultaneously with the execution and delivery of this Agreement, ATS and Meridian have entered into an escrow agreement (the "Escrow Agreement") with Sullivan & Worcester LLP, counsel for ATS, and Levinson, Miller, Jacobs & Phillips, counsel for Meridian (the "Escrow Agent"), pursuant to which ATS has made a deposit of $167,500 (the "Escrow Deposit"); and

WHEREAS, ATS is or will become party to an asset purchase agreement with each of Meridian Radio Sites ("MRS") and Meridian Communications North ("MCN") (individually, an "Other Agreement" and collectively, the "Other Agreements" as further modified in the definition thereof), relating to the purchase and sale of the communication towers and the business of managing communication sites for third parties of each of MRS and MCN;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the Meridian Disclosure Schedule and each Collateral Document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. The term "either party" shall, unless the context otherwise requires, refer to Meridian and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Meridian hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the Meridian Assets and the Meridian Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Meridian Assets" shall mean all of the Assets of Meridian, including without limitation the right to use the name "Meridian" and all variations thereof, other than the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(i) all cash and cash equivalents;

(ii) all Accounts Receivable;

(iii) all FCC Licenses and equipment and other assets relating to the specialized mobile radio business of Meridian as more specifically described in Section 2(iii) of the Meridian Disclosure Schedule;

(iv) all FCC licenses and equipment and other assets relating to the repeater radio service business of Meridian as more specifically described in Section 2.1(iv) of the Meridian Disclosure Schedule;

(v) all books and records (including without limitation, if retained by Meridian, any financial records necessary or desirable to enable the condition specified in Section 6.2(g) to be satisfied) which Meridian is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of five (5) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Meridian;

(vi) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts;

(vii) the personal assets of the officers, directors and shareholders of Meridian as more specifically described in Section 2.1(vii) of the Meridian Disclosure Schedule;

(viii) any and all rights of Meridian and its shareholders for federal, state and local tax refunds; and

(ix) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of Meridian (collectively, the "Meridian Assumed Obligations"): (i) all of the obligations and liabilities of Meridian under the ATS Assumable Agreements, (ii) all obligations and liabilities of Meridian with respect to the ownership and operation of the Meridian Assets and the conduct of the Meridian Business, on and after the Closing Date, and (iii) all obligations and liabilities of Meridian arising from or relating to the acquisition, ownership or operation of the New Sites, whether arising prior to or after the Closing Date (the "New Site Assumed Obligations"), except for such obligations and liabilities (A) that arise from grossly negligent or willful misconduct of Meridian prior to the Closing Date or (B) the existence of which is in contravention of (I) representations or warranties made by Meridian pursuant to the provisions of Article 3, (II) covenants or agreements made by Meridian pursuant to the provisions of Section 5.6, or (III) provisions of this Agreement requiring the approval of ATS; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the Meridian obligation and liabilities referred to in Section 2.2(b) (the "Meridian Nonassumed Obligations"); provided further, however, that, notwithstanding the preceding proviso or Section 2.2(b), the term "Meridian Nonassumed Obligations" shall not include, and the term "Meridian Assumed Obligations" shall include, any liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(a) of the Meridian Disclosure Schedule) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Meridian in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Meridian to obtain the approval or consent of an Authority or a third party whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or elects to receive the benefits of such Nonassumable Contract, in either of which events, if the approval or consent of an Authority or a third party applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS's obligations at Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of the third party is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, the rights and obligations of the parties shall be as follows unless otherwise agreed by Meridian and ATS in writing: (1) if obtaining such approval or consent was a condition to ATS's obligations at the Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), this Agreement shall terminate in the manner described in Section 7.2(a); and (2) if obtaining such approval or consent was not such a condition to ATS's obligations, the purchase and sale contemplated hereunder shall proceed in accordance with all the terms of this Agreement, except that the Nonassignable Contract shall no longer constitute part of the "Meridian Assets" and Meridian shall retain all benefits and liabilities thereunder.

(b) Except for the Meridian Assumed Obligations or as expressly provided in this Agreement, ATS shall not assume or become obligated to perform any debt, liability or obligation

of Meridian or relating to the ownership or operation of any of the Meridian Assets or the conduct of the Meridian Business whatsoever, including without limitation the following:

(i) subject to the provisions of Article 8, the ownership and operation of the Meridian Assets or the conduct of the Meridian Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of Meridian (including without limitation any obligation to any Meridian Employee for severance benefits, vacations time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the ATS Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of Meridian;

(iv) those required to be disclosed in the Meridian Disclosure Schedule which are not so disclosed or which, if disclosed, Section 8.2(b)(ii) of the Meridian Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Meridian under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Meridian's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any taxes, fees, expenses or other amounts required to be paid by Meridian pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of Meridian, other than those set forth in Section 2(b)(x) of the Meridian Disclosure Schedule.

The term "ATS Assumable Agreements" shall mean all obligations and liabilities of Meridian under all Contractual Obligations, Governmental Authorizations and Private Authorizations relating to the ownership or operation of any of the Meridian Assets or the conduct of the Meridian Business, other than any Meridian Nonassumed Obligation.

(c) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Article 8 or Section 2.2(c) of the Meridian Disclosure Schedule, all items of income and

expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of Meridian employees) arising from the ownership or operation of the Meridian Assets or the conduct of the Meridian Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with Meridian entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Meridian Disclosure Schedule, with sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Meridian and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Meridian and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Meridian or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, ATS shall be solely responsible for the payment of, and shall defend, indemnify and hold harmless Meridian, its officers, directors and shareholders from, any and all supplemental or additional real property or personal property taxes assessed on or in connection with the Meridian Assets or any part thereof, which arise from the transactions contemplated by this Agreement, except as otherwise provided in Section 9.3 with respect to California or other sales and/or use taxes, and documentary or governmental transfer or stamp taxes arising from the purchase and sale of the Meridian Assets and the Meridian Business contemplated hereby.

Nothing contained in this Section 2.2(c) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Levinson, Miller, Jacobs & Phillips, 1875 Century Park East, Los Angeles, California 90067, at 10:00 a.m., local time, on the date on or prior to June 30, 1997 which is five (5) business days after all of the conditions specified in Article 6 (other than those which are to be satisfied at the Closing) have been satisfied or waived in writing or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Meridian Assets and the Meridian Business (the

"Purchase Price") shall be an amount equal to $21,559,456, plus an amount equal to the Construction Adjustment. The term "Construction Adjustment" shall mean an amount equal to the aggregate amount actually paid by Meridian after June 13, 1996 and prior to the Closing Date with respect to the costs and expenses incurred in the acquisition and construction of those certain projects (collectively, the "New Sites") (a) described in Section 2.3 of the Meridian Disclosure Schedule or (b) acquired after the date of this Agreement with the prior written consent of ATS, which consent shall not be unreasonably withheld, other than, in all cases, those costs and expenses which are unreasonable or to which ATS shall have objected in writing prior to their incurrence or commitment by Meridian. The Purchase Price shall be payable by wire transfer of immediately available funds (a) to the Indemnity Escrow Agent (or as it may designate) pursuant to the provisions of the Indemnity Escrow Agreement in the amount of $2,155,946 minus an amount equal to the amount, if any, expended by Meridian subsequent to the date of this Agreement pursuant to a mutually agreed upon designation of Meridian and ATS entitled an "Indemnity Escrow Fund Reducing Expense" to remedy any misrepresentation, breach of warranty or other breach or defect (the "Indemnity Escrow Fund") and (b) to Meridian for the balance of the purchase price to such account as is designated by Meridian in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

The parties hereto have heretofore agreed upon an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price shall be allocated among the Meridian Assets. Each of Meridian and ATS shall report the purchase and sale of the Meridian Assets and the Meridian Business and the other Transactions in accordance with the Tax Allocation Schedule (as adjusted for Events between the date hereof and the Closing Date) for purposes of all federal, state and local Tax Returns and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or report, inconsistent with such reporting position. Each of Meridian and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority. Notwithstanding the provisions of this Section, the parties to this Agreement will rely solely on their own advisors in determining the tax consequences of the transactions contemplated by this Agreement and each party is not relying, and will not rely, on any representations or assurances of any other party regarding such consequences other than the representations, warranties, covenants and agreements set forth in writing in this Agreement or furnished pursuant to the provisions hereof.

2.4 Accounts Receivable. At the closing, Meridian shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the Meridian Business. Meridian shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the Meridian Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the Meridian Business will be for the account of Meridian. ATS shall use its reasonable business efforts to collect the Accounts Receivable with respect to the Meridian Business for a period of ninety (90) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the Meridian Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests in writing the validity of such application. During the Collection Period, ATS shall furnish Meridian with a list of, and pay over to Meridian, the amounts collected with respect to the Accounts Receivable with respect to the Meridian Business on a bi-weekly basis and forward

to Meridian, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide Meridian with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to Meridian if ATS, in its sole discretion, chooses to retain such Accounts Receivable. Meridian shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to Meridian any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of Meridian. ATS shall not incur any liability to Meridian for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Meridian nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by Meridian after the Collection Period. The provisions of this Section shall not apply to those certain Accounts Receivable set forth in Section 2.4 of the Meridian Disclosure Schedule or to any other Accounts Receivable which Meridian, in its sole business judgment, determines will require extraordinary collection efforts or referrals to a collection agency or attorney for collection (collectively, the "Retained Accounts Receivable"), provided the Retained Accounts Receivable are set forth in a written notice delivered to ATS by Meridian on or prior to the Closing Date. As to all Retained Accounts Receivable, Meridian shall retain the sole and exclusive right to collect same as Meridian in its sole discretion may determine.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF MERIDIAN

Meridian hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Meridian is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Meridian has all requisite corporate power and corporate authority and has in full force and effect all Governmental Authorizations (which, for purposes of this Section 3.1(b), relate only to the sale of the Meridian Assets and Meridian Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) and Private Authorizations, except for those set forth in Section 3.1(b) of the Meridian Disclosure Schedule or

those the failure of which to obtain do not and will not have, individually or in the aggregate, any Material Adverse Effect on ATS, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate action on the part of Meridian. This Agreement has been duly executed and delivered by Meridian and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Meridian will constitute, legal, valid and binding obligations of Meridian, 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) Except as set forth in Section 3.1(c) of the Meridian Disclosure Schedule, and except for matters which would have no Material Adverse Effect on ATS, neither the execution and delivery by Meridian of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Meridian of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Meridian:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Meridian or any Applicable Law (which, for purposes of this Section 3.1(c)(i), relates only to the sale of the Meridian Assets and the Meridian Business generally and not to local Applicable Law) on the part of Meridian, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Meridian, other than those constituting Meridian Nonassumed Obligations; or

(ii) will require Meridian to make or obtain any Governmental Authorization or Filings (which, for purposes of this Section 3.1(c)(ii), relates only to the sale of the Meridian Assets and the Meridian Business generally and not to "site-specific" authorizations or those required by local Applicable Law) or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

(d) Meridian does not have any Subsidiaries, except as set forth in Section 3.1(d) of the Meridian Disclosure Schedule.

3.2 Financial and Other Information. Meridian has heretofore furnished to ATS copies of the financial statements of the Meridian Business listed in Section 3.2 of the Meridian Disclosure Schedule (the "Meridian Financial Statements"). The Meridian Financial Statements, including in each case the notes thereto, have been prepared in accordance with Applicable Principles applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Meridian Disclosure Schedule, are true, accurate and complete in all Material respects, do not contain any untrue statement of a material fact or omit to state a material

fact required by Applicable Principles to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present in all material respects the financial position and the results of operations of the Meridian Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals.

3.3 Changes in Condition. Since November 30, 1996, except to the extent specifically described in Section 3.3 of the Meridian Disclosure Schedule and except for the effect, if any, of the New Sites, there has been, to Meridian's knowledge, no Material Adverse Change in Meridian. There is no Event (other than Events which generally affect the economy or any identifiable segment thereof including without limitation the industries in which Meridian does business and in which it competes) known to Meridian which Materially Adversely Affects, or (so far as Meridian can now reasonably foresee) is likely to Materially Adversely Affect, Meridian, except to the extent specifically described in Section 3.3 of the Meridian Disclosure Schedule and except for the effect, if any, of the New Sites.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or materiality qualifications contained therein or set forth in the Meridian Disclosure Schedule, except for such exceptions and qualifications (other than those set forth in the Meridian Disclosure Schedule) which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be Materially Adverse to Meridian.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Meridian Disclosure Schedule contains a true, accurate and complete list of all real property owned or leased by Meridian that is part of the Meridian Assets. Subject to any exceptions set forth with reasonable specificity on Section 3.5(a) of the Meridian Disclosure Schedule, Meridian has good and marketable title to all real property (other than leasehold Real Property and Insured Real Property) and good and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Meridian Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Meridian Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the Meridian Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Meridian as debtor or which covers or purports to cover any of the Meridian Assets is on file in any state or other jurisdiction, and Meridian has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as otherwise set forth in Schedule 3.5(a) of the Meridian Disclosure Schedule, each Lease or other occupancy or other agreement under which Meridian holds real or personal property constituting a part of the Meridian Assets has been duly authorized, executed and delivered by Meridian and, to Meridian's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Meridian, and, to Meridian's knowledge, each of the other parties thereto, enforceable in accordance with its 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. Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule, Meridian has, to Meridian's knowledge, a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule, all of such Leases are, to Meridian's knowledge, valid and subsisting and in full force and effect; neither Meridian nor, to Meridian's knowledge, any other party thereto, is in Material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease.

Except as disclosed in Section 3.5(a) of the Meridian Disclosure Schedule, to Meridian's current actual knowledge, all improvements on the real property owned or leased by Meridian are in compliance with applicable zoning and land use laws, ordinances and regulations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a Material Adverse Effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 3.5(a) of the Meridian Disclosure Statement, all such improvements, to Meridian's current actual knowledge, comply in all Material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the Meridian Disclosure Statement, to Meridian's current actual knowledge, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Meridian are located entirely on such real property. Meridian has no knowledge of any pending, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Meridian. The representations and warranties set forth in this paragraph shall not apply to the New Sites.

(b) Section 3.5(b) of the Meridian Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the Meridian Business is leased. None of the fixed assets or equipment comprising a part of the Meridian Assets is subject to contracts of sale, and none is held by Meridian as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Meridian Disclosure Schedule. Except for the New Sites, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, between November 30, 1996 and the date of this Agreement, been maintained in all Material respects in a manner consistent with past practice.

(c) Except as set forth in Section 3.5(c) of the Meridian Disclosure Schedule, since January 1, 1993, Meridian has not received any written notice that any such real property owned or leased by Meridian and reflected in Section 3.5(b) of the Meridian Disclosure Schedule or the use thereof, violates any applicable title covenant, condition, restriction or reservation or any applicable zoning, wetlands, land use or other Applicable Law.

3.6 Compliance with Private Authorizations. Section 3.6 of the Meridian Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization (other than those with respect to the New Sites) which individually is Material to the Meridian Assets or the Meridian Business, all of which are, to Meridian's current actual knowledge, in full

force and effect. To Meridian's knowledge, Meridian has obtained all Private Authorizations (other than those with respect to the New Sites) with respect to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business as currently conducted which, if not obtained and maintained, could, individually or in the aggregate, Materially Adversely Affect Meridian. Meridian is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any Material Adverse Effect on Meridian. No such Private Authorization is the subject of any pending or, to Meridian's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.7(a) of the Meridian Disclosure Schedule contains a description of:

(i) all Legal Actions pending or, to Meridian's knowledge, at any time since January 1, 1993 was pending or is currently threatened against Meridian with respect to the operation or ownership of the Meridian Assets or conduct of the Meridian Business;

(ii) all Legal Actions pending or, to Meridian's knowledge, threatened with respect to the operation or ownership of the Meridian Assets or the conduct of the Meridian Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would Adversely Affect the ownership or operations of the Meridian Business; in particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Meridian's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, (y) involving charges of illegal discrimination by Meridian under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws; and

(iii) to Meridian's current actual knowledge, each Governmental Authorization required by a conditional use permit or special use permit that is necessary to permit Meridian to execute and deliver this Agreement and to perform its obligations hereunder.

(b) To Meridian's current actual knowledge, Meridian has obtained all Governmental Authorizations which constitutes conditional use permits or special use permits (other than those with respect to the New Sites) (a true, complete and accurate, in all material respects, list of which is set forth in Section 3.7(b) of the Meridian Disclosure Schedule or referenced in the documents or agreements so listed) which are necessary for the ownership or operation of the Meridian Assets or the conduct of the Meridian Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any Material Adverse Effect on Meridian. None of such Governmental Authorizations is, to Meridian's current actual knowledge, subject to any restriction or condition which would limit in any Material respect the ownership or operations of the Meridian Assets or the conduct of the Meridian Business as currently conducted, except for

restrictions and conditions that are either (i) set forth in the documents evidencing such Governmental Authorization or (ii) generally applicable to Governmental Authorizations of such type. To Meridian's current actual knowledge: (x) such Governmental Authorizations are valid and in good standing, are in full force and effect and are not impaired in any Material respect by any act or omission of Meridian or its officers, directors, employees or agents; and (y) the ownership or operation of the Meridian Assets or the conduct of the Meridian Business are in accordance in all Material respects with the Governmental Authorizations. To Meridian's current actual knowledge, all Material reports, forms and statements required to be filed by Meridian with all Authorities with respect to the Meridian Business (other than with respect to the New Sites) have been filed and are true, complete and accurate in all Material respects. No such Governmental Authorization is the subject of any pending or, to Meridian's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. To Meridian's current actual knowledge, no such Governmental Authorization would not be renewed in the name of Meridian by the granting Authority in the ordinary course, except as set forth in Section 3.7(b) of the Meridian Disclosure Schedule or except with respect to the New Sites.

(c) Neither Meridian nor any director or officer thereof (in connection with ownership, operation or operation of the Meridian Assets or the conduct of the Meridian Business) is in or is charged by any Authority with or, to Meridian's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to Meridian's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Meridian Assets or the conduct of the Meridian Business, and, to Meridian's current actual knowledge, no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under

(x) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any Material Adverse Effect on Meridian, or

(y) any Material requirement of any insurance carrier, applicable to the ownership or operations of the Meridian Assets or the conduct of the Meridian Business;

except as otherwise specifically described in Section 3.7(c) of the Meridian Disclosure Schedule. or except with respect to the New Sites.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Meridian Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Meridian Disclosure Schedule, all such information and matters set forth in the Meridian Disclosure Schedule, if adversely determined against Meridian, will not, individually or in the aggregate, in the reasonable business judgment of Meridian, Materially Adversely Affect Meridian.

3.8 Intangible Assets. Section 3.8 of the Meridian Disclosure Schedule
sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations)

relating to the ownership and operation of the Meridian Assets or the conduct of the Meridian Business held or used by Meridian, including without limitation the nature of Meridian's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 3.8 of the Meridian Disclosure Schedule, to Meridian's knowledge, no Intangible Assets (except Governmental Authorizations and Private Authorizations and the Intangible Assets so set forth) are required for the ownership or operation of the Meridian Assets or the conduct of the Meridian Business substantially as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. To Meridian's knowledge, Meridian does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Meridian has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. Meridian is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business between Meridian and any of its officers, directors, shareholders, employees or, to the knowledge of Meridian, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the Meridian Disclosure Schedule, (ii) Contractual Obligations between Meridian and any of its directors, shareholders, officers, employees or Affiliates of Meridian or any of the foregoing, which constitute Excluded Assets or Meridian Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Meridian Disclosure Schedule.

3.10 Insurance. Meridian maintains, with respect to the Meridian Assets and the Meridian Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Meridian Disclosure Schedule.

3.11 Tax Matters.

(a) Except as set forth in Section 3.11(a) of the Meridian Disclosure Schedule, Meridian has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, except with respect to failures to file which in the aggregate would not have a Material Adverse Effect on Meridian and, to Meridian's knowledge, has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Meridian Financial Statements. The Tax Returns of Meridian have, to Meridian's knowledge, been prepared in all Material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Meridian is required by law to withhold and collect have, to Meridian's knowledge, been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Meridian has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect

of any Tax liabilities of Meridian for the fiscal years prior to and including the most recent fiscal year. Except as set forth in Section 3.11(a) of the Meridian Disclosure Schedule, adequate provision has, to Meridian's knowledge, been made on the most recent balance sheet forming part of Meridian Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Meridian's knowledge, no past transactions or matters which could result in additional Taxes of a Material nature to Meridian for which an adequate reserve has not been provided on such balance sheet. Meridian is not a "consenting corporation" within the meaning of Section 341(f) of the Code. Meridian has since January 1, 1989 (i) at all times been taxable as a Subchapter S corporation under the Code, and (ii) never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the Meridian Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of Meridian for each of the most recent five tax years (true and complete copies of which have been furnished by Meridian to ATS to the extent requested in writing by ATS) is, to Meridian's knowledge, true, accurate and complete in all Material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Meridian have not been examined by the IRS or applicable state Authority, and Meridian has not been notified of any proposed examination, except as shown in Section 3.11(b) of the Meridian Disclosure Schedule.

(c) Meridian is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974.

(a) Meridian (which for purposes of this Section shall include any ERISA Affiliate) has not been and has not made at any time since its organization any contribution to any Plans and has not sponsored any Plan or Benefit Arrangement except as set forth in Section 3.12(a) of the Meridian Disclosure Schedule. As to all Plans and Benefit Arrangements listed in Section 3.12(a) of the Meridian Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation with all Applicable Laws in all Material respects, and Meridian has not received any notice from any Authority questioning or challenging such compliance;

(ii) all such Plans maintained or previously maintained by Meridian that are or were intended to comply with Sections 401 and 501 of the Code comply and complied in form and in operation with all applicable requirements of such sections, and no event has occurred which will or could give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any such Plan and Meridian has not otherwise engaged in any prohibited transaction;

(v) there have been no acts or omissions by Meridian which have given rise to or may give rise to any material fines, penalties, taxes or related charges under Sections 502(c), 502(i) or 4071 or ERISA or Chapter 43 of the Code for which Meridian may be liable;

(vi) there are no Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders) pending or threatened involving such Plans or the assets of such Plans, and, to Meridian's knowledge, no facts exist which could give rise to any such Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders);

(vii) no such Plan is subject to Title IV of ERISA, or, if subject, there have been no "reportable events" (as described in Section 4043 of ERISA), and no steps have been taken to terminate any such Plan;

(viii) all group health Plans of Meridian have been operated in compliance in all Material respects with the group health plan continuation coverage requirements of COBRA;

(ix) actuarially adequate accruals for all obligations under the Plans are reflected in the most recent balance sheet forming part of the Meridian Financial Statements and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the Plan years which include the Closing Date;

(x) neither Meridian nor any of its respective directors, officers, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject Meridian or any of its respective directors, officers or employees to Material liability under ERISA or any similar Applicable Law;

(xi) no such Plan which is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code had an accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied, nor would have had an accumulated funding deficiency on such date if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied;

(xii) no Material liability to the PBGC has been or is expected by Meridian to be in curred by Meridian with respect to any Plan, and there has been no event or condition which presents a material risk of termination of any Plan by the PBGC;

(xiii) Meridian is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(xiv) except as set forth in Section 3.12(a)(xiv) of the Meridian Disclosure Schedule (which entry, if applicable, shall indicate the present value of accumulated plan liabilities calculated in a manner consistent with FAS 106 and actual annual expense for such benefits for each of the last two (2) years) and pursuant to the provisions of COBRA, Meridian does not maintain any Plan that provides benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of Meridian; and

(xv) Meridian has made available to ATS a copy of the two most recently filed Federal Form 5500 series and accountant's opinion, if applicable, for each Plan (and the two most recent actuarial valuation reports for each Plan, if any, that is subject to Title IV of ERISA), and all information provided by Meridian to any actuary in connection with the preparation of any such actuarial valuation report was true, accurate and complete in all material respects.

(b) The execution, delivery and performance by Meridian of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

3.13 Absence of Sensitive Payments. Neither Meridian nor, to Meridian's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the Meridian Assets or the Meridian Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. Meridian is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the Meridian Disclosure Schedule contains a true, accurate and complete list of all Meridian employees involved in the ownership or operation of the Meridian Assets or the conduct of the Meridian Business (the "Meridian Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. Meridian has no obligation or liability, contingent or other, under any Employment Arrangement with any Meridian Employee, other than those listed or described in Section 3.15 of the Meridian Disclosure Schedule. Except as described in Section 3.15 of the Meridian Disclosure Schedule, (i) none of the Meridian Employees is now, or, to Meridian's knowledge, since January 1, 1993, has been, represented by any labor union or other employee collective bargaining organization, and Meridian is not, and has never been, a party to any labor or other collective bargaining agreement with respect to any of the Meridian Employees, (ii) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work

stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, and (iii) neither Meridian nor any of such employees is now, or, to Meridian's knowledge, has since January 1, 1993 been, subject to or involved in or, to Meridian's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the Meridian Employees. Meridian has performed in all Material respects all obligations required to be performed under all Employment Arrangements and is not in Material breach or violation of or in Material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the Meridian Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Meridian Assets or the conduct of the business of the Meridian Business or to which Meridian is a party or to which it is bound or which any of the Meridian Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by Meridian to ATS and Meridian has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.16 of the Meridian Disclosure Schedule, with respect to Material Agreements comprised of site leases and site licenses granted by Meridian to third parties and with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Meridian and, to Meridian's knowledge, all other parties thereto, 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. Meridian has duly complied with all of the Material terms and conditions of each such Material Agreement (including without limitation with respect to site user agreements which are Material Agreements) and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Meridian, Claim threatened in writing that Meridian has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Meridian under any of such Material Agreements in any Material respect, except to the extent set forth in Section 3.16 of the Meridian Disclosure Schedule or with respect to the New Sites.

3.17 Ordinary Course of Business. Meridian, from November 30, 1996 to the date hereof, except (i) as may be described on Section 3.17 of the Meridian Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the Meridian Assets and the Meridian Business:

(a) has operated its business in all Material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice, except with respect to the New Sites;

(b) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000, other than in the ordinary course of business;

(c) except in each case in the ordinary course of business (including without limitation with respect to site user agreements), consistent with prior practice or with respect to the New Sites:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(ii) has not entered into any individual commitment having a value in excess of $20,000; and

(iii) has not canceled any Material debts or claims;

(d) has not discharged or satisfied any Lien, other than a Permitted Lien, and has not paid any obligation or liability (absolute or contingent) other than current liabilities or obligations under contracts then existing or thereafter entered into in the ordinary course of business (including without limitation site user agreements) and commitments under Leases existing on that date or incurred since that date in the ordinary course of business or repaying or prepaying Long-Term Indebtedness or the current portion thereof, except with respect to the New Sites;

(e) has not created or permitted to be created any Lien on any of its tangible property other than Permitted Liens;

(f) has not made or committed to make any Material additions to its property or any purchases of equipment, except (i) in the ordinary course of business consistent with past practice or for normal maintenance and replacements or (ii) with respect to the New Sites;

(g) except as described in Section 3.17(h) of the Meridian Disclosure Schedule, has not increased the compensation payable or to become payable to any of the Meridian Employees other than in the ordinary course of business or otherwise Materially altered, modified or changed the terms of their employment;

(h) has not suffered any Material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(i) has not waived any rights of Material value without fair and adequate consideration;

(j) has not experienced any work stoppage;

(k) except in the ordinary course of business (including without limitation site user agreements), or with respect to the New Sites, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Meridian, except for Meridian Nonassumed Obligations; and

(l) has not entered into any other transaction or series of related transactions which individually or in the aggregate is Material to the Meridian Assets or the Meridian Business except in the ordinary course of business or with respect to the New Sites.

3.18 Material and Adverse Restrictions. To Meridian's current actual knowledge, none of the telecommunication towers owned or operated by Meridian, during the year ended December 31, 1996, incurred costs in connection with such site in excess of revenues or other benefits attributable to such site, except as specifically set forth in Section 3.18 of the Meridian Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Meridian.

3.20 Solvency. As of the execution and delivery of this Agreement, Meridian is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the Meridian Disclosure Schedule and except with respect to the New Sites, with respect to the Meridian Assets, Meridian:

(a) to the knowledge of Meridian, has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any final order issued pursuant to any Environmental Law;

(d) is, to the knowledge of Meridian, in substantial compliance in all Material respects with all Environmental Laws, has, to Meridian's knowledge, obtained all Environmental Permits required under Environmental Laws, and is not the subject of or, to Meridian's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to Material violations or Material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the Meridian Business or the Meridian Assets which Event, individually or in the aggregate, will interfere with or prevent continued Material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any Material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Meridian as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have not Material Adverse Effect on Meridian, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

4.5 Physical Assets "AS IS". ATS acknowledges and agrees as follows:

ALL BUILDINGS, STRUCTURES, TRANSMITTING AND COMMUNICATION TOWERS, EQUIPMENT, LEASEHOLD IMPROVEMENTS, PHYSICAL ASSETS AND OTHER PERSONAL PROPERTY (AS DEFINED IN THIS AGREEMENT) PURCHASED BY ATS HEREUNDER IS BEING PURCHASED "AS IS", "WHERE IS", AND "WITH ALL FAULTS". BY ITS EXECUTION OF THIS AGREEMENT, ATS ACKNOWLEDGES AND AGREES THAT, MERIDIAN MAKES NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) AS TO THE WORKING ORDER OR PHYSICAL CONDITION OF ANY SUCH PERSONAL PROPERTY, EXCEPT AS PROVIDED IN THE LAST SENTENCE OF SECTION 3.5(b).

Nothing contained in this Section shall be construed as a limitation on Meridian's obligations pursuant to Section 5.6(a).

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Meridian shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Meridian's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Meridian Assets and the Meridian Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an Adverse Effect on the Meridian Assets or the Meridian Business or the businesses, operations, properties, prospects, personnel, condition, (financial or other), or results of operations thereof, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed and

controlled by Meridian or its accountants deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the business of the Meridian Business and certifying financial statements and financial information, and (iii) such other information in the possession and control of Meridian or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Meridian shall not be required to permit any such access to the extent same would unreasonably interfere with Meridian's normal business operations. All non-public information relating to the Meridian Assets or the Meridian Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, or, in the case of Meridian, with respect to the covenant hereinafter set forth, whether or not so furnished, will be kept confidential and shall not, (x) prior to the Closing, without the prior written consent of Meridian, or (y) from and after the Closing, without the prior written consent of ATS, be disclosed by ATS or Meridian, as the case may be, in any manner whatsoever, in whole or in part, and shall not be used by ATS prior to the Closing for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Meridian or, from and after the Closing by Meridian or any of its Representatives, to the detriment of ATS. Prior to the Closing, ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such the information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, Meridian shall not, without the prior written consent of ATS, disclose any information remaining in its possession with respect to the Meridian Assets or the Meridian Business or to which it may have access in accordance with the provisions of the following paragraph, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law, except as otherwise provided in the following paragraph.

All books and records to which Meridian is entitled to access pursuant to the provisions of this Agreement shall be retained by ATS at is offices in the Los Angeles area for a period of at least five (5) years from the Closing Date. ATS shall permit Meridian to photocopy such books and records to the extent reasonably required for the permissible purposes described in the definition of Assets. In the event of any conflict between the provisions of this paragraph and the provisions of any noncompetition or confidentiality agreement executed by Meridian or any of its principals, the provisions of this paragraph shall be controlling.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Meridian, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for such party and may be used only in the event of any Legal Action or other Claim arising in connection with the subject matter of this Agreement or the termination of this Agreement.

(c) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto, except as set forth in Section 8.3(e).

5.2 Agreement to Cooperate.

(a) Subject to the provisions of Section 9.16, each of the parties hereto shall use reasonable business efforts promptly (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), without payment of consideration to the other party, (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the Meridian Assets and conduct the Meridian Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party, without the payment of any amounts, except to the extent otherwise required by the provisions of this Agreement.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Meridian shall cooperate and use its reasonable business efforts to (i) prepare balance sheets and statements of income (loss) and cash flow for eleven month period ended November 30, 1996 and thereafter on a monthly basis until the month preceding the Closing in accordance with GAAP subject only to such exceptions for periods ending on or before December 31, 1996 as are set forth in Section 3.2 of the Meridian Disclosure Schedule, and (ii) cause its independent accountants to reasonably cooperate with ATS, and at ATS's expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Meridian Business described in Section 6.2(g). Without limiting the generality of the foregoing, Meridian agrees that after the Closing Date it will (x) consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under the Securities Act or the Exchange Act to the extent required by Applicable Law or any underwriter in an

underwritten public offering, and (y) execute and deliver, and cause its directors and officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS's independent accountants may reasonably request under the circumstances; provided, however, that as a condition precedent to the use of such audited financial statements by any Affiliate of ATS, such Affiliate shall execute an indemnification agreement, in form and content reasonably acceptable to Meridian's counsel, pursuant to which such Affiliate agrees to indemnify Meridian and related parties from liability arising from the use of such statements on the same terms and subject to the same conditions as ATS so agrees in Section 8.2(e)(ii) of this Agreement.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, Meridian and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Meridian and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement.

5.4 Notification of Certain Matters. Meridian and ATS shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Meridian Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. Meridian shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Meridian is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Meridian Assets or the Meridian Business. If Meridian or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect,

Meridian shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction. ATS acknowledges that prior to the date of this Agreement, Meridian engaged in discussion with certain other parties relating to the possibility of acquiring the Meridian Assets and the Meridian Business.

5.6 Conduct of Business by Meridian Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Meridian shall, to the extent relating to the Meridian Business or the Meridian Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Meridian Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report Material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Meridian Business in conformity in all Material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Meridian Assets or the Meridian Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Meridian Business;

(f) not (i) dispose of any of the Meridian Assets owned by Meridian or used in the operation of the Meridian Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Meridian Business) or (ii) modify or change in any Material respect, or enter into, any Material Agreement relating to the Meridian Business (other than site user agreements); and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the Meridian Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Meridian which, pursuant to Sections 5.1(a) through (g), requires the prior approval of ATS, ATS shall be deemed to have approved same unless written notice of disapproval is received by Meridian within five (5) business days after receipt by Meridian of a written request for approval made by Meridian.

5.7 Preliminary Title Reports. Prior to the execution of this Agreement, Meridian has, at its sole cost and expense, delivered or caused to be delivered to ATS a standard preliminary title report dated as of a recent date issued by one or more title companies authorized to do business in the State of California (the "Title Company") with respect to those Meridian Assets comprised of the parcels of real property described in Section 5.7 of the Meridian Disclosure Schedule (the "Insured Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional title matters, are referred to herein as the "Title Reports". Section 5.7 of the Meridian Disclosure Schedule sets forth a description of those matters, if any, shown in the Title Reports as to which ATS has objected and which Meridian has agreed to remedy prior to or, with the written approval of ATS, subsequent to the Closing Date (the "Disapproved Title Matters", which term shall include any matters added thereto pursuant to the provisions of the last sentence of this Section). All matters disclosed by the Title Reports (as of the date hereof) which are not reflected on Section 5.7 of the Meridian Disclosure Schedule have heretofore been approved by ATS. If, at any time following the date hereof, Meridian or the Title Company notifies ATS of any additional matter affecting title to the Insured Real Property, the parties shall negotiate in good faith in an effort to resolve such matters and, in the event that are not able to reach such agreement within thirty (30) days of the date ATS has received written notification thereof, either party may terminate this Agreement with the effect set forth in Section 7.2.

5.8 Environmental Site Assessments. Prior to the execution of this Agreement, ATS has, at its sole cost and expense, delivered or caused to be delivered to Meridian a Phase I environmental assessment report dated as of a recent date issued by Aquaterra Environmental Services Corp.(the "Environmental Company") with respect to those Meridian Assets comprised of the parcels of real property described in Section 5.8 of the Meridian Disclosure Schedule (the "Environmental Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional environmental matters, are referred to herein as the "Environmental Reports". Section 5.8 of the Meridian Disclosure Schedule sets forth a description of those matters, if any, shown in the Environmental Reports as to which ATS has objected and which Meridian has agreed to remedy prior to or, with the written approval of ATS, subsequent to the Closing Date (the "Disapproved Environmental Matters" which term shall include any matters added thereto pursuant to the provisions of the last sentence of this Section). All matters disclosed by the Environmental Reports (as of the date hereof) which are not reflected on Section 5.8 of the Meridian Disclosure Schedule have heretofore been approved by ATS. If, at any time following the date hereof, Meridian or the Environmental Company notifies ATS of any additional matter affecting the environmental status of the Environmental Real Property, the parties shall negotiate in good faith in an effort to resolve such matters and, in the event that are not able to reach such agreement within thirty (30) days of the date ATS has received written notification thereof, either party may terminate this Agreement with the effect set forth in Section 7.2.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party to Effect the Transactions. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Meridian with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 6.1(a) of the Meridian Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of each of the parties, have a Material Adverse Effect on the Meridian Assets and the Meridian Business;

(b) The transactions contemplated by the Other Agreements shall have been consummated prior to or simultaneously with the consummation of the Transactions; and

(c) The parties shall have entered into an escrow agreement in customary form, reasonably satisfactory to the parties with an escrow agent reasonably acceptable to the parties, pursuant to which, among other things, Meridian shall have delivered deeds in customary form with respect to all of the real property to be conveyed to ATS as part of the Meridian Assets, and ATS will have deposited the portion of the purchase price attributable to such real property, the parties, to the extent required by Section 9.3, shall have deposited an amount sufficient to pay all recording fees and transfer taxes, and other fees and expenses which must be paid as a condition of consummation of the transactions contemplated by this Agreement.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) Meridian shall have furnished ATS and, at ATS's request, any bank or other financial institution providing credit to ATS, with an opinion, dated the Closing Date of Levinson, Miller, Jacobs & Phillips, counsel for Meridian, reasonably acceptable to ATS,

with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(a)(i) and (ii), and 3.14 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations, warranties, covenants and agreements of Meridian contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all Material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Meridian or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by Meridian hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all Material respects; and Meridian shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 6.2(d) of the Meridian Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Meridian Assets and the Meridian Business (including without limitation all Private Authorizations, Leases and Material Agreements of Meridian and, at the cost and expense of Meridian, all modifications of Leases and other Contractual Obligations heretofore requested by ATS and set forth in Section 6.2(d) of the Meridian Disclosure Schedule) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could Adversely Affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any Material Adverse Change in Meridian from that reflected in the most recent Meridian Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business shall not have been Materially and Adversely Affected by any act, or failure to act, of Meridian;

(f) Meridian shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Meridian to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from Meridian such documentation as shall reasonably enable ATS's independent accountants to advise ATS in writing that they could issue an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets and statements of operations and cash flow required by Rule 3.05(b)(2) of Regulation S-X) of the Meridian Assets and the Meridian Business, and that such financial statements can be prepared in conformity with GAAP and Regulation S-X under the Securities Act;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Meridian Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any Materially Adverse conditions in connection with, the consummation of the Transactions, or which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a Material Adverse Effect on the Meridian Assets and the Meridian Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) All Disapproved Environmental Matters shall have been cured or arrangement shall have been made to cure, in each case, in a manner reasonably satisfactory to ATS;

(j) E. J. Reichler ("Reichler"), the chief executive officer and trustee for the principal shareholder of Meridian, shall have executed and delivered to ATS an agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Reichler Noncompetition Agreement");

(k) Meridian and Reichler shall have executed and delivered to ATS and the escrow agent named therein (the "Indemnity Escrow Agent") an escrow agreement (the "Indemnity Escrow Agreement") substantially in the form of Exhibit B attached hereto and made a part hereof;

(l) All Disapproved Title Matters shall have been cured or arrangements shall have been made to cure, in each case, in a manner reasonably satisfactory to ATS, and ATS shall have received standard CLTA title insurance policies insuring ATS' fee interests in all Insured Real Property, subject only to Approved Title Conditions;

(m) Meridian shall have delivered to ATS, or ATS shall have otherwise received, all use permits, consents or other Governmental Authorizations of and Leases from the United States Forest Service set forth in Section 6.2(m) of the Meridian Disclosure Schedule;

(n) Meridian shall have an assignment, in form, scope and substance reasonably satisfactory to ATS, from the holder or holders of all interests in the sites identified in Section 6.2(n) of the Meridian Disclosure Schedule of such holder's or holders' interests in al such sites;

(o) Meridian shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) Meridian will hold (but with no obligation to perform services thereunder), for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse Meridian for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Meridian with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by Meridian pursuant thereto other than those relating to the bad faith or willful misconduct of Meridian or its officers, directors, stockholders or employees; and

(p) To the extent that the representations and warranties of Meridian specifically exclude a reference to the New Sites, ATS shall have determined, in its reasonable business judgment, that representations and warranties to the extent not so made would be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made with respect to the New Sites as of the Closing Date.

6.3 Conditions to Obligations of Meridian. The obligation of Meridian to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Meridian and its counsel, and Meridian and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) ATS shall have furnished Meridian and, at ATS's request, any bank of other financial institution providing credit to Meridian, with an opinion, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, reasonably acceptable to Meridian, with respect to matters set forth in Sections 4.1(a), (b) and (c) and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Meridian or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations, warranties, covenants and agreements of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all Material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Meridian or ATS, except as

otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all Material respects; and ATS shall have furnished Meridian with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Meridian or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Meridian all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Meridian at or prior to the Closing pursuant to the terms of this Agreement;

(e) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any Materially Adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(f) ATS shall have executed and delivered to Meridian and E.J. Reichler and the Indemnity Escrow Agent a counterpart of the Indemnity Escrow Agreement substantially in the form of Exhibit C attached hereto and made a part hereof;

(g) ATS shall have executed and delivered to Meridian an agreement (the "Meridian License Agreement"), reasonably satisfactory to Meridian, pursuant to which ATS will grant to Meridian (and its successors and assigns) a non-exclusive three-year royalty-free license to use, throughout Southern California, the name "Meridian Communications" with respect to Meridian's radio repeater service business; provided, however, that such agreement shall continue only so long as Reichler, members of his family or trusts for the benefit of same are actively involved in such business and own equity interests in proportions not less than those they currently hold in Meridian;

(h) ATS shall have executed and delivered to Meridian site user agreements for Meridian's radio repeater service business and specialized mobile radio business, containing the terms and conditions described in Section 6.3(h) of the Meridian Disclosure Schedules; and

(i) ATS shall have executed and delivered to Meridian the Nonassumable Contracts Agreement, in form, scope and substance reasonably satisfactory to Meridian.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement shall terminate if the Closing does not occur on or prior to the Termination Date and may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Meridian and ATS;

(b) by either ATS or Meridian if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Meridian in the event (i) Meridian is not in Material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any Material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date and ATS is in Material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any Material respect, or (B) such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in Material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any Material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date and Meridian is in Material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any Material respect, or (B) such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 6.2(i) or 6.2(l); or.

(f) by either party pursuant to the provisions of Section 9.16.

The term "Termination Date" shall mean June 30, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Meridian to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1, 5.3 and 9.3 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Transactions shall not have

been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Meridian pursuant to the provisions of Section 7.1(c) or by ATS pursuant to the provisions of Section 7.1(d), the terminating party shall be entitled to damages as follows and in no other circumstances other than fraud:

(i) in the event that any misrepresentation that was made was not a willful misrepresentation at the time it was made, or any breach of any warranty, covenant or agreement set forth in this Agreement was not a willful breach, on the part of the non-terminating party, then the terminating party shall be entitled to recover only its reasonable out-of-pocket fees and expenses not to exceed in the aggregate $167,500; and

(ii) in the event that any misrepresentations that was made was a willful misrepresentation at the time it was made, or the breach of any warranty, covenant or agreement was a willful breach, on the part of the non-terminating party, then the terminating party shall be entitled to recover the actual amount of its damages, including without limitation consequential damages and reasonable out-of-pocket fees and expenses, in an amount not to exceed the amount of the Indemnity Escrow Fund.

Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Sections 5.7, 5.8, 7.1(a), 7.1(b), 7.1(e) or 7.1(f), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations, warranties, covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document (including without limitation the indemnification obligations set forth in this Article) shall, except as provided in Section 8.3(e), survive the Closing and shall remain operative and in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto, for a period of two (2) years after the Closing Date (the "Indemnity Period"); provided, however, that notwithstanding the foregoing (a) the representations and warranties referred to in (i) Section 3.21 shall survive for a period of four (4) years after the Closing Date, and (ii) Sections 3.1 (to the extent they relate to due organization, valid existence and good standing of Meridian, corporate power and corporate authority of Meridian, the due execution, delivery and performance by

Meridian of this Agreement and each Collateral Document, and the legal, valid, binding and enforceable nature of this Agreement and each Collateral Document on Meridian), 3.12, and 4.1 (to the extent they related to due organization, valid existence and good standing of ATS, corporate power and corporate authority of ATS, the due execution, delivery and performance by ATS of this Agreement and each Collateral Document, and the legal, valid, binding and enforceable nature of this Agreement and each Collateral Document of ATS) shall survive for the applicable statute of limitations, (b) those covenants and agreements set forth in Sections 5.1, 5.2(b) and 5.2(c) and Article 9 shall survive for the statute of limitations applicable to contracts, (c) the indemnification obligations of ATS set forth in Section 8.2(c), to the extent same relate to New Site Assumed Obligations or to obligations and liabilities under ATS Assumable Agreements applicable to periods from and after the Closing Date, shall survive until all liabilities and obligations which are the subject thereof have been paid or discharged in full, and (d) the indemnification obligations of ATS referred to in Section 8.2(e) shall survive until all liabilities and obligations which are the subject thereof have been paid or discharged in full. No claim for indemnification, other than with respect to fraud, may be asserted after the expiration of the Indemnity Period, except as provided in this Section and Section 8.3(d). Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

8.2 Indemnification.

(a) Each of Meridian and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(i) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document (including without limitation any Legal Action or other Claim by any third party which Claim is based upon a breach or alleged breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document); or

(ii) in the case of Meridian as the indemnifying party, the failure of Meridian to comply with Bulk Sales law of the State of California.

(b) Meridian agrees that from and after the Closing it shall indemnify and hold harmless ATS and each of its officers, directors, stockholders, and any of their respective heirs, executors, representatives, successors and assigns, from and against any and all Loss and Expense suffered, directly or indirectly, by any of them by reason of, or arising out of, including without limitation any Legal Action or other Claim that relates to Meridian Nonassumed Obligations or the ownership and

operation of the Meridian Assets and the Meridian Business prior to the Closing Date; provided, that the foregoing obligation shall not extend to any Claim, Legal Action, Loss or Expense from or relating to (i) the condition of physical assets which, pursuant to the provisions of Section 4.5, are being sold hereunder on an "AS IS" basis, (ii) Events, Contracts, transactions, acts, omissions, agreements, matters or things the existence or nonexistence of which is disclosed with reasonable specificity in the Meridian Disclosure Schedule or in the documents reference therein (to the extent copies thereof have been furnished to ATS), except to the extent, if at all, Section 8.2(b) of the Meridian Disclosure Schedule specifically indicates to the contrary, (iii) Environmental Law or environmental matters, except to the extent Meridian is in breach of the representations and warranties set forth in Section 3.21 with respect thereto, or (iv) matters of a type described in Section 8.2(d).

(c) ATS agrees that from and after the Closing it shall indemnify and hold harmless Meridian and each of its officers, directors, stockholders, and any of their respective heirs, executors, trustees, beneficiaries, representatives, successors and assigns (collectively, the "Meridian Indemnified Parties"), from and against any and all Loss and Expense suffered, directly of indirectly, by any of them by reason of, or arising out of, including without limitation any Legal Action or other Claim that relates to, (i) Meridian Assumed Obligations or (ii) the ownership and operation of the Meridian Assets and the Meridian Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the Meridian Assumed Obligations or are within the provisions of Section 8.2(d).

(d) Notwithstanding any provision of this Agreement to the contrary, ATS agrees that from and after the Closing it shall indemnify and hold harmless Meridian and each of the other Meridian Indemnified Parties, from and against any Legal Action or other Claim arising from damage or injury to person or property (including wrongful death) based upon, involving or arising out of the ownership or operation (whether prior to or after the Closing Date) of the Meridian Assets and the Meridian Business; provided, however, that nothing contained in this Section is intended to relieve Meridian of its obligations set forth in Section 8.2(a).

(e) ATS agrees that from and after the Closing, it shall indemnify and hold harmless Meridian and each of the other Meridian Indemnified Parties, from and against the following:

(i) Such matters as are the subject of ATS's indemnification obligations under the Nonassignable Contracts Agreement described in Section 6.2(o); and

(ii) All Loss and Expense suffered, directly or indirectly, by any of them by reason of, or arising out of, the use by ATS of audited financial statements relating to the Meridian Business as described in Section 5.2(c); provided, however, that notwithstanding the foregoing, to the extent (A) such Loss and Expense is attributable to a breach of warranty and a misrepresentation from those contained in Section 3.2 of this Agreement and (B) at the time ATS is obligated to make indemnification under this subparagraph (ii) or any ATS Affiliate is so obligated pursuant to the provision of any agreement executed pursuant to the provisions of Section 5.2(c) there are Escrow Indemnity Funds to cover all or part of such obligation, then ATS may utilize such Escrow Indemnity Funds to discharge that portion of

its or such Affiliate's obligation as is commensurate with the amount of Escrow Indemnity Funds so available.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnifying party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $100,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $100,000), and (ii) in no event shall the aggregate amount required to be paid pursuant to the provisions of this Article exceed the Escrow Indemnity Fund in the case of Meridian or $2,155,946 in the case of ATS' obligations under Sections 8.2(a) and 8.2(c); provided, that ATS's obligation to indemnify Meridian or other Persons from (x) New Site Assumed Obligations, (y) liabilities or obligations arising after the Closing Date pursuant to ATS Assumable Agreements, or (z) liabilities or obligations referred to in Section 8.2(e), shall be subject to no maximum dollar limitation.

(b) Anything in this Agreement, including without limitation the provisions of Sections 8.2 or 8.3(a), to the contrary notwithstanding, except as provided in Sections 8.3(d) and 8.6, (i) the exclusive recourse of ATS with respect to the liability of Meridian pursuant to Section 8.2 or any other provision of this Agreement or Applicable Law which requires Meridian to defend, indemnify or hold harmless ATS from or against any Claim, Loss or Expense shall be the Escrow Indemnity Fund; and (ii) ATS's remedies for any such liability of Meridian, or for any Claim or Loss or Expense arising under this Agreement, shall be limited to its right to recover from the Escrow Indemnity Funds in accordance with the provisions of the Escrow Indemnity Agreement, and neither ATS nor any of its officers, directors, shareholders, agents or Affiliated Entities shall have any right of recovery against Meridian or any other Meridian Indemnified Party or against the assets of any of them for any such liability.

(c) In the event there shall be no Claims pursuant to the provisions of this Agreement with respect to the Escrow Indemnity Funds, if any, existing at the expiration of the Indemnity Period, the Escrow Indemnity Funds then remaining (together with any then existing interest or earnings) shall be distributed to the Persons entitled thereto. In the event one or more such Claims with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of the Indemnity Period, funds in an amount equal to the sum of (i) the aggregate amount of such Claims and (ii) the amount reasonably necessary to cover the fees, expense and other costs (including reasonable counsel fees and expenses) which will be required to resolve such Claims shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to the Persons entitled thereto. Upon the resolution of all such Claims and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the remainder of the Escrow Indemnity Funds, if any, shall be distributed to the Persons entitled thereto.

(d) If, following the expiration of the Indemnity Period and the distribution to Meridian or any other Person claiming by, through or in the name of Meridian of any remaining Escrow Indemnity Funds, ATS becomes entitled to indemnification for Loss and Expense suffered by ATS

arising from (i) any misrepresentation or breach of warranty with respect to the matters referred to in clause (a) of the proviso or (ii) any breach of the covenants and agreements referred to in clause (b) of the proviso, in each case in the first sentence of Section 8.1, then, subject to the limitation periods stated in such proviso, ATS may pursue its Claim for such indemnification directly against Meridian, its successors and assigns and Reichler; provided, however, that the maximum amount of liability in the aggregate of Meridian (and such successors and assigns and Reichler) for any and all such Claims shall be the amount of Escrow Indemnity Funds that were distributed to Meridian or any other Person (other than a claimant whose Claim is alleged by ATS to be subject to satisfaction from the Indemnity Escrow Fund) claiming by, through or in the name of Meridian (including without limitation Reichler or Meridian's or his successors, assigns, trustees, beneficiaries, representatives, heirs or executors) upon the expiration of the Indemnity Period or thereafter.

(e) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto. No indemnifying party shall be liable under this Article for a loss resulting from any event relating to a misrepresentation or breach of warranty if the indemnifying party can establish that the indemnified party had actual knowledge on or before the Closing Date of such event and did not, on or before the Closing Date, reserve its rights with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has
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suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the
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right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party; provided, however, that if the indemnified party fails or refuses to consent in writing to any compromise of settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") within ten

(10) business days after receipt of written notice of all of the material terms and conditions of the Settlement Proposal, and such terms and conditions (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership and operations of the Meridian Assets and the conduct of the Meridian Business in substantially the manner theretofore owned, operated and conducted by Meridian, then, unless the indemnifying party forthwith withdraws the Settlement Proposal, the indemnified party (i) shall have the right but not the obligation to undertake the conduct of the defense of such Legal Action or other Claim, and (ii) whether or not it shall so undertake the defense of such Legal Action or other Claim, shall bear, and shall indemnify and hold the indemnifying party harmless from, all Loss and Expense arising from such Legal Action or other Claim (to the extent not theretofore (x) accrued with respect to the costs and expenses of the defense of such Legal Action or other Claim or (y) paid with respect to such Legal Action or other Claim) in excess of the amount contained in the Settlement Proposal, it being understood, in such event, that the indemnifying party shall bear all Loss and Expense, including subsequently incurred Loss and Expense (including without limitation those attributable to legal fees and expenses) up to the amount contained in the Settlement Proposal, even if the ultimate disposition of such Legal Action or other Claim results in payments to the claimant of less than those contained in the Settlement Proposal.

8.6 Exclusive Remedy. Except for fraud or willful or intentional breach of representation or warranty or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or Meridian may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All California and other sales and/or use Taxes, documentary or governmental transfer Taxes, recording fees, or other comparable charges levied by any Authority in connection with the purchase and sale of the Meridian Assets and the Meridian Business contemplated hereby, and all Hart-Scott-Rodino filing fees, shall be borne equally by

Meridian and ATS. All title insurance costs and expenses shall be borne by Meridian and all Environmental Report costs and expenses shall be borne by ATS, except that in the event this Agreement is terminated pursuant to the provisions of Section 5.8, all such Environmental Report costs and expenses shall be borne by Meridian. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, and in compliance with Applicable Law and Contractual Obligations as a consequence hereof and thereof, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto shall be borne solely and entirely by the party which has incurred such costs and expenses (with respect to such party, its "Expenses").

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

6400 North Congress Avenue, Suite 1750
Boca Raton, Florida 33487
Attention: Chief Executive Officer and
Chief Financial Officer
Telecopier No.: (407) 998-2278

with copies to:

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph B. Winn, Chief Financial Officer
Telecopier No.: (617) 375-7575

and

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Telecopier No.: (617) 338-2880

(b) If to Meridian:

23501 Park Sorrento, Suite 213A
Calabasas, California 91302
Attention: E. J. Reichler, Chief Executive Officer
Telecopier No.: (818) 222-2857

with a copy to:

Levinson, Miller, Jacobs & Phillips
1875 Century Park East, Suite 2000
Los Angeles, California 90067-2534
Attention: Stephen I. Halper, Esq.
Telecopier No.: (310) 282-0472

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, ATS shall not be entitled to specific performance or any other remedy to the extent that the aggregate costs and expenses required to be paid by Meridian arising from the enforcement or exercise of such remedy (inclusive of reasonable attorneys fees) would exceed an amount equal to the amount of the Escrow Indemnity Fund, and after the Closing Meridian shall not be required to expend any of its funds (other than payments by the Indemnity Escrow Agent out of the Escrow Indemnity Fund (as reduced in accordance with the provisions of Section 2.3) or except as provided in Section 8.3(d)) for such purpose.

9.6 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 effect of which is to Affect Materially and Adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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.

9.10 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 any 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.

9.11 Entire Agreement; Separate Agreements. This Agreement (together with the Meridian Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated July 24, 1996, between the parties. ATS acknowledges that (i) Meridian, MRS and MCN are separate parties with differing ownership, (ii) this Agreement and the Other Agreements are separate agreements, and (iii) Meridian shall have no obligation or liability with respect to the Other Agreements or any claims made thereunder.

9.12 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of Meridian and ATS, 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.

9.15 Venue. In the event of any Legal Action between the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate municipal, state or federal court sitting in Los Angeles County, California, and the parties agree to submit to the jurisdiction of such courts.

9.16 Meridian Disclosure Schedule. Meridian will deliver to ATS, on or before February 21, 1997, the Meridian Disclosure Schedule and all other documents (including the interim financial statements constituting a part of the Meridian Financial Statements) required to be delivered by Meridian pursuant to Article 3 of this Agreement. Without limiting the generality of the foregoing, the Meridian Disclosure Schedule shall set forth Meridian's proposal with respect to which (a) authorizations, consents, waivers, orders or approvals are proposed to be a condition of Closing pursuant to the provisions of Section 6.1(a), (ii) which Private Authorizations, Leases and Material Agreements and which modifications, if any, of Leases and other Contractual Obligations are proposed to be a condition to Closing pursuant to the provisions of Section 6.2(d), and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are proposed to be a condition to Closing pursuant to the provisions of Section 6.2(m).

ATS shall have the right, for a period commencing upon its receipt of the Meridian Disclosure Schedule and each other document (other than such interim financial statements) together with a letter from Meridian indicating that such delivery constitutes a "final and complete" delivery pursuant to this Section and terminating at 11:59 p.m. on the fifteenth (15th) day following such receipt, (a) to terminate this Agreement, if the Meridian Disclosure Schedule reveals any Event of which it was unaware as of the date of this Agreement, which unknown Events, individually or in the aggregate, would have a Material Adverse Effect on Meridian, and (b) to propose to Meridian alternatives as to which (i) authorizations, consents, waivers, orders or approvals are to be a condition of Closing pursuant to the provisions of Section 6.1(a), (ii) which Private Authorizations, Leases and Material Agreements and which modifications, if any, of Leases and other Contractual Obligations are to be a condition to Closing pursuant to the provisions of Section 6.2(d), and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are to be a condition to Closing pursuant to the provisions of Section 6.2(m). ATS shall have a

further right to terminate this Agreement for a period of five (5) business days following receipt of such interim financial statements marked "final and complete" if such interim financial statements indicate that a Material Adverse Change in Meridian has occurred of which ATS was unaware of the date of this Agreement.

Anything in this Section 9.16 or elsewhere in this Agreement to the contrary notwithstanding, Meridian shall not be obligated to agree to any proposal of ATS pursuant to clause (b) of the first sentence of the preceding paragraph and neither Meridian nor ATS shall be obligated to negotiate in good faith with respect to resolving such matters and each may make a determination to terminate in its sole and absolute discretion. In the event ATS and Meridian do not agree in writing on the resolution of matters raised by any proposal made by ATS pursuant to such clause (b) on or prior to ten (10) business days of receipt by Meridian of any such proposal of ATS (the "Interim Period") either party may, on or prior to ten (10) business days (the "Termination Period"), following the expiration of the Interim Period, terminate this Agreement. In the event neither party shall have so terminated this Agreement on or prior to the expiration of the Termination Period, or, in the event ATS makes no proposal pursuant to clause (b) of the preceding paragraph, this Agreement shall continue in full force and effect and the original proposal of Meridian (as set forth in the Meridian Disclosure Schedule) shall control for purposes of determining the conditions of Closing set forth in Section 6.1(a), 6.2(d) and 6.2(m).

IN WITNESS WHEREOF, ATS and Meridian have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name:
Title:

Meridian Sales and Services Company

By:

Name:
Title:

The undersigned, E.J. Reichler, the principal shareholder of Meridian, hereby acknowledges and agrees to be bound by the provisions of Section 8.3(d).

E. J. Reichler

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Meridian Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Meridian and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(a).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Meridian attributable to the ownership or operation of the Meridian Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Meridian's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Adverse, Adversely, when used alone or in conjunction with other terms (including without limitation "Affect," "Change" and "Effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Meridian Business, or (c) impair Meridian's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or any identifiable segment thereof, including without limitation the industries in which Meridian does business and in which it competes, shall not be deemed to constitute an Adverse Change, have an Adverse Effect or to Adversely Affect or Effect.

Additional Title Matter shall have the meaning given to it in Section 5.7.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Meridian Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Applicable Principles shall mean (a) with respect to Meridian Financial Statements for periods ending prior to November 30, 1996, tax accounting principles and (b) with respect to Meridian Financial Statements for periods ending on or after November 30, 1996, generally accepted accounting principles.

Approved Title Conditions shall mean any one or more of the following: (a) Liens for real property taxes and assessments not then delinquent; (b) the Lien of supplemental Taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code, to the extent that such supplemental Taxes are attributable to the transactions contemplated by this Agreement; (c) matters set forth on the Title Reports other than Disapproved Title Matters; and (d) matters of title created following the date of this Agreement by or with the written consent of ATS.

Assets shall mean the business and the tangible and intangible assets owned by Meridian and used in connection with the conduct of the business or operations of the Meridian Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations, to the extent transferable;

(d) the Private Authorizations;

(e) the Contracts (other than the Meridian Nonassumed Obligations);

(f) the corporate name of Meridian and all variations thereof;

(g) all Intellectual Property and other proprietary information, which relate to the Meridian Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Meridian Business;

(h) all claims, choses in action and rights under warranties (to the extent transferable) relating to the Meridian Business or any of the Meridian Assets;

(i) all books and records relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Meridian; and

(j) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS Assumable Agreements shall have the meaning given to it in Section 2.2(b).

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person

involved in the ownership and operation of the Assets or the conduct of the business of the Meridian Business.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Escrow Agreement, the Indemnity Escrow Agreement, the Meridian License Agreement, the Nonassumable Contracts Agreement, the Reichler Noncompetition Agreement, deeds (warrantying against Meridian's acts), bills of sale, assignments of intangibles, assumption agreements with respect to the Meridian Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Meridian Assets and the Meridian Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Construction Adjustment shall have the meaning given to it in Section 2.3.

Contract, Contractual Obligation shall mean any agreement (including without limitation any Lease), arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, other than pursuant to a Governmental Authorization or Private Authorization.

Control (including the terms "controlled," "controlled by" and "under common control with") shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership,

by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Disapproved Environmental Matter shall have the meaning given to it in Section 5.8.

Disapproved Title Matter shall have the meaning given to it in Section 5.7.

Escrow Agent shall have the meaning given to it in the fourth Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the fourth Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the fourth Whereas paragraph.

Employment Arrangement shall mean, with respect to Meridian, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Meridian or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Meridian Assets or the conduct of the Meridian Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Company shall have the meaning given to it in Section 5.8.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the

Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Real Property shall have the meaning given to it in Section 5.8.

Environmental Reports shall have the meaning given to it in Section 5.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Meridian under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service (other than Leases from the United States Forest Service) and the Federal Aviation Administration, in connection with the ownership or operation of the Meridian Assets or the conduct of the Meridian Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 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.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Meridian, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agent shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Agreement shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Fund shall have the meaning given to it in Section 2.3.

Insured Real Property shall have the meaning given to it in Section 5.7.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Interim Period shall have then meaning given to it in Section 9.16.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 8.2.

Material, Materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Meridian, any Contractual Obligation (other than Governmental Authorizations) which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the Meridian Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the Meridian Business during the current fiscal year, (d) is with the United States Forest Service or any

other Authority, or (e) involves the management by Meridian of any communication tower of any other Person.

MCN shall have the meaning given to it in the fourth Whereas paragraph.

Meridian shall have the meaning given to it in the Preamble.

Meridian Assets shall have the meaning given to it in Section 2.1.

Meridian Assumed Obligations shall have the meaning given to it in Section 2.2(a).

Meridian Business shall have the meaning given them in the first Whereas paragraph.

Meridian Disclosure Schedule shall mean the Meridian Disclosure Schedule dated as of the date of this Agreement delivered by Meridian to ATS. Anything in this Agreement to the contrary notwithstanding, all matters set forth under a specific Section number of the Meridian Disclosure Schedule (or in any agreement, instrument or other document specifically referenced therein to the extent a copy thereof has been delivered to ATS) shall be deemed to have been fully disclosed and set forth under all other Sections of the Meridian Disclosure Schedule.

Meridian Employees shall have the meaning given it in the Section 3.15(a).

Meridian Financial Statements shall have the meaning given to it in Section 3.2(b).

Meridian Indemnified Parties shall have the meaning given to it in Section 8.2(d).

Meridian License Agreement shall have the meaning given to it in Section 6.3(g).

Meridian Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Meridian's current actual knowledge shall mean the actual knowledge of any Meridian director or executive officer, as such knowledge exists on the date of this Agreement and on no later date, without any duty of inquiry or investigation on the part of such director or executive officer and without any review of (i) Meridian's Contracts, Governmental Authorizations, Private Authorizations, files, books or records or (ii) public records or the files or records of any Authority.

Meridian's knowledge shall mean the actual knowledge of any Meridian director or officer, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Meridian records.

MRS shall have the meaning given to it in the fourth Whereas paragraph.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

New Sites shall have the meaning to it in Section 2.3.

New Sites Assumed Obligations shall have the meaning given to it in Section 2.2(a).

Nonassignable Contracts shall have the meaning to it in Section 2.2(a).

Nonassignable Contracts Agreement shall have the meaning to it in Section 2.2(a).

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Otay Mountain Litigation shall have the meaning given to it in Section 2.1.

Other Agreement(s) shall have the meaning given to it in the fourth Whereas paragraph, it being understood by the parties, however, that the Other Agreement which relates to MCN may be modified to reflect the acquisition by ATS of the partnership interest of Reichler in MCN rather than the assets and business of MCN and that all references in this Agreement to the Other Agreements, insofar as they relate to MCN shall be deemed to include such understanding.

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not Materially detract from the value, or Materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise Materially impair the conduct of the Meridian Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Meridian and used or useful as of the date hereof in the conduct of the business or operations of the Meridian Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date. Personal Property includes without limitation the communication towers, buildings and other fixtures and improvements located on Real Property.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or,

if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Meridian Business.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Real Property shall mean all of the fee estates, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned by Meridian as of the date hereof, in the operations of the Meridian Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Reichler shall have the meaning given to it in Section 6.2(j).

Reichler Noncompetition Agreement shall have the meaning given to it in Section 6.2(j).

Representatives shall have the meaning given to it in Section 5.1(a).

Retained Accounts Receivable shall have the meaning given to it in Section 2.4.

SEC shall mean the United States Securities and Exchange Commission, or any successor Authority.

Securities Act shall mean the Securities Act of 1933, and the rules and regulations of the SEC 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.

Settlement Proposal shall have the meaning given to it in Section 8.5.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.3.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Tax accounting principles shall have the meaning given to it in Section 3.2.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Termination Date shall have the meaning given to it in Section 7.1.

Termination Period shall have the meaning given to it in Section 9.16.

Title Company shall have the meaning given to it in Section 5.7.

Title Reports shall have the meaning given to it in Section 5.7.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Meridian Assets and the Meridian Business and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.9

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 10th day of February, 1997 by and between MERIDIAN SALES AND SERVICES COMPANY, a California corporation ("Meridian") and AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("ATS"), with reference to the following facts:

Meridian and ATS are parties to a certain Asset Purchase Agreement dated February 5, 1997 (the "Agreement") relating to the sale by Meridian to ATS of substantially all the assets of Meridian. The parties desire to amend the Agreement in the manner set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties hereby agree as follows:

1. Section 8.2(e) of the Agreement is hereby amended by replacing the final period (after the words "Funds so available") with a semicolon and adding the following:

"and (iii) all Loss and Expense incurred or suffered by any of them by reason of, or arising out of, ATS's failure, after the Closing Date, to continue the employment of any person who was employed by Meridian (other than E.J. Reichler and Richard Reichler) as of the Closing Date, for substantially the same level of compensation as is set forth with respect to such employee on Schedule 3.15 of the Meridian Disclosure Schedule and with such additional benefits as are no less favorable than those applicable to ATS's similarly situated employees. For purposes of this paragraph, ATS shall not be deemed to have failed to continue any such employment if the employee (A) is unwilling to accept employment on such terms or (B) is terminated for gross negligence, or for wilful misconduct in the conduct of ATS's affairs, or for failure or refusal to perform or observe such employee's duties and obligations following reasonable notice and an opportunity to cure, or because of disability (provided such termination is in compliance with Applicable Law and ATS's own employment policies), theft of ATS property or conviction or pleading nolo contendere to a felony or other serious crime."

2. The last sentence of the first paragraph of Section 3.5(a) of the Agreement is hereby amended to read as follows: "Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule: (i) all of such Leases are, to Meridian's knowledge, valid and subsisting and in full force and effect and (ii) neither Meridian nor, to Meridian's knowledge, any other party thereto, is in Material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease."

3. Section 3.6 of the Agreement is hereby amended by adding the following sentence thereto: "All warranties and representations set forth in this Section 3.6 are subject to such exceptions as are set forth in Section 3.6 of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

4. Section 3.7(b) of the Agreement is hereby amended by adding the following sentence thereto: "The warranties and representations set forth in this Section 3.7(b) are subject to such exceptions as are set forth in Section 3.7(b) of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

5. Section 3.16 of the Agreement is hereby amended by adding the following sentence thereto: "The warranties and representations set forth in this Section 3.16 are subject to such exceptions as are set forth in Section 3.16 of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

6. Except to the extent set forth to the contrary in this Amendment, all provisions of the Agreement remain in full force and effect.

7. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

"Meridian"	"ATS"
MERIDIAN SALES AND SERVICES COMPANY	AMERICAN TOWER SYSTEMS, INC.
By: ---------- E.J. Reichler, President	By: ----------

EXHIBIT 10.10

SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS SECOND AMENDMENT ("Amendment") is made and entered into this 24th day of June, 1997 by and between MERIDIAN SALES AND SERVICES COMPANY, a California corporation ("Meridian") and AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("ATS"), with reference to the following facts:

Meridian and ATS are parties to a certain Asset Purchase Agreement dated February 5, 1997 as amended by a First Amendment thereto dated February 10, 1997 (collectively, the "Agreement"), relating to the sale by Meridian to ATS of substantially all the assets of Meridian. The parties desire to amend the Agreement in the manner set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties hereby agree as follows:

1. Notwithstanding the provisions of Section 7.1 of the Agreement, the "Termination Date" shall mean July 3, 1997, or such other date as the parties may, from time to time, mutually agree.

2. Except to the extent set forth to the contrary in this Amendment, all provisions of the Agreement remain in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same instrument. This Amendment shall be effective upon delivery (i) to ATS's counsel, by telecopier, of an executed counterpart signed by Meridian, and (ii) to Meridian's counsel, of an executed counterpart signed by ATS.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

"Meridian"	"ATS"
MERIDIAN SALES AND SERVICES COMPANY	AMERICAN TOWER SYSTEMS, INC.
By: ---------- E.J. Reichler, President	By: ---------- James S. Eisenstein, Chief Operating Officer

EXHIBIT 10.11

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

MERIDIAN COMMUNICATIONS NORTH

Dated as of

February 5, 1997

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SCHEDULES:

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of February 5, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Meridian Communications North, a California general partnership ("Meridian").

WHEREAS, Meridian owns and leases and operates communication towers and is engaged in the business of managing communication sites for third parties (the "Meridian Business");

WHEREAS, ATS desires to purchase and Meridian desire to sell the Meridian Assets and the Meridian Business on the terms and conditions hereinafter set forth;

WHEREAS, simultaneously with the execution and delivery of this Agreement, ATS and Meridian have entered into an escrow agreement (the "Escrow Agreement") with Sullivan & Worcester LLP, counsel for ATS, and Levinson, Miller, Jacobs & Phillips, counsel for Meridian (the "Escrow Agent"), pursuant to which ATS has made a deposit of $45,000 (the "Escrow Deposit"); and

WHEREAS, ATS is or will become a party to an asset purchase agreement with each of Meridian Radio Sites ("MRS") and Meridian Sales and Service Company ("MSSC") (individually, an "Other Agreement" and collectively, the "Other Agreements"), relating to the purchase and sale of the communication towers and the business of managing communication sites for third parties of each of MRS and MSSC;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the Meridian Disclosure Schedule and each Collateral Document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. The term "either party" shall, unless the context otherwise requires, refer to Meridian and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Meridian hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the Meridian Assets and the Meridian Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Meridian Assets" shall mean all of the Assets of Meridian, including without limitation the right to use the name "Meridian" and all variations thereof, other than the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(i) all cash and cash equivalents;

(ii) all Accounts Receivable;

(iii) all FCC Licenses and equipment and other assets relating to the specialized mobile radio business of Meridian as more specifically described in Section 2(iii) of the Meridian Disclosure Schedule;

(iv) all FCC licenses and equipment and other assets relating to the repeater radio service business of Meridian as more specifically described in Section 2.1(iv) of the Meridian Disclosure Schedule;

(v) all books and records (including without limitation, if retained by Meridian, any financial records necessary or desirable to enable the condition specified in Section 6.2(g) to be satisfied) which Meridian is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of five (5) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Meridian;

(vi) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts;

(vii) the personal assets of the partners of Meridian or their principals as more specifically described in Section 2.1(vii) of the Meridian Disclosure Schedule;

(viii) any and all rights of Meridian and its partners for federal, state and local tax refunds; and

(ix) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of Meridian (collectively, the "Meridian Assumed Obligations"): (i) all of the obligations and liabilities of Meridian under the ATS Assumable Agreements, (ii) all obligations and liabilities of Meridian with respect to the ownership and operation of the Meridian Assets and the conduct of the Meridian Business, on and after the Closing Date, and (iii) all obligations and liabilities of Meridian arising from or relating to the acquisition, ownership or operation of the New Sites, if any, whether arising prior to or after the Closing Date (the "New Site Assumed Obligations"), except for such obligations and liabilities (A) that arise from grossly negligent or willful misconduct of Meridian prior to the Closing Date or (B) the existence of which is in contravention of (I) representations or warranties made by Meridian pursuant to the provisions of Article 3, (II) covenants or agreements made by Meridian pursuant to the provisions of Section 5.6, or (III) provisions of this Agreement requiring the approval of ATS; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the Meridian obligation and liabilities referred to in Section 2.2(b) (the "Meridian Nonassumed Obligations"); provided further, however, that, notwithstanding the preceding proviso or Section 2.2(b), the term "Meridian Nonassumed Obligations" shall not include, and the term "Meridian Assumed Obligations" shall include, any liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(a) of the Meridian Disclosure Schedule) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Meridian in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Meridian to obtain the approval or consent of an Authority or a third party whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or elects to receive the benefits of such Nonassumable Contract, in either of which events, if the approval or consent of an Authority or a third party applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS's obligations at Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of the third party is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, the rights and obligations of the parties shall be as follows unless otherwise agreed by Meridian and ATS in writing: (1) if obtaining such approval or consent was a condition to ATS's obligations at the Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), this Agreement shall terminate in the manner described in Section 7.2(a); and (2) if obtaining such approval or consent was not such a condition to ATS's obligations, the purchase and sale contemplated hereunder shall proceed in accordance with all the terms of this Agreement, except that the Nonassignable Contract shall no longer constitute part of the "Meridian Assets" and Meridian shall retain all benefits and liabilities thereunder.

(b) Except for the Meridian Assumed Obligations or as expressly provided in this Agreement, ATS shall not assume or become obligated to perform any debt, liability or obligation

of Meridian or relating to the ownership or operation of any of the Meridian Assets or the conduct of the Meridian Business whatsoever, including without limitation the following:

(i) subject to the provisions of Article 8, the ownership and operation of the Meridian Assets or the conduct of the Meridian Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of Meridian (including without limitation any obligation to any Meridian Employee for severance benefits, vacations time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the ATS Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of Meridian;

(iv) those required to be disclosed in the Meridian Disclosure Schedule which are not so disclosed or which, if disclosed, Section 8.2(b)(ii) of the Meridian Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Meridian under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Meridian's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any taxes, fees, expenses or other amounts required to be paid by Meridian pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of Meridian, other than those set forth in Section 2(b)(x) of the Meridian Disclosure Schedule.

The term "ATS Assumable Agreements" shall mean all obligations and liabilities of Meridian under all Contractual Obligations, Governmental Authorizations and Private Authorizations relating to the ownership or operation of any of the Meridian Assets or the conduct of the Meridian Business, other than any Meridian Nonassumed Obligation.

(c) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Article 8 or Section 2.2(c) of the Meridian Disclosure Schedule, all items of income and

expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of Meridian employees) arising from the ownership or operation of the Meridian Assets or the conduct of the Meridian Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with Meridian entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Meridian Disclosure Schedule, with sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Meridian and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Meridian and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Meridian or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, ATS shall be solely responsible for the payment of, and shall defend, indemnify and hold harmless Meridian, its officers, directors and shareholders from, any and all supplemental or additional real property or personal property taxes assessed on or in connection with the Meridian Assets or any part thereof, which arise from the transactions contemplated by this Agreement, except as otherwise provided in Section 9.3 with respect to California or other sales and/or use taxes, and documentary or governmental transfer or stamp taxes arising from the purchase and sale of the Meridian Assets and the Meridian Business contemplated hereby.

Nothing contained in this Section 2.2(c) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Levinson, Miller, Jacobs & Phillips, 1875 Century Park East, Los Angeles, California 90067, at 10:00 a.m., local time, on the date on or prior to June 30, 1997 which is five (5) business days after all of the conditions specified in Article 6 (other than those which are to be satisfied at the Closing) have been satisfied or waived in writing or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Meridian Assets and the Meridian Business (the

"Purchase Price") shall be an amount equal to $5,751,182, plus an amount equal to the Construction Adjustment. The term "Construction Adjustment" shall mean an amount equal to the aggregate amount actually paid by Meridian after June 13, 1996 and prior to the Closing Date with respect to the costs and expenses incurred in the acquisition and construction of those certain projects (collectively, the "New Sites") (a) described in Section 2.3 of the Meridian Disclosure Schedule or (b) acquired after the date of this Agreement with the prior written consent of ATS, which consent shall not be unreasonably withheld, other than, in all cases, those costs and expenses which are unreasonable or to which ATS shall have objected in writing prior to their incurrence or commitment by Meridian. The Purchase Price shall be payable by wire transfer of immediately available funds (a) to the Indemnity Escrow Agent (or as it may designate) pursuant to the provisions of the Indemnity Escrow Agreement in the amount of $575,118 minus an amount equal to the amount, if any, expended by Meridian subsequent to the date of this Agreement pursuant to a mutually agreed upon designation of Meridian and ATS entitled an "Indemnity Escrow Fund Reducing Expense" to remedy any misrepresentation, breach of warranty or other breach or defect (the "Indemnity Escrow Fund") and (b) to Meridian for the balance of the purchase price to such account as is designated by Meridian in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

The parties hereto have heretofore agreed upon an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price shall be allocated among the Meridian Assets. Each of Meridian and ATS shall report the purchase and sale of the Meridian Assets and the Meridian Business and the other Transactions in accordance with the Tax Allocation Schedule (as adjusted for Events between the date hereof and the Closing Date) for purposes of all federal, state and local Tax Returns and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or report, inconsistent with such reporting position. Each of Meridian and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority. Notwithstanding the provisions of this Section, the parties to this Agreement will rely solely on their own advisors in determining the tax consequences of the transactions contemplated by this Agreement and each party is not relying, and will not rely, on any representations or assurances of any other party regarding such consequences other than the representations, warranties, covenants and agreements set forth in writing in this Agreement or furnished pursuant to the provisions hereof.

2.4 Accounts Receivable. At the closing, Meridian shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the Meridian Business. Meridian shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the Meridian Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the Meridian Business will be for the account of Meridian. ATS shall use its reasonable business efforts to collect the Accounts Receivable with respect to the Meridian Business for a period of ninety (90) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the Meridian Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests in writing the validity of such application. During the Collection Period, ATS shall furnish Meridian with a list of, and pay over to Meridian, the amounts collected with respect to the Accounts Receivable with respect to the Meridian Business on a bi-weekly basis and forward

to Meridian, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide Meridian with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to Meridian if ATS, in its sole discretion, chooses to retain such Accounts Receivable. Meridian shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to Meridian any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of Meridian. ATS shall not incur any liability to Meridian for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Meridian nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by Meridian after the Collection Period. The provisions of this Section shall not apply to those certain Accounts Receivable set forth in Section 2.4 of the Meridian Disclosure Schedule or to any other Accounts Receivable which Meridian, in its sole business judgment, determines will require extraordinary collection efforts or referrals to a collection agency or attorney for collection (collectively, the "Retained Accounts Receivable"), provided the Retained Accounts Receivable are set forth in a written notice delivered to ATS by Meridian on or prior to the Closing Date. As to all Retained Accounts Receivable, Meridian shall retain the sole and exclusive right to collect same as Meridian in its sole discretion may determine.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF MERIDIAN

Meridian hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Meridian is a general partnership validly existing under the laws of its jurisdiction of organization, has all requisite power and authority (partnership and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Meridian has all requisite partnership power and partnership authority and has in full force and effect all Governmental Authorizations (which, for purposes of this Section 3.1(b), relate only to the sale of the Meridian Assets and Meridian Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) and Private Authorizations, except for those set forth in Section 3.1(b) of the Meridian Disclosure Schedule or

those the failure of which to obtain do not and will not have, individually or in the aggregate, any Material Adverse Effect on ATS, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite partnership action on the part of Meridian. This Agreement has been duly executed and delivered by Meridian and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Meridian will constitute, legal, valid and binding obligations of Meridian, 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) Except as set forth in Section 3.1(c) of the Meridian Disclosure Schedule, and except for matters which would have no Material Adverse Effect on ATS, neither the execution and delivery by Meridian of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Meridian of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Meridian:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Meridian or any Applicable Law (which, for purposes of this Section 3.1(c)(i), relates only to the sale of the Meridian Assets and the Meridian Business generally and not to local Applicable Law) on the part of Meridian, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Meridian, other than those constituting Meridian Nonassumed Obligations; or

(ii) will require Meridian to make or obtain any Governmental Authorization or Filings (which, for purposes of this Section 3.1(c)(ii), relates only to the sale of the Meridian Assets and the Meridian Business generally and not to "site-specific" authorizations or those required by local Applicable Law) or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

(d) Meridian does not have any Subsidiaries, except as set forth in Section 3.1(d) of the Meridian Disclosure Schedule.

3.2 Financial and Other Information. Meridian has heretofore furnished to ATS copies of the financial statements of the Meridian Business listed in Section 3.2 of the Meridian Disclosure Schedule (the "Meridian Financial Statements"). The Meridian Financial Statements, including in each case the notes thereto, have been prepared in accordance with Applicable Principles applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Meridian Disclosure Schedule, are true, accurate and complete in all Material respects, do not contain any untrue statement of a material fact or omit to state a material

fact required by Applicable Principles to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present in all material respects the financial position and the results of operations of the Meridian Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals.

3.3 Changes in Condition. Since November 30, 1996, except to the extent specifically described in Section 3.3 of the Meridian Disclosure Schedule and except for the effect, if any, of the New Sites, there has been, to Meridian's knowledge, no Material Adverse Change in Meridian. There is no Event (other than Events which generally affect the economy or any identifiable segment thereof including without limitation the industries in which Meridian does business and in which it competes) known to Meridian which Materially Adversely Affects, or (so far as Meridian can now reasonably foresee) is likely to Materially Adversely Affect, Meridian, except to the extent specifically described in Section 3.3 of the Meridian Disclosure Schedule and except for the effect, if any, of the New Sites.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or materiality qualifications contained therein or set forth in the Meridian Disclosure Schedule, except for such exceptions and qualifications (other than those set forth in the Meridian Disclosure Schedule) which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be Materially Adverse to Meridian.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Meridian Disclosure Schedule contains a true, accurate and complete list of all real property owned or leased by Meridian that is part of the Meridian Assets. Subject to any exceptions set forth with reasonable specificity on Section 3.5(a) of the Meridian Disclosure Schedule, Meridian has good and marketable title to all real property (other than leasehold Real Property and Insured Real Property) and good and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Meridian Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Meridian Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the Meridian Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Meridian as debtor or which covers or purports to cover any of the Meridian Assets is on file in any state or other jurisdiction, and Meridian has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as otherwise set forth in Schedule 3.5(a) of the Meridian Disclosure Schedule, each Lease or other occupancy or other agreement under which Meridian holds real or personal property constituting a part of the Meridian Assets has been duly authorized, executed and delivered by Meridian and, to Meridian's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Meridian, and, to Meridian's knowledge, each of the other parties thereto, enforceable in accordance with its 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. Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule, Meridian has, to Meridian's knowledge, a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule, all of such Leases are, to Meridian's knowledge, valid and subsisting and in full force and effect; neither Meridian nor, to Meridian's knowledge, any other party thereto, is in Material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease.

Except as disclosed in Section 3.5(a) of the Meridian Disclosure Schedule, to Meridian's current actual knowledge, all improvements on the real property owned or leased by Meridian are in compliance with applicable zoning and land use laws, ordinances and regulations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a Material Adverse Effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 3.5(a) of the Meridian Disclosure Statement, all such improvements, to Meridian's current actual knowledge, comply in all Material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the Meridian Disclosure Statement, to Meridian's current actual knowledge, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Meridian are located entirely on such real property. Meridian has no knowledge of any pending, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Meridian. The representations and warranties set forth in this paragraph shall not apply to the New Sites.

(b) Section 3.5(b) of the Meridian Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the Meridian Business is leased. None of the fixed assets or equipment comprising a part of the Meridian Assets is subject to contracts of sale, and none is held by Meridian as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Meridian Disclosure Schedule. Except for the New Sites, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, between November 30, 1996 and the date of this Agreement, been maintained in all Material respects in a manner consistent with past practice.

(c) Except as set forth in Section 3.5(c) of the Meridian Disclosure Schedule, since January 1, 1993, Meridian has not received any written notice that any such real property owned or leased by Meridian and reflected in Section 3.5(b) of the Meridian Disclosure Schedule or the use thereof, violates any applicable title covenant, condition, restriction or reservation or any applicable zoning, wetlands, land use or other Applicable Law.

3.6 Compliance with Private Authorizations. Section 3.6 of the Meridian Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization (other than those with respect to the New Sites) which individually is Material to the Meridian Assets or the Meridian Business, all of which are, to Meridian's current actual knowledge, in full

force and effect. To Meridian's knowledge, Meridian has obtained all Private Authorizations (other than those with respect to the New Sites) with respect to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business as currently conducted which, if not obtained and maintained, could, individually or in the aggregate, Materially Adversely Affect Meridian. Meridian is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any Material Adverse Effect on Meridian. No such Private Authorization is the subject of any pending or, to Meridian's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.7(a) of the Meridian Disclosure Schedule contains a description of:

(i) all Legal Actions pending or, to Meridian's knowledge, at any time since January 1, 1993 was pending or is currently threatened against Meridian with respect to the operation or ownership of the Meridian Assets or conduct of the Meridian Business;

(ii) all Legal Actions pending or, to Meridian's knowledge, threatened with respect to the operation or ownership of the Meridian Assets or the conduct of the Meridian Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would Adversely Affect the ownership or operations of the Meridian Business; in particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Meridian's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, (y) involving charges of illegal discrimination by Meridian under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws; and

(ii) to Meridian's current actual knowledge, each Governmental Authorization required by a conditional use permit or special use permit that is necessary to permit Meridian to execute and deliver this Agreement and to perform its obligations hereunder.

(b) To Meridian's current actual knowledge, Meridian has obtained all Governmental Authorizations which constitutes conditional use permits or special use permits (other than those with respect to the New Sites) (a true, complete and accurate, in all material respects, list of which is set forth in Section 3.7(b) of the Meridian Disclosure Schedule or referenced in the documents or agreements so listed) which are necessary for the ownership or operation of the Meridian Assets or the conduct of the Meridian Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any Material Adverse Effect on Meridian. None of such Governmental Authorizations is, to Meridian's current actual knowledge, subject to any restriction or condition which would limit in any Material respect the ownership or operations of the Meridian Assets or the conduct of the Meridian Business as currently conducted, except for

restrictions and conditions that are either (i) set forth in the documents evidencing such Governmental Authorization or (ii) generally applicable to Governmental Authorizations of such type. To Meridian's current actual knowledge: (x) such Governmental Authorizations are valid and in good standing, are in full force and effect and are not impaired in any Material respect by any act or omission of Meridian or its officers, directors, employees or agents; and (y) the ownership or operation of the Meridian Assets or the conduct of the Meridian Business are in accordance in all Material respects with the Governmental Authorizations. To Meridian's current actual knowledge, all Material reports, forms and statements required to be filed by Meridian with all Authorities with respect to the Meridian Business (other than with respect to the New Sites) have been filed and are true, complete and accurate in all Material respects. No such Governmental Authorization is the subject of any pending or, to Meridian's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. To Meridian's current actual knowledge, no such Governmental Authorization would not be renewed in the name of Meridian by the granting Authority in the ordinary course, except as set forth in Section 3.7(b) of the Meridian Disclosure Schedule or except with respect to the New Sites.

(c) Neither Meridian nor any of its partner (nor any of their officers, directors, shareholders or principals), in connection with ownership, operation or operation of the Meridian Assets or the conduct of the Meridian Business, is in or is charged by any Authority with or, to Meridian's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to Meridian's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Meridian Assets or the conduct of the Meridian Business, and, to Meridian's current actual knowledge, no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under

(x) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any Material Adverse Effect on Meridian, or

(y) any Material requirement of any insurance carrier, applicable to the ownership or operations of the Meridian Assets or the conduct of the Meridian Business;

except as otherwise specifically described in Section 3.7(c) of the Meridian Disclosure Schedule. or except with respect to the New Sites.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Meridian Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Meridian Disclosure Schedule, all such information and matters set forth in the Meridian Disclosure Schedule, if adversely determined against Meridian, will not, individually or in the aggregate, in the reasonable business judgment of Meridian, Materially Adversely Affect Meridian.

3.8 Intangible Assets. Section 3.8 of the Meridian Disclosure Schedule
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sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations)

relating to the ownership and operation of the Meridian Assets or the conduct of the Meridian Business held or used by Meridian, including without limitation the nature of Meridian's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 3.8 of the Meridian Disclosure Schedule, to Meridian's knowledge, no Intangible Assets (except Governmental Authorizations and Private Authorizations and the Intangible Assets so set forth) are required for the ownership or operation of the Meridian Assets or the conduct of the Meridian Business substantially as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. To Meridian's knowledge, Meridian does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Meridian has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. Meridian is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business between Meridian and any of its partners or employees or, to the knowledge of Meridian, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the Meridian Disclosure Schedule, (ii) Contractual Obligations between Meridian and any of its directors, shareholders, officers, employees or Affiliates of Meridian or any of the foregoing, which constitute Excluded Assets or Meridian Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Meridian Disclosure Schedule.

3.10 Insurance. Meridian maintains, with respect to the Meridian Assets and the Meridian Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Meridian Disclosure Schedule.

3.11 Tax Matters.

(a) Except as set forth in Section 3.11(a) of the Meridian Disclosure Schedule, Meridian has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, except with respect to failures to file which in the aggregate would not have a Material Adverse Effect on Meridian and, to Meridian's knowledge, has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Meridian Financial Statements. The Tax Returns of Meridian have, to Meridian's knowledge, been prepared in all Material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Meridian is required by law to withhold and collect have, to Meridian's knowledge, been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Meridian has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of Meridian for the fiscal years prior to and including the most recent fiscal

year. Except as set forth in Section 3.11(a) of the Meridian Disclosure Schedule, adequate provision has, to Meridian's knowledge, been made on the most recent balance sheet forming part of Meridian Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Meridian's knowledge, no past transactions or matters which could result in additional Taxes of a Material nature to Meridian for which an adequate reserve has not been provided on such balance sheet. Meridian is not a "consenting corporation" within the meaning of Section 341(f) of the Code. Meridian has since January 1, 1989 (i) at all times been taxable as a partnership under the Code, and (ii) never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the Meridian Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of Meridian for each of the most recent five tax years (true and complete copies of which have been furnished by Meridian to ATS to the extent requested in writing by ATS) is, to Meridian's knowledge, true, accurate and complete in all Material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Meridian have not been examined by the IRS or applicable state Authority, and Meridian has not been notified of any proposed examination, except as shown in Section 3.11(b) of the Meridian Disclosure Schedule.

(c) Meridian is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974.

(a) Meridian (which for purposes of this Section shall include any ERISA Affiliate) has not been and has not made at any time since its organization any contribution to any Plans and has not sponsored any Plan or Benefit Arrangement except as set forth in Section 3.12(a) of the Meridian Disclosure Schedule. As to all Plans and Benefit Arrangements listed in Section 3.12(a) of the Meridian Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation with all Applicable Laws in all Material respects, and Meridian has not received any notice from any Authority questioning or challenging such compliance;

(ii) all such Plans maintained or previously maintained by Meridian that are or were intended to comply with Sections 401 and 501 of the Code comply and complied in form and in operation with all applicable requirements of such sections, and no event has occurred which will or could give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any such Plan and Meridian has not otherwise engaged in any prohibited transaction;

(v) there have been no acts or omissions by Meridian which have given rise to or may give rise to any material fines, penalties, taxes or related charges under Sections 502(c), 502(i) or 4071 or ERISA or Chapter 43 of the Code for which Meridian may be liable;

(vi) there are no Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders) pending or threatened involving such Plans or the assets of such Plans, and, to Meridian's knowledge, no facts exist which could give rise to any such Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders);

(vii) no such Plan is subject to Title IV of ERISA, or, if subject, there have been no "reportable events" (as described in Section 4043 of ERISA), and no steps have been taken to terminate any such Plan;

(viii) all group health Plans of Meridian have been operated in compliance in all Material respects with the group health plan continuation coverage requirements of COBRA;

(ix) actuarially adequate accruals for all obligations under the Plans are reflected in the most recent balance sheet forming part of the Meridian Financial Statements and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the Plan years which include the Closing Date;

(x) neither Meridian nor any of its respective partners, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject Meridian or any of its respective directors, officers or employees to Material liability under ERISA or any similar Applicable Law;

(xi) no such Plan which is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code had an accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied, nor would have had an accumulated funding deficiency on such date if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied;

(xii) no Material liability to the PBGC has been or is expected by Meridian to be incurred by Meridian with respect to any Plan, and there has been no event or condition which presents a material risk of termination of any Plan by the PBGC;

(xiii) Meridian is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(xiv) except as set forth in Section 3.12(a)(xiv) of the Meridian Disclosure Schedule (which entry, if applicable, shall indicate the present value of accumulated plan liabilities calculated in a manner consistent with FAS 106 and actual annual expense for such benefits

for each of the last two (2) years) and pursuant to the provisions of COBRA, Meridian does not maintain any Plan that provides benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of Meridian; and

(xv) Meridian has made available to ATS a copy of the two most recently filed Federal Form 5500 series and accountant's opinion, if applicable, for each Plan (and the two most recent actuarial valuation reports for each Plan, if any, that is subject to Title IV of ERISA), and all information provided by Meridian to any actuary in connection with the preparation of any such actuarial valuation report was true, accurate and complete in all material respects.

(b) The execution, delivery and performance by Meridian of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

3.13 Absence of Sensitive Payments. Neither Meridian nor, to Meridian's knowledge, any of its partners, employees, agents or other representatives, has with respect to the Meridian Assets or the Meridian Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. Meridian is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the Meridian Disclosure Schedule contains a true, accurate and complete list of all Meridian employees involved in the ownership or operation of the Meridian Assets or the conduct of the Meridian Business (the "Meridian Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. Meridian has no obligation or liability, contingent or other, under any Employment Arrangement with any Meridian Employee, other than those listed or described in Section 3.15 of the Meridian Disclosure Schedule. Except as described in Section 3.15 of the Meridian Disclosure Schedule, (i) none of the Meridian Employees is now, or, to Meridian's knowledge, since January 1, 1993, has been, represented by any labor union or other employee collective bargaining organization, and Meridian is not, and has never been, a party to any labor or other collective bargaining agreement with respect to any of the Meridian Employees, (ii) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, and (iii) neither Meridian nor any of such employees is now, or, to Meridian's knowledge, has since January 1, 1993 been, subject to or involved in or, to Meridian's knowledge,

threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the Meridian Employees. Meridian has performed in all Material respects all obligations required to be performed under all Employment Arrangements and is not in Material breach or violation of or in Material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the Meridian Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Meridian Assets or the conduct of the business of the Meridian Business or to which Meridian is a party or to which it is bound or which any of the Meridian Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by Meridian to ATS and Meridian has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.16 of the Meridian Disclosure Schedule, with respect to Material Agreements comprised of site leases and site licenses granted by Meridian to third parties and with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Meridian and, to Meridian's knowledge, all other parties thereto, 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. Meridian has duly complied with all of the Material terms and conditions of each such Material Agreement (including without limitation with respect to site user agreements which are Material Agreements) and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Meridian, Claim threatened in writing that Meridian has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Meridian under any of such Material Agreements in any Material respect, except to the extent set forth in Section 3.16 of the Meridian Disclosure Schedule or with respect to the New Sites.

3.17 Ordinary Course of Business. Meridian, from November 30, 1996 to the date hereof, except (i) as may be described on Section 3.17 of the Meridian Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the Meridian Assets and the Meridian Business:

(a) has operated its business in all Material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice, except with respect to the New Sites;

(b) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000, other than in the ordinary course of business;

(c) except in each case in the ordinary course of business (including without limitation with respect to site user agreements), consistent with prior practice or with respect to the New Sites:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(ii) has not entered into any individual commitment having a value in excess of $20,000; and

(iii) has not canceled any Material debts or claims;

(d) has not discharged or satisfied any Lien, other than a Permitted Lien, and has not paid any obligation or liability (absolute or contingent) other than current liabilities or obligations under contracts then existing or thereafter entered into in the ordinary course of business (including without limitation site user agreements) and commitments under Leases existing on that date or incurred since that date in the ordinary course of business or repaying or prepaying Long-Term Indebtedness or the current portion thereof, except with respect to the New Sites;

(e) has not created or permitted to be created any Lien on any of its tangible property other than Permitted Liens;

(f) has not made or committed to make any Material additions to its property or any purchases of equipment, except (i) in the ordinary course of business consistent with past practice or for normal maintenance and replacements or (ii) with respect to the New Sites;

(g) except as described in Section 3.17(h) of the Meridian Disclosure Schedule, has not increased the compensation payable or to become payable to any of the Meridian Employees other than in the ordinary course of business or otherwise Materially altered, modified or changed the terms of their employment;

(h) has not suffered any Material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(i) has not waived any rights of Material value without fair and adequate consideration;

(j) has not experienced any work stoppage;

(k) except in the ordinary course of business (including without limitation site user agreements), or with respect to the New Sites, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Meridian, except for Meridian Nonassumed Obligations; and

(l) has not entered into any other transaction or series of related transactions which individually or in the aggregate is Material to the Meridian Assets or the Meridian Business except in the ordinary course of business or with respect to the New Sites.

3.18 Material and Adverse Restrictions. To Meridian's current actual knowledge, none of the telecommunication towers owned or operated by Meridian, during the year ended December 31, 1996, incurred costs in connection with such site in excess of revenues or other benefits attributable to such site, except as specifically set forth in Section 3.18 of the Meridian Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Meridian.

3.20 Solvency. As of the execution and delivery of this Agreement, Meridian is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the Meridian Disclosure Schedule and except with respect to the New Sites, with respect to the Meridian Assets, Meridian:

(a) to the knowledge of Meridian, has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any final order issued pursuant to any Environmental Law;

(d) is, to the knowledge of Meridian, in substantial compliance in all Material respects with all Environmental Laws, has, to Meridian's knowledge, obtained all Environmental Permits required under Environmental Laws, and is not the subject of or, to Meridian's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to Material violations or Material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the Meridian Business or the Meridian Assets which Event, individually or in the aggregate, will interfere with or prevent continued Material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any Material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Meridian as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have not Material Adverse Effect on Meridian, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

4.5 Physical Assets "AS IS". ATS acknowledges and agrees as follows:

ALL BUILDINGS, STRUCTURES, TRANSMITTING AND COMMUNICATION TOWERS, EQUIPMENT, LEASEHOLD IMPROVEMENTS, PHYSICAL ASSETS AND OTHER PERSONAL PROPERTY (AS DEFINED IN THIS AGREEMENT) PURCHASED BY ATS HEREUNDER IS BEING PURCHASED "AS IS", "WHERE IS", AND "WITH ALL FAULTS". BY ITS EXECUTION OF THIS AGREEMENT, ATS ACKNOWLEDGES AND AGREES THAT, MERIDIAN MAKES NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) AS TO THE WORKING ORDER OR PHYSICAL CONDITION OF ANY SUCH PERSONAL PROPERTY, EXCEPT AS PROVIDED IN THE LAST SENTENCE OF SECTION 3.5(b).

Nothing contained in this Section shall be construed as a limitation on Meridian's obligations pursuant to Section 5.6(a).

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Meridian shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Meridian's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Meridian Assets and the Meridian Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an Adverse Effect on the Meridian Assets or the Meridian Business or the businesses, operations, properties, prospects, personnel, condition, (financial or other), or results of operations thereof, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed and controlled by Meridian or its accountants deemed by ATS or its Representatives necessary or useful

for the purpose of performing an audit of the business of the Meridian Business and certifying financial statements and financial information, and (iii) such other information in the possession and control of Meridian or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Meridian shall not be required to permit any such access to the extent same would unreasonably interfere with Meridian's normal business operations. All non-public information relating to the Meridian Assets or the Meridian Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, or, in the case of Meridian, with respect to the covenant hereinafter set forth, whether or not so furnished, will be kept confidential and shall not, (x) prior to the Closing, without the prior written consent of Meridian, or (y) from and after the Closing, without the prior written consent of ATS, be disclosed by ATS or Meridian, as the case may be, in any manner whatsoever, in whole or in part, and shall not be used by ATS prior to the Closing for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Meridian or, from and after the Closing by Meridian or any of its Representatives, to the detriment of ATS. Prior to the Closing, ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such the information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, Meridian shall not, without the prior written consent of ATS, disclose any information remaining in its possession with respect to the Meridian Assets or the Meridian Business or to which it may have access in accordance with the provisions of the following paragraph, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law, except as otherwise provided in the following paragraph.

All books and records to which Meridian is entitled to access pursuant to the provisions of this Agreement shall be retained by ATS at is offices in the Los Angeles area for a period of at least five (5) years from the Closing Date. ATS shall permit Meridian to photocopy such books and records to the extent reasonably required for the permissible purposes described in the definition of Assets. In the event of any conflict between the provisions of this paragraph and the provisions of any noncompetition or confidentiality agreement executed by Meridian or any of its principals, the provisions of this paragraph shall be controlling.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Meridian, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for such party and may be used only in the event of any Legal Action or other Claim arising in connection with the subject matter of this Agreement or the termination of this Agreement.

(c) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto, except as set forth in Section 8.3(e).

5.2 Agreement to Cooperate.

(a) Subject to the provisions of Section 9.16, each of the parties hereto shall use reasonable business efforts promptly (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), without payment of consideration to the other party, (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the Meridian Assets and conduct the Meridian Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party, without the payment of any amounts, except to the extent otherwise required by the provisions of this Agreement.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Meridian shall cooperate and use its reasonable business efforts to (i) prepare balance sheets and statements of income (loss) and cash flow for eleven month period ended November 30, 1996 and thereafter on a monthly basis until the month preceding the Closing in accordance with GAAP subject only to such exceptions for periods ending on or before December 31, 1996 as are set forth in Section 3.2 of the Meridian Disclosure Schedule, and (ii) cause its independent accountants to reasonably cooperate with ATS, and at ATS's expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Meridian Business described in Section 6.2(g). Without limiting the generality of the foregoing, Meridian agrees that after the Closing Date it will (x) consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under the Securities Act or the Exchange Act to the extent required by Applicable Law or any underwriter in an

underwritten public offering, and (y) execute and deliver, and cause its directors and officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS's independent accountants may reasonably request under the circumstances; provided, however, that as a condition precedent to the use of such audited financial statements by any Affiliate of ATS, such Affiliate shall execute an indemnification agreement, in form and content reasonably acceptable to Meridian's counsel, pursuant to which such Affiliate agrees to indemnify Meridian and related parties from liability arising from the use of such statements on the same terms and subject to the same conditions as ATS so agrees in Section 8.2(e)(ii) of this Agreement.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, Meridian and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Meridian and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement.

5.4 Notification of Certain Matters. Meridian and ATS shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Meridian Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. Meridian shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Meridian is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Meridian Assets or the Meridian Business. If Meridian or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect,

Meridian shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction. ATS acknowledges that prior to the date of this Agreement, Meridian engaged in discussion with certain other parties relating to the possibility of acquiring the Meridian Assets and the Meridian Business.

5.6 Conduct of Business by Meridian Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Meridian shall, to the extent relating to the Meridian Business or the Meridian Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Meridian Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report Material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Meridian Business in conformity in all Material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Meridian Assets or the Meridian Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Meridian Business;

(f) not (i) dispose of any of the Meridian Assets owned by Meridian or used in the operation of the Meridian Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Meridian Business) or (ii) modify or change in any Material respect, or enter into, any Material Agreement relating to the Meridian Business (other than site user agreements); and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the Meridian Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Meridian which, pursuant to Sections 5.1(a) through (g), requires the prior approval of ATS, ATS shall be deemed to have approved same unless written notice of disapproval is received by Meridian within five (5) business days after receipt by Meridian of a written request for approval made by Meridian.

5.7 Preliminary Title Reports. Prior to the execution of this Agreement, Meridian has, at its sole cost and expense, delivered or caused to be delivered to ATS a standard preliminary title report dated as of a recent date issued by one or more title companies authorized to do business in the State of California (the "Title Company") with respect to those Meridian Assets comprised of the parcels of real property described in Section 5.7 of the Meridian Disclosure Schedule (the "Insured Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional title matters, are referred to herein as the "Title Reports". Section 5.7 of the Meridian Disclosure Schedule sets forth a description of those matters, if any, shown in the Title Reports as to which ATS has objected and which Meridian has agreed to remedy prior to or, with the written approval of ATS, subsequent to the Closing Date (the "Disapproved Title Matters", which term shall include any matters added thereto pursuant to the provisions of the last sentence of this Section). All matters disclosed by the Title Reports (as of the date hereof) which are not reflected on Section 5.7 of the Meridian Disclosure Schedule have heretofore been approved by ATS. If, at any time following the date hereof, Meridian or the Title Company notifies ATS of any additional matter affecting title to the Insured Real Property, the parties shall negotiate in good faith in an effort to resolve such matters and, in the event that are not able to reach such agreement within thirty (30) days of the date ATS has received written notification thereof, either party may terminate this Agreement with the effect set forth in Section 7.2.

5.8 Environmental Site Assessments. Prior to the execution of this Agreement, ATS has, at its sole cost and expense, delivered or caused to be delivered to Meridian a Phase I environmental assessment report dated as of a recent date issued by Aquaterra Environmental Services Corp.(the "Environmental Company") with respect to those Meridian Assets comprised of the parcels of real property described in Section 5.8 of the Meridian Disclosure Schedule (the "Environmental Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional environmental matters, are referred to herein as the "Environmental Reports". Section 5.8 of the Meridian Disclosure Schedule sets forth a description of those matters, if any, shown in the Environmental Reports as to which ATS has objected and which Meridian has agreed to remedy prior to or, with the written approval of ATS, subsequent to the Closing Date (the "Disapproved Environmental Matters" which term shall include any matters added thereto pursuant to the provisions of the last sentence of this Section). All matters disclosed by the Environmental Reports (as of the date hereof) which are not reflected on Section 5.8 of the Meridian Disclosure Schedule have heretofore been approved by ATS. If, at any time following the date hereof, Meridian or the Environmental Company notifies ATS of any additional matter affecting the environmental status of the Environmental Real Property, the parties shall negotiate in good faith in an effort to resolve such matters and, in the event that are not able to reach such agreement within thirty (30) days of the date ATS has received written notification thereof, either party may terminate this Agreement with the effect set forth in Section 7.2.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party to Effect the Transactions.

The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Meridian with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 6.1(a) of the Meridian Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of each of the parties, have a Material Adverse Effect on the Meridian Assets and the Meridian Business; and

(b) The transactions contemplated by the Other Agreements shall have been consummated prior to or simultaneously with the consummation of the Transactions.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) Meridian shall have furnished ATS and, at ATS's request, any bank or other financial institution providing credit to ATS, with an opinion, dated the Closing Date of Levinson, Miller, Jacobs & Phillips, counsel for Meridian, reasonably acceptable to ATS, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(a)(i) and (ii), and 3.14 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations, warranties, covenants and agreements of Meridian contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though

made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all Material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Meridian or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by Meridian hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all Material respects; and Meridian shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 6.2(d) of the Meridian Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Meridian Assets and the Meridian Business (including without limitation all Private Authorizations, Leases and Material Agreements of Meridian and, at the cost and expense of Meridian, all modifications of Leases and other Contractual Obligations heretofore requested by ATS and set forth in Section 6.2(d) of the Meridian Disclosure Schedule) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could Adversely Affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any Material Adverse Change in Meridian from that reflected in the most recent Meridian Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business shall not have been Materially and Adversely Affected by any act, or failure to act, of Meridian;

(f) Meridian shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Meridian to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from Meridian such documentation as shall reasonably enable ATS's independent accountants to advise ATS in writing that they could issue an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets and statements of operations and cash flow required by Rule 3.05(b)(2) of Regulation S-X) of the Meridian Assets and the Meridian Business, and that such financial statements can be prepared in conformity with GAAP and Regulation S-X under the Securities Act;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Meridian Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose

any Materially Adverse conditions in connection with, the consummation of the Transactions, or which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a Material Adverse Effect on the Meridian Assets and the Meridian Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) All Disapproved Environmental Matters shall have been cured or arrangement shall have been made to cure, in each case, in a manner reasonably satisfactory to ATS;

(j) Norman Kramer shall have executed and delivered to ATS an agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Kramer Noncompetition Agreement");

(k) Meridian and the partners thereof shall have executed and delivered to ATS and the escrow agent named therein (the "Indemnity Escrow Agent") an escrow agreement (the "Indemnity Escrow Agreement") substantially in the form of Exhibit B attached hereto and made a part hereof;

(l) All Disapproved Title Matters shall have been cured or arrangements shall have been made to cure, in each case, in a manner reasonably satisfactory to ATS, and ATS shall have received standard CLTA title insurance policies insuring ATS' fee interests in all Insured Real Property, subject only to Approved Title Conditions;

(m) Meridian shall have delivered to ATS, or ATS shall have otherwise received, all use permits, consents or other Governmental Authorizations of and Leases from the United States Forest Service set forth in Section 6.2(m) of the Meridian Disclosure Schedule;

(n) Meridian shall have an assignment, in form, scope and substance reasonably satisfactory to ATS, from the holder or holders of all interests in the sites identified in Section 6.2(n) of the Meridian Disclosure Schedule of such holder's or holders' interests in al such sites;

(o) Meridian shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) Meridian will hold (but with no obligation to perform services thereunder), for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse Meridian for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Meridian with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by Meridian pursuant thereto other than those relating to the bad faith or willful misconduct of Meridian or its officers, directors, stockholders or employees; and

(p) To the extent that the representations and warranties of Meridian specifically exclude a reference to the New Sites, ATS shall have determined, in its reasonable business judgment, that representations and warranties to the extent not so made would be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made with respect to the New Sites as of the Closing Date.

6.3 Conditions to Obligations of Meridian. The obligation of Meridian to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Meridian and its counsel, and Meridian and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) ATS shall have furnished Meridian and, at ATS's request, any bank of other financial institution providing credit to Meridian, with an opinion, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, reasonably acceptable to Meridian, with respect to matters set forth in Sections 4.1(a), (b) and (c) and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Meridian or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations, warranties, covenants and agreements of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all Material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all Material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Meridian or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all Material respects; and ATS shall have furnished Meridian with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Meridian or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Meridian all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Meridian at or prior to the Closing pursuant to the terms of this Agreement;

(e) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any Materially Adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(f) ATS shall have executed and delivered to Meridian and its partners and the Indemnity Escrow Agent a counterpart of the Indemnity Escrow Agreement substantially in the form of Exhibit C attached hereto and made a part hereof;

(g) ATS shall have executed and delivered to Meridian an agreement (the "Meridian License Agreement"), reasonably satisfactory to Meridian, pursuant to which ATS will grant to Meridian (and its successors and assigns) a non-exclusive three-year royalty-free license to use, throughout Southern California, the name "Meridian Communications North" with respect to Meridian's radio repeater service business; provided, however, that such agreement shall continue only so long as Reichler, members of his family or trusts for the benefit of same are actively involved in such business and own equity interests in proportions not less than those they currently hold in Meridian;

(h) ATS shall have executed and delivered to Meridian site user agreements for Meridian's radio repeater service business and specialized mobile radio business, containing the terms and conditions described in Section 6.3(h) of the Meridian Disclosure Schedules; and

(i) ATS shall have executed and delivered to Meridian the Nonassumable Contracts Agreement, in form, scope and substance reasonably satisfactory to Meridian.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement shall terminate if the Closing does not occur on or prior to the Termination Date and may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Meridian and ATS;

(b) by either ATS or Meridian if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Meridian in the event (i) Meridian is not in Material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any Material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date and ATS is in Material breach of this Agreement or any of its representations or warranties

shall have become and continue to be untrue in any Material respect, or (B) such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in Material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any Material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date and Meridian is in Material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any Material respect, or (B) such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 6.2(i) or 6.2(l); or.

(f) by either party pursuant to the provisions of Section 9.16.

The term "Termination Date" shall mean June 30, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Meridian to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1, 5.3 and 9.3 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Meridian pursuant to the provisions of Section 7.1(c) or by ATS pursuant to the provisions of Section 7.1(d), the terminating party shall be entitled to damages as follows and in no other circumstances other than fraud:

(i) in the event that any misrepresentation that was made was not a willful misrepresentation at the time it was made, or any breach of any warranty, covenant or agreement set forth in this Agreement was not a willful breach, on the part of the non-terminating party, then the terminating party shall be entitled to recover only its reasonable out-of-pocket fees and expenses not to exceed in the aggregate $45,000; and

(ii) in the event that any misrepresentations that was made was a willful misrepresentation at the time it was made, or the breach of any warranty, covenant or agreement was a willful breach, on the part of the non-terminating party, then the terminating party shall be entitled to recover the actual amount of its damages, including without limitation consequential damages and reasonable out-of-pocket fees and expenses, in an amount not to exceed the amount of the Indemnity Escrow Fund.

Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Sections 5.7, 5.8, 7.1(a), 7.1(b), 7.1(e) or 7.1(f), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations, warranties, covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document (including without limitation the indemnification obligations set forth in this Article) shall, except as provided in Section 8.3(e), survive the Closing and shall remain operative and in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto, for a period of two (2) years after the Closing Date (the "Indemnity Period"); provided, however, that notwithstanding the foregoing (a) the representations and warranties referred to in (i) Section 3.21 shall survive for a period of four (4) years after the Closing Date, and (ii) Sections 3.1 (to the extent they relate to valid existence of Meridian, partnership power and partnership authority of Meridian, the due execution, delivery and performance by Meridian of this Agreement and each Collateral Document, and the legal, valid, binding and enforceable nature of this Agreement and each Collateral Document on Meridian), 3.12, and 4.1 (to the extent they related to due organization, valid existence and good standing of ATS, corporate power and corporate authority of ATS, the due execution, delivery and performance by ATS of this Agreement and each Collateral Document, and the legal, valid, binding and enforceable nature of this Agreement and each Collateral Document of ATS) shall survive for the applicable statute of limitations, (b) those covenants and agreements set forth in Sections 5.1, 5.2(b) and 5.2(c) and Article 9 shall survive for the statute of limitations applicable to contracts, (c) the indemnification obligations of ATS set forth in Section 8.2(c), to the extent same relate to New Site Assumed Obligations or to obligations and liabilities under ATS Assumable Agreements applicable to periods from and after the Closing Date, shall survive until all liabilities and obligations which are the subject thereof have been paid or discharged in full, and (d) the indemnification obligations of ATS referred to in Section 8.2(e) shall survive until all liabilities and obligations which are the subject thereof have been paid or discharged in full. No claim for indemnification, other than with respect to fraud, may be asserted after the expiration of the Indemnity Period, except as provided in this Section and Section 8.3(d). Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the Indemnity Period shall

survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

8.2 Indemnification.

(a) Each of Meridian and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(i) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document (including without limitation any Legal Action or other Claim by any third party which Claim is based upon a breach or alleged breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document); or

(ii) in the case of Meridian as the indemnifying party, the failure of Meridian to comply with Bulk Sales law of the State of California.

(b) Meridian agrees that from and after the Closing it shall indemnify and hold harmless ATS and each of its officers, directors, stockholders, and any of their respective heirs, executors, representatives, successors and assigns, from and against any and all Loss and Expense suffered, directly or indirectly, by any of them by reason of, or arising out of, including without limitation any Legal Action or other Claim that relates to Meridian Nonassumed Obligations or the ownership and operation of the Meridian Assets and the Meridian Business prior to the Closing Date; provided, that the foregoing obligation shall not extend to any Claim, Legal Action, Loss or Expense from or relating to (i) the condition of physical assets which, pursuant to the provisions of Section 4.5, are being sold hereunder on an "AS IS" basis, (ii) Events, Contracts, transactions, acts, omissions, agreements, matters or things the existence or nonexistence of which is disclosed with reasonable specificity in the Meridian Disclosure Schedule or in the documents reference therein (to the extent copies thereof have been furnished to ATS), except to the extent, if at all, Section 8.2(b) of the Meridian Disclosure Schedule specifically indicates to the contrary, (iii) Environmental Law or environmental matters, except to the extent Meridian is in breach of the representations and warranties set forth in Section 3.21 with respect thereto, or (iv) matters of a type described in Section 8.2(d).

(c) ATS agrees that from and after the Closing it shall indemnify and hold harmless Meridian and each of its partners and each officer, director, stockholder and beneficiary of any Meridian's partners, and any of the respective heirs, executors, trustees, beneficiaries, representatives, successors and assigns of any of its foregoing (collectively, the "Meridian Indemnified Parties"), from and against any and all Loss and Expense suffered, directly of indirectly,

by any of them by reason of, or arising out of, including without limitation any Legal Action or other Claim that relates to, (i) Meridian Assumed Obligations or (ii) the ownership and operation of the Meridian Assets and the Meridian Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the Meridian Assumed Obligations or are within the provisions of Section 8.2(d).

(d) Notwithstanding any provision of this Agreement to the contrary, ATS agrees that from and after the Closing it shall indemnify and hold harmless Meridian and each of the other Meridian Indemnified Parties, from and against any Legal Action or other Claim arising from damage or injury to person or property (including wrongful death) based upon, involving or arising out of the ownership or operation (whether prior to or after the Closing Date) of the Meridian Assets and the Meridian Business; provided, however, that nothing contained in this Section is intended to relieve Meridian of its obligations set forth in Section 8.2(a).

(e) ATS agrees that from and after the Closing, it shall indemnify and hold harmless Meridian and each of the other Meridian Indemnified Parties from and against the following:

(i) Such matters as are the subject of ATS's indemnification obligations under the Nonassignable Contracts Agreement described in Section 6.2(o); and

(ii) All Loss and Expense suffered, directly or indirectly, by any of them by reason of, or arising out of, the use by ATS of audited financial statements relating to the Meridian Business as described in Section 5.2(c); provided, however, that notwithstanding the foregoing, to the extent (A) such Loss and Expense is attributable to a breach of warranty and a misrepresentation from those contained in Section 3.2 of this Agreement and (B) at the time ATS is obligated to make indemnification under this subparagraph (ii) or any ATS Affiliate is so obligated pursuant to the provision of any agreement executed pursuant to the provisions of Section 5.2(c) there are Escrow Indemnity Funds to cover all or part of such obligation, then ATS may utilize such Escrow Indemnity Funds to discharge that portion of its or such Affiliate's obligation as is commensurate with the amount of Escrow Indemnity Funds so available.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnifying party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $25,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $25,000), and (ii) in no event shall the aggregate amount required to be paid pursuant to the provisions of this Article exceed the Escrow Indemnity Fund in the case of Meridian or $575,118 in the case of ATS' obligations under Sections 8.2(a) and 8.2(c); provided, that ATS's obligation to indemnify Meridian or other Persons from (x) New Site Assumed Obligations, (y) liabilities or obligations arising after the Closing Date pursuant to ATS Assumable Agreements, or (z) liabilities or obligations referred to in Section 8.2(e), shall be subject to no maximum dollar limitation.

(b) Anything in this Agreement, including without limitation the provisions of Sections 8.2 or 8.3(a), to the contrary notwithstanding, except as provided in Sections 8.3(d) and 8.6, (i) the exclusive recourse of ATS with respect to the liability of Meridian pursuant to Section 8.2 or any other provision of this Agreement or Applicable Law which requires Meridian to defend, indemnify or hold harmless ATS from or against any Claim, Loss or Expense shall be the Escrow Indemnity Fund; and (ii) ATS's remedies for any such liability of Meridian, or for any Claim or Loss or Expense arising under this Agreement, shall be limited to its right to recover from the Escrow Indemnity Funds in accordance with the provisions of the Escrow Indemnity Agreement, and neither ATS nor any of its officers, directors, shareholders, agents or Affiliated Entities shall have any right of recovery against Meridian or any other Meridian Indemnified Party or against the assets of any of them for any such liability.

(c) In the event there shall be no Claims pursuant to the provisions of this Agreement with respect to the Escrow Indemnity Funds, if any, existing at the expiration of the Indemnity Period, the Escrow Indemnity Funds then remaining (together with any then existing interest or earnings) shall be distributed to the Persons entitled thereto. In the event one or more such Claims with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of the Indemnity Period, funds in an amount equal to the sum of (i) the aggregate amount of such Claims and (ii) the amount reasonably necessary to cover the fees, expense and other costs (including reasonable counsel fees and expenses) which will be required to resolve such Claims shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to the Persons entitled thereto. Upon the resolution of all such Claims and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the remainder of the Escrow Indemnity Funds, if any, shall be distributed to the Persons entitled thereto.

(d) If, following the expiration of the Indemnity Period and the distribution to Meridian or any other Person claiming by, through or in the name of Meridian of any remaining Escrow Indemnity Funds, ATS becomes entitled to indemnification for Loss and Expense suffered by ATS arising from (i) any misrepresentation or breach of warranty with respect to the matters referred to in clause (a) of the proviso or (ii) any breach of the covenants and agreements referred to in clause (b) of the proviso, in each case in the first sentence of Section 8.1, then, subject to the limitation periods stated in such proviso, ATS may pursue its Claim for such indemnification directly against Meridian, its partners and their successors and assigns; provided, however, that the maximum amount of liability in the aggregate of Meridian (its partners and their successors and assigns) for any and all such Claims shall be the amount of Escrow Indemnity Funds that were distributed to Meridian or any other Person (other than a claimant whose Claim is alleged by ATS to be subject to satisfaction from the Indemnity Escrow Fund) claiming by, through or in the name of Meridian (including without limitation Meridian's, its partners' or their successors, assigns, trustees, beneficiaries, representatives, heirs or executors) upon the expiration of the Indemnity Period or thereafter.

(e) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto. No indemnifying party shall be liable under this Article for a loss resulting from any

event relating to a misrepresentation or breach of warranty if the indemnifying party can establish that the indemnified party had actual knowledge on or before the Closing Date of such event and did not, on or before the Closing Date, reserve its rights with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party; provided, however, that if the indemnified party fails or refuses to consent in writing to any compromise of settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") within ten (10) business days after receipt of written notice of all of the material terms and conditions of the Settlement Proposal, and such terms and conditions (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership and operations of the Meridian Assets and the conduct of the Meridian Business in substantially the manner theretofore owned, operated and conducted by Meridian, then, unless the indemnifying party forthwith withdraws the Settlement Proposal, the indemnified party (i) shall have the right but not the obligation to undertake the conduct of the defense of such Legal Action or other Claim, and (ii) whether or not it shall so undertake the defense of such Legal Action or other Claim, shall bear, and shall indemnify and hold the indemnifying party harmless from, all Loss and Expense arising from such Legal Action or other Claim (to the extent not theretofore (x) accrued with respect to the costs and expenses of the defense of such Legal Action or other Claim or (y) paid with respect to such Legal Action or other Claim) in excess of the amount contained in the Settlement Proposal, it being understood, in such event, that the indemnifying party shall bear all Loss and Expense, including subsequently incurred Loss and Expense (including without limitation those attributable to legal fees and expenses) up to the amount

contained in the Settlement Proposal, even if the ultimate disposition of such Legal Action or other Claim results in payments to the claimant of less than those contained in the Settlement Proposal.

8.6 Exclusive Remedy. Except for fraud or willful or intentional breach of representation or warranty or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or Meridian may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All California and other sales and/or use Taxes, documentary or governmental transfer Taxes, recording fees, or other comparable charges levied by any Authority in connection with the purchase and sale of the Meridian Assets and the Meridian Business contemplated hereby, and all Hart-Scott-Rodino filing fees, shall be borne equally by Meridian and ATS. All title insurance costs and expenses shall be borne by Meridian and all Environmental Report costs and expenses shall be borne by ATS, except that in the event this Agreement is terminated pursuant to the provisions of Section 5.8, all such Environmental Report costs and expenses shall be borne by Meridian. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, and in compliance with Applicable Law and Contractual Obligations as a consequence hereof and thereof, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto shall be borne solely and entirely by the party which has incurred such costs and expenses (with respect to such party, its "Expenses").

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

6400 North Congress Avenue, Suite 1750
Boca Raton, Florida 33487
Attention: Chief Executive Officer and
Chief Financial Officer
Telecopier No.: (407) 998-2278

with copies to:

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph B. Winn, Chief Financial Officer
Telecopier No.: (617) 375-7575

and

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Telecopier No.: (617) 338-2880

(b) If to Meridian:

23501 Park Sorrento, Suite 213A
Calabasas, California 91302
Attention: E. J. Reichler, Chief Executive Officer
Telecopier No.: (818) 222-2857

with a copy to:

Levinson, Miller, Jacobs & Phillips
1875 Century Park East, Suite 2000
Los Angeles, California 90067-2534
Attention: Stephen I. Halper, Esq.
Telecopier No.: (310) 282-0472

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, ATS shall not be entitled to specific performance or any other remedy to the extent that the aggregate costs and expenses required to be paid by Meridian arising from the enforcement or exercise of such remedy (inclusive of reasonable attorneys fees) would exceed an amount equal to the amount of the Escrow Indemnity Fund, and after the Closing Meridian shall not be required to expend any of its funds (other than payments by the Indemnity Escrow Agent out of the Escrow Indemnity Fund (as reduced in accordance with the provisions of Section 2.3) or except as provided in Section 8.3(d)) for such purpose.

9.6 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 effect of which is to Affect Materially and Adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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.

9.10 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 any 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.

9.11 Entire Agreement; Separate Agreements. This Agreement (together with the Meridian Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated July 24, 1996, between the parties. ATS acknowledges that (i) Meridian, MSSC and MRS are separate parties with differing ownership, (ii) this Agreement and the Other Agreements are separate agreements, and (iii) Meridian (and its partners, in their capacity as such) shall have no obligation or liability with respect to the Other Agreements or any claims made thereunder.

9.12 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of Meridian and ATS, 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.

9.15 Venue. In the event of any Legal Action between the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate municipal, state or federal court

sitting in Los Angeles County, California, and the parties agree to submit to the jurisdiction of such courts.

9.16 Meridian Disclosure Schedule. Meridian will deliver to ATS, on or before February 21, 1997, the Meridian Disclosure Schedule and all other documents (including the interim financial statements constituting a part of the Meridian Financial Statements) required to be delivered by Meridian pursuant to Article 3 of this Agreement. Without limiting the generality of the foregoing, the Meridian Disclosure Schedule shall set forth Meridian's proposal with respect to which (a) authorizations, consents, waivers, orders or approvals are proposed to be a condition of Closing pursuant to the provisions of Section 6.1(a), (ii) which Private Authorizations, Leases and Material Agreements and which modifications, if any, of Leases and other Contractual Obligations are proposed to be a condition to Closing pursuant to the provisions of Section 6.2(d), and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are proposed to be a condition to Closing pursuant to the provisions of Section 6.2(m).

ATS shall have the right, for a period commencing upon its receipt of the Meridian Disclosure Schedule and each other document (other than such interim financial statements) together with a letter from Meridian indicating that such delivery constitutes a "final and complete" delivery pursuant to this Section and terminating at 11:59 p.m. on the fifteenth (15th) day following such receipt, (a) to terminate this Agreement, if the Meridian Disclosure Schedule reveals any Event of which it was unaware as of the date of this Agreement, which unknown Events, individually or in the aggregate, would have a Material Adverse Effect on Meridian, and (b) to propose to Meridian alternatives as to which (i) authorizations, consents, waivers, orders or approvals are to be a condition of Closing pursuant to the provisions of Section 6.1(a), (ii) which Private Authorizations, Leases and Material Agreements and which modifications, if any, of Leases and other Contractual Obligations are to be a condition to Closing pursuant to the provisions of Section 6.2(d), and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are to be a condition to Closing pursuant to the provisions of Section 6.2(m). ATS shall have a further right to terminate this Agreement for a period of five (5) business days following receipt of such interim financial statements marked "final and complete" if such interim financial statements indicate that a Material Adverse Change in Meridian has occurred of which ATS was unaware of the date of this Agreement.

Anything in this Section 9.16 or elsewhere in this Agreement to the contrary notwithstanding, Meridian shall not be obligated to agree to any proposal of ATS pursuant to clause (b) of the first sentence of the preceding paragraph and neither Meridian nor ATS shall be obligated to negotiate in good faith with respect to resolving such matters and each may make a determination to terminate in its sole and absolute discretion. In the event ATS and Meridian do not agree in writing on the resolution of matters raised by any proposal made by ATS pursuant to such clause (b) on or prior to ten (10) business days of receipt by Meridian of any such proposal of ATS (the "Interim Period") either party may, on or prior to ten (10) business days (the "Termination Period"), following the expiration of the Interim Period, terminate this Agreement. In the event neither party shall have so terminated this Agreement on or prior to the expiration of the Termination Period, or, in the event ATS makes no proposal pursuant to clause (b) of the preceding paragraph, this Agreement shall continue in full force and effect and the original proposal of Meridian (as set forth

in the Meridian Disclosure Schedule) shall control for purposes of determining the conditions of Closing set forth in Section 6.1(a), 6.2(d) and 6.2(m).

IN WITNESS WHEREOF, ATS and Meridian have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name:
Title:

Meridian Communications North

By:

Norman Kramer, General Partner

Edward J. Reichler, Trustee of the Reichler Family Trust dated May 24, 1989, and Edward J.Reichler, Trustee of the Sue H. Reichler Testamentary Trust, General Partners

By:

E.J. Reichler, Trustee

The undersigned hereby acknowledge and agree to be bound by the provisions of Section 8.3(d).

Edward J. Reichler, Trustee of the Reichler Family Trust dated May 24, 1989 and Edward J. Reichler, Trustee of the Sue H. Reichler Testamentary Trust

By:

E. J. Reichler, Trustee

Norman Kramer

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Meridian Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Meridian and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(a).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Meridian attributable to the ownership or operation of the Meridian Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Meridian's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Adverse, Adversely, when used alone or in conjunction with other terms (including without limitation "Affect," "Change" and "Effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Meridian Business, or (c) impair Meridian's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or any identifiable segment thereof, including without limitation the industries in which Meridian does business and in which it competes, shall not be deemed to constitute an Adverse Change, have an Adverse Effect or to Adversely Affect or Effect.

Additional Title Matter shall have the meaning given to it in Section 5.7.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Meridian Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Applicable Principles shall mean (a) with respect to Meridian Financial Statements for periods ending prior to November 30, 1996, tax accounting principles and (b) with respect to Meridian Financial Statements for periods ending on or after November 30, 1996, generally accepted accounting principles.

Approved Title Conditions shall mean any one or more of the following: (a) Liens for real property taxes and assessments not then delinquent; (b) the Lien of supplemental Taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code, to the extent that such supplemental Taxes are attributable to the transactions contemplated by this Agreement; (c) matters set forth on the Title Reports other than Disapproved Title Matters; and (d) matters of title created following the date of this Agreement by or with the written consent of ATS.

Assets shall mean the business and the tangible and intangible assets owned by Meridian and used in connection with the conduct of the business or operations of the Meridian Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations, to the extent transferable;

(d) the Private Authorizations;

(e) the Contracts (other than the Meridian Nonassumed Obligations);

(f) the corporate name of Meridian and all variations thereof;

(g) all Intellectual Property and other proprietary information, which relate to the Meridian Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Meridian Business;

(h) all claims, choses in action and rights under warranties (to the extent transferable) relating to the Meridian Business or any of the Meridian Assets;

(i) all books and records relating to the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Meridian; and

(j) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS Assumable Agreements shall have the meaning given to it in Section 2.2(b).

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person

involved in the ownership and operation of the Assets or the conduct of the business of the Meridian Business.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Escrow Agreement, the Indemnity Escrow Agreement, the Meridian License Agreement, the Nonassumable Contracts Agreement, the Reichler Noncompetition Agreement, deeds (warrantying against Meridian's acts), bills of sale, assignments of intangibles, assumption agreements with respect to the Meridian Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Meridian Assets and the Meridian Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Construction Adjustment shall have the meaning given to it in Section 2.3.

Contract, Contractual Obligation shall mean any agreement (including without limitation any Lease), arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Meridian Assets or the conduct of the Meridian Business, other than pursuant to a Governmental Authorization or Private Authorization.

Control (including the terms "controlled," "controlled by" and "under common control with") shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership,

by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Disapproved Environmental Matter shall have the meaning given to it in Section 5.8.

Disapproved Title Matter shall have the meaning given to it in Section 5.7.

Escrow Agent shall have the meaning given to it in the fourth Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the fourth Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the fourth Whereas paragraph.

Employment Arrangement shall mean, with respect to Meridian, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Meridian or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Meridian Assets or the conduct of the Meridian Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Company shall have the meaning given to it in Section 5.8.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the

Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. -- --- Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. -- --- Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. -- --- Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the -- --- -- --- Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational -- --- Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide -- --- Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface -- --- Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and -- --- any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Real Property shall have the meaning given to it in Section 5.8.

Environmental Reports shall have the meaning given to it in Section 5.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Meridian under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service (other than Leases from the United States Forest Service) and the Federal Aviation Administration, in connection with the ownership or operation of the Meridian Assets or the conduct of the Meridian Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 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.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Meridian, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agent shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Agreement shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Fund shall have the meaning given to it in Section 2.3.

Insured Real Property shall have the meaning given to it in Section 5.7.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Interim Period shall have then meaning given to it in Section 9.16.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Kramer Noncompetition Agreement shall have the meaning given to it in Section 6.2(j).

Law shall mean any (a) administrative, judicial, legislative or other 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 any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 8.2.

Material, Materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Meridian, any Contractual Obligation (other than Governmental Authorizations) which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the Meridian Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the

Meridian Business during the current fiscal year, (d) is with the United States Forest Service or any other Authority, or (e) involves the management by Meridian of any communication tower of any other Person.

MCN shall have the meaning given to it in the fourth Whereas paragraph.

Meridian shall have the meaning given to it in the Preamble.

Meridian Assets shall have the meaning given to it in Section 2.1.

Meridian Assumed Obligations shall have the meaning given to it in Section 2.2(a).

Meridian Business shall have the meaning given them in the first Whereas paragraph.

Meridian Disclosure Schedule shall mean the Meridian Disclosure Schedule dated as of the date of this Agreement delivered by Meridian to ATS. Anything in this Agreement to the contrary notwithstanding, all matters set forth under a specific Section number of the Meridian Disclosure Schedule (or in any agreement, instrument or other document specifically referenced therein to the extent a copy thereof has been delivered to ATS) shall be deemed to have been fully disclosed and set forth under all other Sections of the Meridian Disclosure Schedule.

Meridian Employees shall have the meaning given it in the Section 3.15(a).

Meridian Financial Statements shall have the meaning given to it in Section 3.2(b).

Meridian Indemnified Parties shall have the meaning given to it in Section 8.2(c).

Meridian License Agreement shall have the meaning given to it in Section 6.3(g).

Meridian Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Meridian's current actual knowledge shall mean the actual knowledge of any Meridian director or executive officer, as such knowledge exists on the date of this Agreement and on no later date, without any duty of inquiry or investigation on the part of such director or executive officer and without any review of (i) Meridian's Contracts, Governmental Authorizations, Private Authorizations, files, books or records or (ii) public records or the files or records of any Authority.

Meridian's knowledge shall mean the actual knowledge of any Meridian director or officer, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Meridian records.

MRS shall have the meaning given to it in the fourth Whereas paragraph.

MSSC shall have the meaning given to it in the fourth Whereas paragraph.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

New Sites shall have the meaning to it in Section 2.3.

New Sites Assumed Obligations shall have the meaning given to it in Section 2.2(a).

Nonassignable Contracts shall have the meaning to it in Section 2.2(a).

Nonassignable Contracts Agreement shall have the meaning to it in Section 2.2(a).

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Otay Mountain Litigation shall have the meaning given to it in Section 2.1.

Other Agreement(s) shall have the meaning given to it in the fourth Whereas paragraph.

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not Materially detract from the value, or Materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise Materially impair the conduct of the Meridian Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Meridian and used or useful as of the date hereof in the conduct of the business or operations of the Meridian Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date. Personal Property includes without limitation the communication towers, buildings and other fixtures and improvements located on Real Property.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be)

an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Meridian Business.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Real Property shall mean all of the fee estates, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned by Meridian as of the date hereof, in the operations of the Meridian Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 5.1(a).

Retained Accounts Receivable shall have the meaning given to it in Section 2.4.

SEC shall mean the United States Securities and Exchange Commission, or any successor Authority.

Securities Act shall mean the Securities Act of 1933, and the rules and regulations of the SEC 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.

Settlement Proposal shall have the meaning given to it in Section 8.5.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.3.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Tax accounting principles shall have the meaning given to it in Section 3.2.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Termination Date shall have the meaning given to it in Section 7.1.

Termination Period shall have the meaning given to it in Section 9.16.

Title Company shall have the meaning given to it in Section 5.7.

Title Reports shall have the meaning given to it in Section 5.7.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Meridian Assets and the Meridian Business and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.12

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 10th day of February, 1997 by and between MERIDIAN COMMUNICATIONS NORTH, a general partnership ("Meridian") and AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("ATS"), with reference to the following facts:

Meridian and ATS are parties to a certain Asset Purchase Agreement dated February 5, 1997 (the "Agreement") relating to the sale by Meridian to ATS of substantially all the assets of Meridian. The parties desire to amend the Agreement in the manner set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties hereby agree as follows:

1. The last sentence of the first paragraph of Section 3.5(a) of the Agreement is hereby amended to read as follows: "Except as otherwise set forth in Section 3.5(a) of the Meridian Disclosure Schedule: (i) all of such Leases are, to Meridian's knowledge, valid and subsisting and in full force and effect and (ii) neither Meridian nor, to Meridian's knowledge, any other party thereto, is in Material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease."

2. Section 3.6 of the Agreement is hereby amended by adding the following sentence thereto: "All warranties and representations set forth in this Section 3.6 are subject to such exceptions as are set forth in Section 3.6 of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

3. Section 3.7(b) of the Agreement is hereby amended by adding the following sentence thereto: "The warranties and representations set forth in this Section 3.7(b) are subject to such exceptions as are set forth in Section 3.7(b) of the Meridian Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

4. Section 3.16 of the Agreement is hereby amended by adding the following sentence thereto: "The warranties and representations set forth in this Section 3.16 are subject to such exceptions as are set forth in Section 3.16 of the Meridian

Disclosure Schedule, to the extent such warranties or representations are not already expressly so qualified herein."

5. Except to the extent set forth to the contrary in this Amendment, all provisions of the Agreement remain in full force and effect.

6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

"Meridian"	"ATS"
MERIDIAN COMMUNICATIONS NORTH	AMERICAN TOWER SYSTEMS, INC.
By: ---------- E.J. Reichler, Trustee of the Reichler Family Trust dated May 24, 1989, General Partner	By: ----------
By: ---------- Norman Kramer, General Partner	
By: ---------- E.J. Reichler, Trustee of the Sue H. Reichler Testamentary Trust	

EXHIBIT 10.13

SECOND AMENDMENT TO
ASSET PURCHASE AGREEMENT

THIS SECOND AMENDMENT ("Amendment") is made and entered into this 24th day of June, 1997 by and between MERIDIAN COMMUNICATIONS NORTH, a general partnership ("Meridian") and AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("ATS"), with reference to the following facts:

Meridian and ATS are parties to a certain Asset Purchase Agreement dated February 5, 1997 as amended by a First Amendment thereto dated February 10, 1997 (collectively, the "Agreement"), relating to the sale by Meridian to ATS of substantially all the assets of Meridian. The parties desire to amend the Agreement in the manner set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties hereby agree as follows:

1. Notwithstanding the provisions of Section 7.1 of the Agreement, the "Termination Date" shall mean July 3, 1997, or such other date as the parties may, from time to time, mutually agree.

2. Except to the extent set forth to the contrary in this Amendment, all provisions of the Agreement remain in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same instrument. This Amendment shall be effective upon delivery (i) to ATS's counsel, by telecopier, of an executed counterpart signed by Meridian, and (ii) to Meridian's counsel, of an executed counterpart signed by ATS.

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IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year first above written.

"Meridian"

MERIDIAN COMMUNICATIONS NORTH

By:

NORMAN KRAMER,
General Partner

By:

E.J. REICHLER, as Trustee
of the Reichler Family
Trust dated May 24, 1989,
and as Trustee of the Sue H.
Reichler Testamentary Trust,
General Partners

"ATS"

AMERICAN TOWER SYSTEMS, INC.

By:

James S. Eisenstein,
Chief Operating Officer

Exhibit 10.14

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

TOWERS L.L.C.

Dated as of

May 13, 1997

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of May 13, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), on the one hand, and Towers L.L.C., a South Carolina limited liability company (the "Seller") on the other hand.

WHEREAS, Seller owns and leases and operates communication towers in South Carolina and Georgia and is engaged in the business of managing communication sites for third parties in South Carolina (the "Seller Business");

WHEREAS, ATS desires to purchase and Seller desires to sell the Seller Assets and the Seller Business on the terms and conditions hereinafter set forth; and

WHEREAS, simultaneously with the execution and delivery of this Agreement, ATS and Seller have entered into an escrow agreement (the "Escrow Agreement") with Sullivan & Worcester LLP, counsel for ATS, and Willoughby & Hoefer, P.A., counsel for Seller (the "Escrow Agent"), pursuant to which ATS has made a deposit of $100,000 (the "Escrow Deposit");

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the Seller Disclosure Schedule and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Seller and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the Seller Assets and the Seller Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Seller Assets" shall mean all of the Assets of Seller, other than the Excluded Assets, and shall include without limitation the Utility Assets or any right to acquire the Utility Assets (as defined in Section 2.3), or manage the Utility Assets pursuant to the

Santee Cooper Contract (as defined in Section 2.3), as the case may be. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(i) all cash and cash equivalents;

(ii) all Accounts Receivable;

(iii) all books and records which Seller is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of three (3) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Seller;

(iv) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts; and

(v) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of Seller (collectively, the "Seller Assumed Obligations"): (i) all of the obligations and liabilities of Seller under the Seller Assumable Agreements, and (ii) all obligations and liabilities of Seller with respect to the ownership and operation of the Seller Assets and the conduct of the Seller Business, on and after the Closing Date; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the Seller Nonassumed Obligations.

(b) ATS shall not assume or become obligated to perform any debt, liability or obligation of Seller relating to any of the following matters (collectively, the "Seller Nonassumed Obligations"):

(i) the ownership or operation of the Seller Assets or the conduct of the Seller Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of Seller (including without limitation any obligation to any Seller Employee for severance benefits, vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the Seller Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of Seller;

(iv) those required to be disclosed in the Seller Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iv) of the Seller Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Seller under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Seller's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to or Indebtedness for Money Borrowed;

(ix) any Taxes, fees, expenses or other amounts required to be paid by Seller pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of Seller, other than those, if any, set forth in Section 2(b)(x) of the Seller Disclosure Schedule.

All Seller Nonassumed Obligations shall remain and be the obligations and liabilities solely of Seller.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the term "Seller Nonassumed Obligations" shall not include, and the term "Seller Assumed Obligations" shall include, any liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(c) of the Seller Disclosure Schedule) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Seller in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Seller to obtain the approval or consent of an Authority or other Person whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or elects to receive the benefits of such Nonassumable Contract, in either of which events, if the approval or consent of an Authority or other Person applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS' obligations at Closing pursuant to the provisions of Section 6.1(a) or 6.2(d), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of any Authority or other Person is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, Seller and ATS shall negotiate in good faith to reach an equitable sharing of the rights and obligations under such Nonassignable Contracts.

(d) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(d) of the Seller Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of Seller employees) arising from the ownership or operation of the Seller Assets or the conduct of the Seller Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with Seller entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Seller Disclosure Schedule, within

sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Seller and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Seller and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Seller or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section.

Nothing contained in this Section 2.2 is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price.

(a) The closing of the Transactions (the "Closing") shall take place at Willoughby & Hoefer, P.A., 1022 Calhoun Street, Suite 302, Columbia, South Carolina 29202, at 10:00 a.m., local time, on May 30, 1997 or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Seller Assets and the Seller Business (the "Purchase Price") shall be an amount equal to $5,000,000, subject to adjustment as provided in Sections 2.2(d), 2.3(b) and 2.3(c), plus an amount equal to the sum of (x) the Debt Adjustment and (y) the Prepaid Expenses and minus an amount equal to the sum of (i) the Seller Nonassumed Obligations, if any, which ATS agrees to assume, and (ii) Prepaid Revenues. The Purchase Price shall be payable (a) by ATS instructing the Escrow Agent to deliver the Escrow Deposit (together with interest and other increments thereto) to Seller and, (b) by wire transfer of immediately available funds to Seller for the balance of the Purchase Price to such account (or accounts) as Seller shall designate in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

(b) In the event that as of the Closing Seller has completed negotiations (the "Negotiations") for ATS to acquire from The South Carolina Public Service Authority ("Santee Cooper") (or from Seller as the Direct transferee from Santee Cooper) certain tower assets (the "Utility Assets"), and Santee Cooper is ready, willing and able to consummate the transactions required to transfer the Utility Assets, at a price and upon the terms and conditions reasonably satisfactory to ATS, then in consideration of the opportunity to acquire the Utility Assets, the Purchase Price shall be the Purchase Price as calculated pursuant to Section 2.3(a) plus the Utility Assets Price.

(c) In the event that as of the Closing Seller is unable to acquire or enter into an agreement to acquire (or to enable ATS to do either of the foregoing) the Utility Assets but instead enters into contracts, assignable to ATS upon terms and conditions reasonably satisfactory to, ATS to manage the Utility Assets (the "Santee Cooper Contract"), then, upon satisfaction of the condition specified in Section 2.3(d), the Purchase Price shall be the Purchase Price as calculated pursuant to Section 2.3(a) plus the Utility Management Price.

(d) In the event that Seller, on behalf of ATS, completes the Negotiations or presents to ATS for its execution and delivery the Santee Cooper Contract pursuant to Sections 2.3(b) or 2.3(c), respectively, at any time between the Closing and the one (1) year anniversary of the Closing, Buyer shall be entitled to the Utility Assets Price or the Utility Management Price, as the case may be. ATS shall wire the Utility Asset

Price or the Utility Management Price, as the case maybe, to the Seller's account(s) as designated by Seller pursuant to written instructions within ten (10) business days of receipt of such instructions.

(e) For purposes of this Section 2.3 "Utility Asset Price" shall mean cash in an amount calculated as follows:

(i) First calculate the purchase price for which Seller would be acquiring the Utility Assets from Santee Cooper and divide that number by the annualized running rate of cash flow from the Utility Assets as of the date that Seller would acquire the Utility Assets or as of the first full month that Santee Cooper makes full payment under the sale-leaseback arrangement. For example, if the purchase price of the Utility Assets were $3,250,000 and the annualized running rate of cash flow were $480,000, the cash flow multiple for which the Seller would be acquiring the Utility Assets would be 6.77 (the "Utility Cash Flow Multiple").

(ii) ATS will then compensate Seller by taking the difference between (x) the Utility Cash Flow Multiple and (y) the cash flow multiple which ATS is paying Seller for the Seller Assets, based upon Seller's estimated 1997 year end running rate of cash flow (which the parties have heretofore agreed will be $45,000 for December 1997, or $540,000 on an annualized basis), and adding that number to the Utility Cash Flow Multiple. By way of example, ATS would be paying Seller approximately 9.87 times year end 1997 running rate of cash flow ($5,330,000 divided by $540,000) and the difference would be 9.87 less 6.77, or 3.10.

(iii) This differential of 3.10 would then be multiplied by the percentage of Utility Assets being acquired by Seller (currently expected to be 19) which can be utilized as lease towers, as determined by good faith negotiations of Seller and ATS at the time of purchase of the Utility Assets. Thus, for example, if 15 of the Utility Assets are useable, ATS would pay Seller a cash flow multiple of 6.77 plus 3.10 multiplied by fifteen-nineteenths (15/19), or 6.77 plus 2.45, or 9.22.

(iv) Therefore, ATS would pay 9.22 times the cash flow of the Utility Assets (9.22 times $480,000, or $4,424,337) for the Utility Assets. Seller would have a gain of $1,174,337 (over and above its $3,250,000) purchase price) for the Utility Assets opportunity.

(f) For purposes of this Section 2.3 "Utility Management Price" shall mean cash in an amount calculated as follows:

The number of tower sites being managed (estimated currently at 64 in number), multiplied by the estimated annual revenue per site (estimated currently at $12,000), multiplied by the percentage of sites actually useable as lease sites (currently estimated at between 65% to 75%) and multiplied by the management fee percentage negotiated by Seller with Santee Cooper (estimated at between 25% to 30%). ATS and Seller would then negotiate in good faith to determine (i) a reasonable multiple of this estimated cash flow and, (ii) since there is presently no cash flow from these towers, the schedule of payments to be paid by ATS to Seller for the management opportunity, based in part on payments from Santee Cooper under the Santee Cooper Contract.

(g) Except as set forth in this Section 2.3 with respect to the adjustment of the Purchase Price, all efforts of Seller with respect to the Negotiations whether prior or subsequent to the Closing, including without limitation, the acquisition of the Utility Assets or execution and delivery of the Santee Cooper Contract, as the case may be, shall, be for the sole and exclusive benefit of ATS. If executed and delivered prior to the Closing the Santee Cooper Contract shall be considered part of Seller's Assets. If acquired by Seller prior to the Closing the Utility Assets shall be considered part of Seller's Assets.

(h) In the event that Seller acquires the Utility Assets or enters into the Santee Cooper Contract, but the terms and conditions thereof are not reasonably satisfactory to ATS, Seller shall, within ten (10) business days from ATS' rejection of the acquisition of the Utility Assets or refusal to enter into the Santee Cooper Contract, as the case may be, notify ATS of its election either (i) to offer the Utility Assets or the Santee Cooper Contract to a third party which is not Affiliated with Kenneth E. Hall, or (ii) submit to binding arbitration in accordance with the Commercial Rules of the American Arbitration Association the issue of ATS' reasonableness in rejecting the purchase of the Utility Assets or the execution and delivery of the Santee Cooper Contract.

(i) Notwithstanding anything in this Agreement to the contrary, the parties acknowledge that the employees, including the President, of Seller will be employed by ATS following the Closing. These persons will continue to be involved in the Negotiations and/or procurement of the Santee Cooper Contract. ATS agrees to allow these persons to pursue the Negotiations and the Santee Cooper Contract, for the benefit of ATS or, upon its rejection of the purchase of the Utility Assets or refusal to enter into the Santee Copper Contract, Seller, during normal business hours while these persons are employees of ATS.

2.4 Accounts Receivable. At the closing, Seller shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the Seller Business. Seller shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the Seller Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the Seller Business will be for the account of Seller. ATS shall use the same procedures and efforts which it uses with respect to its own accounts receivable to collect the Accounts Receivable with respect to the Seller Business for a period of ninety (90) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the Seller Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests the validity of such application. During the Collection Period, ATS shall furnish Seller with a list of, and pay over to Seller, the amounts collected with respect to the Accounts Receivable with respect to the Seller Business on a monthly basis and forward to Seller, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide Seller with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to Seller if ATS, in its sole discretion, chooses to retain such Accounts Receivable. Seller shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to Seller any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of Seller. ATS shall not incur any liability to Seller for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations

set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Seller nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by Seller after the Collection Period.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite limited liability company power and authority to own or hold under lease its properties and to conduct its business as now conducted.

(b) Seller has all requisite limited liability company power and authority and has in full force and effect all Governmental Authorizations (which, for purposes of this Section 3.1(b), relate only to the sale of the Seller Assets and the Seller Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) and Private Authorizations, except for those set forth in Section 3.1(b) of the Seller Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material adverse effect on Seller, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Seller will constitute, legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms.

(c) Except as set forth in Section 3.1(c) of the Seller Disclosure Schedule, and except for matters which would have no material adverse effect on Seller, neither the execution and delivery by Seller of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Seller of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Seller:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Seller or any Applicable Law (which, for purposes of this Section 3.1(c)(i), relates only to the sale of the Seller Assets and the Seller Business generally and not to local Applicable Law), or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Seller, other than those constituting Seller Nonassumed Obligations; or

(ii) will require Seller to make or obtain any Governmental Authorization (which, for purposes of this Section 3.1(c)(ii)), relate only to the sale of the Seller Assets and Seller Business

generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law), or Private Authorization including without limitation under the FCA.

(d) Seller does not have any Subsidiaries.

3.2 Financial and Other Information. Seller has heretofore furnished to ATS copies of the financial statements of the Seller Business listed in Section 3.2 of the Seller Disclosure Schedule (the "Seller Financial Statements"). To the best of Seller's knowledge, the Seller Financial Statements, including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Seller Disclosure Schedule, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by GAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the financial condition and the results of operations and cash flow of the Seller Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

The parties recognize that Seller was issued a qualified opinion with respect to its 1996 financial statements. A copy of these statements has been provided to ATS.

3.3 Changes in Condition. Since the date of the most recent financial statements constituting a part of the Seller Financial Statements, except to the extent specifically described in Section 3.3 of the Seller Disclosure Schedule, there has been no material adverse change in Seller. There is no Event known to Seller which materially adversely affects, or is likely to materially adversely affect, Seller, except to the extent specifically described in Section 3.3 of the Seller Disclosure Schedule.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein or set forth in the Seller Disclosure Schedule, except for such exceptions and qualifications including without limitation those set forth in the Seller Disclosure Schedule which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to Seller.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Seller Disclosure Schedule contains a true, accurate and complete description of all real property owned by Seller that is part of the Seller Assets. Seller has good indefeasible, marketable and insurable title to all real property (other than leasehold real property) and good indefeasible and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Seller Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Seller Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the Seller Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Seller as debtor or which covers or purports to cover any of the Seller Assets is on file in any state or other jurisdiction, and Seller has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. To the best of Seller's knowledge, except as disclosed in Section 3.5(a) of the Seller Disclosure Schedule, all improvements on the real property owned or leased by Seller are in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not

and will not in the aggregate have a material adverse effect on the owner or lessee, as the case may be, of such real property. To the best of Seller's knowledge, except as disclosed in Section 3.5(a) of the Seller Disclosure Statement, all such improvements comply in all material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the Seller Disclosure Statement, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Seller are located entirely on such real property. There is no pending and, to Seller's knowledge, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Seller. Except as set forth in Section 3.5(a) of the Seller Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in Seller's reasonable business judgment, been maintained in a manner consistent with generally accepted standards of sound engineering practice and, to the best of Seller's knowledge, currently permit the Seller Business to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, Governmental Authorizations and Private Authorizations.

(b) Section 3.5(b) of the Seller Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the Seller Business is leased. Except as otherwise set forth in Schedule 3.5(b) of the Seller Disclosure Schedule, each Lease or other occupancy or other agreement under which Seller holds real or personal property constituting a part of the Seller Assets has been duly authorized, executed and delivered by Seller and, to Seller's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Seller, and, to Seller's knowledge, each of the other parties thereto, enforceable in accordance with its terms. Seller has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. To the best of Seller's knowledge, all of such Leases are valid and subsisting and in full force and effect; neither Seller nor, to Seller's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the Seller Assets is subject to contracts of sale, and none is held by Seller as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Seller Disclosure Schedule.

(c) Section 3.5(c) of the Seller Disclosure Schedule contains a true, accurate and complete description of all material items of Sellers Personal Property. Seller owns and has good and merchantable title to all of the Sellers Personal Property relating to the Sellers Business (the "Sellers Personal Property"), in each case, free and clear of all Liens, except (i) Permitted Liens and (ii) Liens set forth on Section 3.5(c) of the Seller Disclosure Schedule (which Liens shall be released prior to Closing). Except as set forth in Section 3.5(c) of the Seller Disclosure Schedule, all of the Seller Personal Property is in a state of good repair and maintenance and is in good operating condition, normal wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice and currently permits the Seller Business to be operated in accordance with the terms and conditions of all Applicable Laws.

3.6 Compliance with Private Authorizations. Section 3.6 of the Seller Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which Seller currently holds. To the best of Seller's knowledge, Seller has obtained all Private Authorizations which are necessary for the ownership or operation of the Seller Assets or the conduct of the Seller Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect Seller. All of such Private Authorizations, to Seller's knowledge, are valid and in good standing and are in full force and effect. To the best of Seller's knowledge, Seller is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and, to the best of Seller's knowledge, no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both

would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on Seller. No such Private Authorization is the subject of any pending or, to Seller's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.7(a) of the Seller Disclosure Schedule contains a true, complete and accurate description of each Governmental Authorization which Seller currently holds. To the best of Seller's knowledge, these are the only Governmental Authorizations (i) required under Applicable Laws to own and operate the Seller Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, or (ii) necessary to permit Seller to execute and deliver this Agreement and to perform its obligations hereunder. To the best of Seller's knowledge, Seller has obtained all Governmental Authorizations which are necessary for the ownership or operation of the Seller Assets or the conduct of the Seller Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material adverse effect on Seller. None of the Governmental Authorizations listed in Section 3.7(a) of the Seller Disclosure Schedule, to Seller's knowledge, is subject to any restriction or condition which would limit in any material respect the ownership or operations of the Seller Assets or the conduct of the Seller Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. The Governmental Authorizations listed in Section 3.7(a) of the Seller Disclosure Schedule are, to Seller's knowledge, valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of Seller or its officers, directors, employees or agents, and, to the best of Seller's knowledge, the ownership or operation of the Seller Assets or the conduct of the Seller Business are in accordance in all material respects with the Governmental Authorizations. All material reports, forms and statements required to be filed by Seller with all Authorities with respect to the Seller Business have, to Seller's knowledge, been filed and are true, complete and accurate in all material respects. No such Governmental Authorization is the subject of any pending or, to Seller's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. Seller does not believe that any such Governmental Authorization will not be renewed in the name of Seller by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 3.7(b) of the Seller Disclosure Schedule, neither Seller nor any director or officer thereof (in connection with ownership or operation of the Seller Assets or the conduct of the Seller Business) is in or is charged by any Authority with or, to Seller's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to Seller's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Seller Assets or the conduct of the Seller Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Seller's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would adversely affect the ownership or operation of the Seller Assets or the conduct of the Seller Business; (y) involving charges of illegal discrimination by Seller under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the Seller Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the Seller Disclosure Schedule, no Event exists or has occurred, which, to Seller's knowledge, constitutes, or but for any requirement of

giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on Seller or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the Seller Assets or the conduct of the Seller Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Seller Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Seller Disclosure Schedule, all such information and matters set forth in the Seller Disclosure Schedule, if adversely determined against Seller, will not, individually or in the aggregate, have a materially adversely effect on Seller.

3.8 Intangible Assets. Section 3.8 of the Seller Disclosure Schedule sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the Seller Assets or the conduct of the Seller Business held or used by Seller, including without limitation the nature of Seller's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. To the best of Seller's knowledge, except as set forth in Section 3.8 of the Seller Disclosure Schedule, no Intangible Assets (except Governmental Authorizations, Private Authorizations, and the Intangible Assets so set forth) are required for the ownership or operation of the Seller Assets or the conduct of the Seller Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. Seller does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Seller has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. Seller is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business between Seller and any of its officers, directors, shareholders, employees or, to the knowledge of Seller, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the Seller Disclosure Schedule, (ii) Contractual Obligations between Seller and any of its directors, shareholders, officers, employees or Affiliates of Seller or any of the foregoing, which constitute Excluded Assets or Seller Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Seller Disclosure Schedule.

3.10 Insurance. Seller maintains, with respect to the Seller Assets and the Seller Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Seller Disclosure Schedule.

3.11 Tax Matters.

(a) Seller has in accordance with all Applicable Laws filed all federal and state and, to the best of Seller's knowledge, local Tax Returns which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Seller Financial Statements. To the best of Seller's knowledge, the Tax Returns of Seller have been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Seller is required by law to withhold and collect

have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Seller has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of Seller for the fiscal years prior to and including the most recent fiscal year. Adequate provision has, to Seller's knowledge, been made on the most recent balance sheet forming part of Seller Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Seller's knowledge, no past transactions or matters which could result in additional Taxes of a material nature to Seller for which an adequate reserve has not been provided on such balance sheet. Seller is not a "consenting corporation" within the meaning of Section 341(f) of the Code.

(b) Seller is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974.

(a) Seller (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement.

3.13 Absence of Sensitive Payments. Neither Seller nor, to Seller's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the Seller Assets or the Seller Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. Seller is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the Seller Disclosure Schedule contains a true, accurate and complete list of all Seller employees involved in the ownership or operation of the Seller Assets or the conduct of the Seller Business (the "Seller Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. Seller has no obligation or liability, contingent or other, under any Employment Arrangement with any Seller Employee, other than those listed or described in Section 3.15 of the Seller Disclosure Schedule. Except as described in Section 3.15 of the Seller Disclosure Schedule, (a) none of the Seller Employees is now, or since January 1, 1993 has been, represented by any labor union or other employee collective bargaining organization, and Seller is not, and never has been, a party to any labor or other collective bargaining agreement with respect to any of the Seller Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither Seller nor any of such employees is now, or has since January 1, 1993 been, subject to or involved in or, to Seller's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the Seller Employees, and (d) none of the Seller Employees has notified Seller that he or she does not intend to continue employment with Seller until the Closing or with ATS following the Closing. Seller has performed in all material respects all obligations

required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the Seller Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Seller Assets or the conduct of the business of the Seller Business or to which Seller is a party or to which it is bound or which any of the Seller Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by Seller to ATS and Seller has provided ATS with photocopies of all such Material Agreements requested by ATS. All of such Material Agreements are valid, binding and legally enforceable obligations of Seller and, to Seller's knowledge, all other parties thereto, 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. To Seller's knowledge Seller has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Seller, Claim threatened in writing that Seller has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Seller under any of such Material Agreements in any material respect.

3.17 Ordinary Course of Business. Seller, from the end of its most recent fiscal quarter to the date hereof, except (i) as may be described on Section 3.17 of the Seller Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the Seller Assets and the Seller Business:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice;

(b) except in each case in the ordinary course of business, consistent with prior practice:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $25,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $25,000;

(iii) has not entered into any individual commitment having a value in excess of $25,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property and has not incurred any Indebtedness from Money Borrowed;

(d) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(e) has not increased the compensation payable or to become payable to any of the Seller Employees other than in the ordinary course of business or otherwise materially altered, modified or changed the terms of their employment;

(f) has not suffered any material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(g) has not waived any rights of material value without fair and adequate consideration;

(h) has not experienced any work stoppage;

(i) except in the ordinary course of business, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Seller, except for Seller Nonassumed Obligations; and

(j) has not entered into any other transaction or series of related transactions which individually or in the aggregate is material to the Seller Assets or the Seller Business.

3.18 Material and Adverse Restrictions. To the best of Seller's knowledge, Seller is not a party to or subject to, nor is any of the Seller Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which, individually or in the aggregate, now has or is likely to have any material adverse effect on Seller, except as set forth in Section 3.18 of the Seller Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Seller.

3.20 Solvency. As of the execution and delivery of this Agreement, Seller is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the Seller Disclosure Schedule, with respect to the Seller Assets, Seller:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to Seller's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or, to Seller's knowledge, in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) to Seller's knowledge, is in compliance in all material respects with all Environmental Laws, has obtained all Environmental Permits required under Environmental Laws, and is not the subject of or threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to material violations or material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the Seller Business or the Seller Assets which Event, individually or in the aggregate, will materially interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Seller as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would not have a material adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

4.5 Financing. ATS has available, and as of the Closing Date will have available, sufficient funds to enable it to pay the Purchase Price in full in accordance with the terms and provisions of Section 2.3.

4.6 ATS Due Diligence Investigation. ATS and its Representatives have performed a thorough, complete and comprehensive due diligence investigation of Seller, including without limitation an investigation of Seller's businesses, operations, properties, fixtures, title to properties, assets (tangible and intangible), equipment, prospects, personnel, employment arrangements, Seller Financial Statements, condition (financial or other), books, accounts, financial records, ledgers, commitments and records (including Tax Returns), work papers and other sources of financial information possessed or controlled by Seller or its accountants, contracts, agreements, leases, business environment, the Seller Disclosure Schedule, and compliance with Governmental Authorizations, Applicable Laws and Private Authorizations (the "Due Diligence Investigation"). The Due Diligence Investigation has not revealed to ATS any information, issues, or concerns which, in its reasonable business judgment, individually or in the aggregate, materially adversely affects, or is likely to materially adversely affect, the Seller. ATS and its Representatives represent that Seller fully cooperated with ATS as it conducted the Due Diligence Investigation and Seller did not interfere with, limit or impede the Due Diligence Investigation in any manner whatsoever. ATS also represents that the Due Diligence Investigation has been performed to its complete satisfaction.

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Seller shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Seller's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Seller Assets and the Seller Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an adverse effect on the Seller Assets or the Seller Business or the businesses, operations, properties, prospects, personnel, condition (financial or other), or results of operations thereof, (ii) all financial records, ledgers, work papers and other sources of financial information possessed and controlled by Seller or its accountants deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the Seller Assets and the Seller Business and certifying financial statements and financial information, and (iii) such other information in the possession or control of Seller or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Seller shall not be required to permit any such access to the extent same would unreasonably interfere with Seller's normal business operations. All non-public information relating to the Seller Assets or the Seller Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of Seller, be disclosed by ATS in any manner whatsoever, in whole or in part, and shall not be used for any purposes, other than in

connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Seller. ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, Seller shall not, without the prior written consent of ATS, disclose any information with respect to the Seller Assets or the Seller Business, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Seller, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for ATS.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, either party may disclose information received or retained by it in accordance with the provisions of this Agreement if it can demonstrate (i) such information is generally available to or known by the public from a source other than the party seeking to disclose such information or (ii) was obtained by the party seeking to disclose such information from a source other than the other party, provided that such source was not bound by a duty of confidentiality to the other party or another party with respect to such information.

(d) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto, except as set forth in Section 8.3(e).

5.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), (iii) to effect all necessary registrations, filings and submissions (including without limitation all filings necessary for ATS to own and operate the Seller Assets and conduct the Seller Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains,

sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Seller shall cooperate and use its reasonable business efforts to cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Seller Business described in Section 6.2(g). Without limiting the generality of the foregoing, Seller agrees that after the Closing Date it will (x) consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under any applicable federal or state securities Law the Securities Act or the Exchange Act and (y) execute and deliver, and cause its directors and officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS' independent accountants may reasonably request under the circumstances.

(d) Seller shall use its best efforts to diligently conduct and conclude the Negotiations for the benefit of ATS, or to enter into or present to ATS for execution and delivery the Santee Cooper Contract, as the case may be, and conduct the Negotiations or the negotiations with respect to the Santee Cooper Contract in at least a manner as if the Negotiations or execution and delivery of the Santee Cooper Contract were for the sole and exclusive benefit of Seller. ATS agrees to cooperate and support, both before and after the Closing Date, Seller's efforts with respect to the foregoing.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, and except as required to obtain third party consents pursuant to this Agreement, Seller and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Seller and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement. In addition, subject to the terms and conditions hereof, ATS may disclose the subject matter of this Agreement to Persons with whom Seller has a business or contractual relationship in connection with ATS' due diligence investigation of Seller.

5.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Seller Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. Seller shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to it for the purposes of, or otherwise cooperate in any way with or

assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Seller is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Seller Assets or the Seller Business. The provisions of this Section shall apply to each of Seller's Subsidiaries. If Seller or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect, Seller shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

5.6 Conduct of Business by Seller Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Seller shall, to the extent relating to the Seller Business or the Seller Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Seller Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Seller Business in conformity in all material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Seller Assets or the Seller Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Seller Business;

(f) not (i) dispose of any of the Seller Assets owned by Seller or used in the operation of the Seller Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Seller Business) or (ii) modify or change in any material respect, or enter into, any Material Agreement relating to the Seller Business; and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the Seller Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Seller which, pursuant to Sections 5.6(a) through 5.6(g), requires the prior approval of ATS, ATS shall be deemed to have approved

same unless written notice of disapproval is received by Seller within five (5) business days after receipt by ATS of a written request for approval made by Seller.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party to effect the Transactions. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a threat of any such Legal Action; and

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Seller with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the Seller Assets or the Seller Business.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) Seller shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Willoughby & Hoefer, P.A., counsel for Seller, or other counsel reasonably acceptable to ATS, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(b) and 3.14, and such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of Seller contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all material respects at and as of the Closing Date with

the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Seller or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by Seller hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and Seller shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) All authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Seller Assets and the Seller Business (including without limitation all Private Authorizations, Leases and Material Agreements of Seller and, at the cost and expense of Seller, all modifications of Leases and other Contractual Obligations heretofore requested by ATS and set forth in Section 6.2(d) of the Seller Disclosure Schedule) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could adversely affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in Seller from that reflected in the most recent Seller Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Seller Assets or the conduct of the Seller Business shall not have been materially and adversely affected by any act, or failure to act, of Seller;

(f) Seller shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Seller to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from Seller such documentation as shall be reasonably satisfactory to ATS indicating that an unqualified report with respect to the financial statements of Seller could be issued if requested by ATS;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Seller Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material adverse effect on the Seller Assets and the Seller Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) Kenneth E. Hall, Seller and Tower, Inc. shall have executed and delivered to ATS an agreement substantially in the form of Exhibit B attached hereto and made a part hereof (the "ATS Noncompetition Agreement"), and Kenneth E. Hall shall have executed and delivered to ATS an agreement substantially in the form of Exhibit C attached hereto and made a part hereof (the "ATS Employment Agreement");

(j) The Phase I Environmental Reports received by ATS with respect to real property owned or leased by Seller that is part of the Seller Assets shall not indicate any exceptions which

would indicate a breach of warranty or misrepresentation (without regard to the knowledge qualification) of Seller set forth in Section 3.21;

(k) Seller and each of the escrow agents named therein (the "Indemnity Escrow Agents") shall have executed and delivered to ATS an indemnity agreement (the "Indemnity Escrow Agreement") substantially in the form of Exhibit D attached hereto and made a part hereof;

(l) The title reports and/or CTLA title insurance policies received by ATS with respect to real property owned by Seller that is part of the Seller Assets shall not indicate any exceptions which would indicate a breach of warranty or misrepresentation (without regard to the knowledge qualification) of Seller set forth in Section 3.5; and

(m) Seller shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) Seller will hold (but will have no obligation to perform services thereunder) for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse Seller for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Seller with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by Seller pursuant thereto other than those relating to the bad faith, negligence or willful misconduct of Seller or its officers, directors, stockholders or employees.

6.3 Conditions to Obligations of Seller. The obligation of Seller to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Seller and its counsel, and Seller and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished Seller and, at Seller's request, any bank of other financial institution providing credit to Seller, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 4.1 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Seller or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Seller or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to

be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS shall have furnished Seller with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Seller or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Seller all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Seller at or prior to the Closing pursuant to the terms of this Agreement;

(e) ATS shall have executed and delivered to Seller a counterpart of the ATS Employment Agreement; and

(f) ATS shall have executed and delivered to Seller the Nonassignable Contracts Agreement.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Seller and ATS;

(b) by either ATS or Seller if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Seller in the event (i) Seller is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date or (B) ATS is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date or (B) Seller is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

The term "Termination Date" shall mean May 31, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Seller to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person

controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1 (with respect to confidentiality), 5.3 and 9.3 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Seller or ATS pursuant to the provisions of Section 7.1(c) or 7.1(d), respectively, then Seller or ATS, as the terminating party, shall be entitled to liquidated damages of an amount equal to the Escrow Deposit, together with interest and other earnings thereon, or $100,000, as the case may be, it being agreed that such amount shall constitute full payment for any and all damages suffered by Seller or ATS by reason of the other's failure to consummate the Transactions. ATS and Seller agree in advance that actual damages would be difficult to ascertain and that such liquidated damages is a fair and equitable amount to reimburse Seller for damages sustained due to ATS' failure to consummate the Transactions for the above-stated reasons. In addition, in the event this Agreement is terminated by ATS pursuant to the provisions of Section 7.1(d), then ATS shall be entitled to a return of the Escrow Deposit, together with interest and other earnings thereon, together with without prejudice to ATS' right to pursue specific performance hereunder. Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Section 7.1(a) or 7.1(b), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies, except that ATS shall be entitled to the Escrow Deposit, together with interest and earnings thereon.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations and warranties of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period ending on the later of (i) one (1) year from the Closing Date or (ii) the earlier of (x) the termination of all negotiations with Santee Cooper or (y) the acquisition by ATS (or Seller) of the Utility Assets or the execution and delivery of the Santee Cooper Contract, irrespective of the application of any applicable statute of limitations. The covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for the statute of limitations applicable to contractual obligations. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud or intentional and willful breach or misrepresentation, may be asserted after the expiration of the Indemnity Period. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

8.2 Indemnification. Each of Seller and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(a) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(b) any Legal Action or other Claim by any third party relating to the indemnifying party or, in the case of ATS, the ownership or operations of the Seller Assets or the conduct of the business of the Seller Business to the extent such Legal Action or other Claim has also resulted in a breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it; or

(c) in the case of Seller as the indemnifying party, the failure of Seller to comply with Bulk Sales law of the South Carolina; or

(d) in the case of Seller as the indemnifying party, by reason of, or arising out of, (i) Seller Nonassumed Obligations or (ii) the ownership and operation of the Seller Assets and the Seller Business prior to the Closing Date; or

(e) in the case of ATS as the indemnifying party, by reason of, or arising out of, (i) Seller Assumed Obligations or (ii) the ownership and operation of the Seller Assets and the Seller Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the Seller Assumed Obligations.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnified party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $25,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $25,000), and (ii) in no event shall the aggregate amount required to be paid by each indemnifying party pursuant to the provisions of this Article exceed the sum of (x) $100,000 plus (y) in the event ATS acquires the Utility Assets or enters into the Santee Cooper Contract, an amount equal to the lesser of (I) $200,000 or (II) the Utility Asset Price or the Utility Management Price, as the case may be, except for any Loss or Expense arising out of matters of a nature referred to in Sections 3.1(b), 3.1(c) and 4.1 as to which the limitations set forth in this clause (ii) shall not apply.

(b) Anything in this Agreement, including without limitation the provisions of Sections 8.2 or 8.3(a), to the contrary notwithstanding, except as provided in Section 8.6, (i) the exclusive recourse of ATS after the Closing with respect to the liability of Seller pursuant to Section 8.2 or any other provision of this Agreement or Applicable Law which requires Seller to defend, indemnify or hold harmless ATS from or against any Claim, Loss or Expense shall be (x) the Escrow Indemnity Funds (including interest or other

earnings thereon) and (y) in the event ATS acquires the Utility Assets or enters into the Santee Cooper Contract, the Utility Asset Price or the Utility Management Price, as the case may be, to the extent provided in clause (y) of Section 8.3(a); and (ii) ATS' remedies for any such liability of Seller, or for any Claim arising under this Agreement, shall be limited to its right to recover from (x) the Escrow Indemnity Funds in accordance with the provisions of the Escrow Indemnity Agreement and (y) the Utility Asset Price or the Utility Management Price, as the case may be, to the extent provided in clause (y) of Section 8.3(a), and neither ATS nor any of its officers, directors, shareholders, agents or Affiliated Entities shall have any right of recovery against Seller or any of its officers, directors, shareholders, agents or Affiliated Entities or against the assets of any of them for any such liability.

(c) In the event there shall be no Claims pursuant to the provisions of this Agreement with respect to the Escrow Indemnity Funds, if any, existing at the expiration of one (1) year after the Closing, the Escrow Indemnity Funds then remaining (together with any then existing interest or earnings) shall be distributed to the Persons entitled thereto. In the event one or more such Claims with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of the Indemnity Period, funds in an amount equal to the sum of (i) the aggregate amount of such Claims and (ii) the amount reasonably determined by ATS to be necessary to cover the fees, expense and other costs which will be required to resolve such Claims shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to the Persons entitled thereto. Upon the resolution of all such Claims and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the remainder of the Escrow Indemnity Funds, if any, shall be distributed to the Persons entitled thereto.

(d) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement

Proposal, and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the Seller Assets or the conduct of the Seller Business in substantially the manner then being theretofore owned, operated and conducted by ATS.

8.6 Exclusive Remedy. Except for fraud, willful or intentional misrepresentation or willful or intentional breach of warranty, covenant or agreement or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or Seller may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All costs and expenses, incurred in connection with any transfer taxes, sales taxes, recording or documentary taxes, stamps or other charges levied by any Authority in connection with this Agreement and the consummation of the Transactions shall be borne by ATS up to an aggregate of $15,000 and, any amount in excess thereof, equally by Seller and ATS. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

6400 North Congress Avenue, Suite 1750
Boca Raton, Florida 33487
Attention: Chief Operating Officer and
Chief Financial Officer
Telecopier No.: (407) 998-2278

with copies to:

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial Officer
Telecopier No.: (617) 375-7575

and

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Telecopier No.: (617) 338-2880

(b) If to Seller:

124 Winding Road
Irmo, South Carolina 29063
Attention: Kenneth E. Hall
Telecopier No.: (803) 749-9727

with a copy to:

Willoughby & Hoefer, P.A.
1022 Calhoun Street, Suite 302
P.O. Box 8416
Columbia, SC 29202-8416
Attention: Alvis Bynum, Esq.
Telecopier No.: (803) 256-8062

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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 post ing 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, after the Closing Date ATS shall not be entitled to specific performance or any other remedy to the extent that the cost to Seller arising from the enforcement or exercise of such remedy would exceed the amount of the Escrow Indemnity Funds, in accordance with the provisions of the Escrow Indemnity Agreement, for all costs and expenses incurred in connection with its performance of or compliance with the remedy exercised or enforced.

9.6 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 Governing Law; Venue. 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 South Carolina 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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. Venue for all actions arising hereunder shall be in the Federal District Court sitting in Columbia, South Carolina, and the parties agree to submit to the jurisdiction of such court.

9.10 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 any 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.

9.11 Entire Agreement. This Agreement (together with the Seller Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated December 19, 1996, between the parties.

9.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 9.12.

9.14 WAIVER OF TRIAL BY JURY. SELLER AND ATS HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN.

9.15 Mutual Drafting. This Agreement is the result of the joint efforts of Seller and ATS, 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.

IN WITNESS WHEREOF, ATS and Seller have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:
Name:
Title:

Towers L.L.C.

By:
Name:
Title:

APPENDIX A

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Seller Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Seller and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Seller attributable to the ownership or operation of the Seller Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Seller's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Seller Business, or (c) impair Seller's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to constitute such a change, affect or effect.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Seller Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the business or operations of the Seller Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations;

(d) the Private Authorizations;

(e) the Contracts (other than the Seller Nonassumed Obligations);

(f) the corporate name of Seller and all variations thereof;

(g) all Intellectual Property and other proprietary information, which relate to the Seller Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Seller Business;

(h) all claims, choses in action and rights under warranties relating to the Seller Business or any of the Seller Assets;

(i) all books and records relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Seller; and

(j) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS Employment Agreement shall have the meaning given to it in Section 6.2(i).

ATS Noncompetition shall have the meaning given to it in Section 6.2(i).

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Seller Business.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Escrow Agreement, the Indemnity Escrow Agreement, the ATS Employment Agreement(s), the Nonassignable Contracts Agreement, bills of sale, assignments of intangibles, assumption agreements with respect to the Seller Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Seller Assets and the Seller Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Debt Adjustment shall mean an amount equal to the amount owed by Seller on the Closing Date to First Community Bank, Lexington, South Carolina, which is estimated to equal approximately $340,000.

Due Diligence Investigation shall have the meaning given to it in Section 4.6.

Employment Arrangement shall mean, with respect to Seller, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Seller or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Seller under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

Escrow Agent shall have the meaning given to it in the third Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the third Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the third Whereas paragraph.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

Existing Asset Cost Flow Multiple shall have the meaning given to it in Section 2.3(e).

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the Federal Aviation Administration, in connection with the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Seller, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agent shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Agreement shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Fund shall have the meaning given to it in Section 2.3.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 8.2.

material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Seller, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the Seller Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the Seller Business during the current fiscal year, (f) is with any Authority, or (g) involves the management by Seller of any communication tower of any other Person.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Negotiations shall have the meaning given in Section 2.3.

Nonassignable Contracts shall have the meaning given to it in Section 2.2(c).

Nonassignable Contracts Agreement shall have the meaning given to it in Section 6.2(m).

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the Seller Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Seller and used or useful as of the date hereof in the conduct of the business or operations of the Seller Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Seller Business.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by Seller prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by Seller prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned or used by Seller as of the date hereof, in the operations of the Seller Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 5.1(a).

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.

Santee Cooper shall have the meaning given to it in Section 2.3(b).

Santee Cooper Contract shall have the meaning given to it in Section 2.3(c).

Seller shall have the meaning given to it in the Preamble.

Seller Assumable Agreements shall mean all obligations and liabilities of Seller under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations and other Contractual Obligations not required to be listed on Section 3.16 of the Seller Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the Seller Assets or the conduct of the Seller Business.

Seller Assets shall have the meaning given to it in Section 2.1.

Seller Assumed Liabilities shall have the meaning given to it in Section 2.2(b).

Seller Business shall have the meaning given them in the first Whereas paragraph.

Seller Disclosure Schedule shall mean the Seller Disclosure Schedule dated as of the date of this Agreement delivered by Seller to ATS.

Seller Employees shall have the meaning given it in the Section 3.15.

Seller Financial Statements shall have the meaning given to it in Section 3.2(b).

Seller Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Seller's knowledge means the actual knowledge of any Seller officer or senior manager, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Seller records.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Termination Date shall have the meaning given to it in Section 7.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Seller Assets and the Seller Business and the execution, delivery and performance of the Collateral Documents.

Utility Assets Price shall have the meaning given to it in Section 2.3(e).

Utility Cash Flow Multiple shall have the meaning given to it in Section 2.3(e).

Utility Management Price shall have the meaning given to it in Section 2.3(f).

Exhibit 10.15

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

B & E ASSOCIATES, INC.

Dated as of

May 27, 1997

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of May 21, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and B & E Associates, Inc., a Massachusetts corporation ("BEA").

WHEREAS, BEA is engaged in the business of identifying and locating and managing communication sites for third parties (the "BEA Business"); and

WHEREAS, ATS desires to purchase and BEA desires to sell the BEA Assets and the BEA Business on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the BEA Disclosure Schedule and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to BEA and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, BEA hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the BEA Assets and the BEA Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "BEA Assets" shall mean all of the Assets of BEA set forth on Schedule 2.1 of the BEA Disclosure Schedule.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of BEA (collectively, the "BEA Assumed Obligations"): (i) all of the obligations and liabilities of BEA under the BEA Assumable Agreements, and (ii) all obligations and liabilities of BEA with respect to the ownership and operation of the BEA Assets and the conduct of the BEA Business, on and

after the Closing Date; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the BEA Nonassumed Obligations.

(b) ATS shall not assume or become obligated to perform any debt, liability or obligation of BEA relating to any of the following matters (collectively, the "BEA Nonassumed Obligations"):

(i) the ownership or operation of the BEA Assets or the conduct of the BEA Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of BEA (including without limitation any obligation to any BEA Employee for severance benefits, vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the BEA Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of BEA;

(iv) those required to be disclosed in the BEA Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iv) of the BEA Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by BEA under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of BEA's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any asset of BEA not included in the BEA Assets.

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any Taxes, fees, expenses or other amounts required to be paid by BEA pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of BEA, other than those, if any, set forth in Section 2(b)(x) of the BEA Disclosure Schedule.

All BEA Nonassumed Obligations shall remain and be the obligations and liabilities solely of BEA.

(c) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(c) of the BEA Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of BEA employees) arising from the ownership or operation of the BEA Assets or the conduct of the BEA Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with BEA entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis

as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the BEA Disclosure Schedule, within sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, BEA and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by BEA and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, BEA or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section.

Nothing contained in this Section 2.2(c) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, at 10:00 a.m., local time, on May 21 , 1997 or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the BEA Assets and the BEA Business (the "Purchase Price") shall be an amount equal to $4,333,000, subject to adjustment as provided in Section 2.2(d) plus an amount equal to the Prepaid Expenses and minus an amount equal to the sum of (i) the BEA Nonassumed Obligations, if any, which ATS agrees to assume, and (ii) Prepaid Revenues.

2.4 Accounts Receivable. At the closing, BEA shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the BEA Business. BEA shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the BEA Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the BEA Business will be for the account of BEA. ATS shall use the same procedures and efforts which it uses with respect to its own accounts receivable to collect the Accounts Receivable with respect to the BEA Business for a period of ninety (90) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the BEA Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests the validity of such application. If the customer contests the validity of any payment received by ATS during the Collection Period to be applied in reduction of the Accounts Receivable, then ATS shall promptly notify BEA and any payment with respect to which application is contested as aforesaid shall be placed in an escrow arrangement reasonably satisfactory to ATS and BEA until the validity of the application is determined. During the Collection Period, ATS shall furnish BEA with a list of, and pay over to BEA, the amounts collected with respect to the Accounts Receivable with respect to the BEA Business on a monthly basis and forward to BEA, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide BEA with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually

and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to BEA if ATS, in its sole discretion, chooses to retain such Accounts Receivable. BEA shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to BEA any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of BEA. ATS shall not incur any liability to BEA for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither BEA nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by BEA after the Collection Period.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BEA

BEA hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) BEA is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) BEA has all requisite corporate power and corporate authority and has in full force and effect all Governmental Authorizations and Private Authorizations, except for those set forth in Section 3.1(b) of the BEA Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material adverse effect on BEA, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of either of the BEA. This Agreement has been duly executed and delivered by BEA and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by BEA will constitute, legal, valid and binding obligations of BEA, 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) Except as set forth in Section 3.1(c) of the BEA Disclosure Schedule, and except for matters which would have no material adverse effect on the BEA, neither the execution and delivery by BEA of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by BEA of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by BEA:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of BEA or any Applicable Law on the part of BEA, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of BEA, other than those constituting BEA Nonassumed Obligations; provided, however, that BEA makes no representation and warranty that any Contractual Obligation which requires a consent to its assignment will not be breached if such consent is not obtained prior to the Closing and the rights of BEA thereunder are nevertheless assigned to ATS; or

(ii) will require BEA to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

(d) BEA has no Subsidiaries.

3.2 Financial and Other Information. The BEA has heretofore furnished to ATS copies of the internally prepared cash basis income and expense statements of the BEA Business listed in Section 3.2 of the BEA Disclosure Schedule (the "BEA Statements"). The BEA Statements are true, accurate and complete cash basis income and expense statements in all material respects, do not contain any untrue statement of a material fact, and fairly present the cash flow of the BEA Business for the respective periods covered thereby, subject to normal nonmaterial adjustments. ATS acknowledges that no representations have been made by BEA that (a) the past financial performance of BEA as reflected in the BEA Statements (and on the Tax Returns furnished pursuant to the provisions of Section 3.11) are in any way reflective of future financial performance and (b) that certain amounts of income included in the BEA Statements (and on the Tax Returns furnished pursuant to the provisions of Section 3.11) are derived from sources other than the BEA Assets.

3.3 Changes in Condition. Since the date of the most recent statements constituting a part of the BEA Statements, except to the extent specifically described in Section 3.3 of the BEA Disclosure Schedule, there has been no material adverse change in the BEA Assets or the BEA Business. There is no Event known to BEA which materially adversely affects, or (so far as BEA can now reasonably foresee) is likely to materially adversely affect, the BEA Assets or the BEA Business, except to the extent specifically described in Section 3.3 of the BEA Disclosure Schedule.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein or set forth in the BEA Disclosure Schedule, except for such exceptions and qualifications including without limitation those set forth in the BEA Disclosure Schedule which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to the BEA Assets or the BEA Business.

3.5 Title to Properties; Leases. BEA does not own or lease any real property or lease any personal property that is part of the BEA Assets or own any material items of tangible personal property and, therefore, no real property or any material items of tangible personal property or any interest therein is being transferred.

3.6 Compliance with Private Authorizations. Section 3.6 of the BEA Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the BEA Assets or the BEA Business. BEA has obtained all Private Authorizations which are necessary for the ownership or operation of the BEA Assets or the conduct of the BEA Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect BEA;

provided, however, that the representations and warranties set forth in this Section are not intended to apply to (a) any of the consents required in order to assign the BEA Assets to ATS pursuant to the provisions of this Agreement, and (b) the failure of BEA to obtain any or all of the consents required in order to assign the BEA Assets to ATS pursuant to the provisions of this Agreement. All of such Private Authorizations are valid and in good standing and are in full force and effect. BEA is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on BEA; provided, however, that the foregoing representation and warranty is not intended to apply to the failure of BEA to obtain all consents required in order to assign the BEA Assets to ATS pursuant to the provisions of this Agreement. No such Private Authorization is the subject of any pending or, to BEA's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Except as otherwise specifically described in Section 3.7(a) of the BEA Disclosure Schedule, there is no Governmental Authorization required under Applicable Laws (i) to own and operate the BEA Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, or (ii) that is necessary to permit BEA to execute and deliver this Agreement and to perform its obligations hereunder; provided, however, that the foregoing representation and warranty is not intended to apply to consents of Persons (other than Authorities) required in order to assign the BEA Assets to ATS pursuant to the provisions of this Agreement.

(b) Except as otherwise specifically described in Section 3.7(b) of the BEA Disclosure Schedule, neither BEA nor any director or officer thereof (in connection with ownership or operation of the BEA Assets or the conduct of the BEA Business) is in or is charged by any Authority with or, to BEA's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to BEA's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Applicable Law relating to the ownership and operation of the BEA Assets or the conduct of the BEA Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to BEA's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the BEA Assets or the conduct of the BEA Business which, individually or in the aggregate, are reasonably likely to result in the imposition of any restriction of such a nature as would adversely affect the ownership or operation of the BEA Assets or the conduct of the BEA Business; (y) involving charges of illegal discrimination by BEA under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the BEA Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the BEA Disclosure Schedule, no Event exists or has occurred, which, to BEA's knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on the BEA Assets or the BEA Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(b) or 3.7(c) of the BEA Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the BEA Disclosure Schedule, all such information and matters set forth in the BEA Disclosure Schedule, if adversely determined against BEA, will not, individually or in the aggregate, have a materially adverse effect on the BEA Assets or the BEA Business.

3.8 Intangible Assets. There are no Intangible Assets (other than Private Authorizations) required for the ownership or operation of the BEA Assets or the conduct of the BEA Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. BEA, to its knowledge, does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and BEA has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. BEA is not a party or subject to any Contractual Obligation relating to the ownership or operation of the BEA Assets or the conduct of the BEA Business between BEA and any of its officers, directors, shareholders, employees or, to the knowledge of BEA, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the BEA Disclosure Schedule, (ii) Contractual Obligations between BEA and any of its directors, shareholders, officers, employees or Affiliates of BEA or any of the foregoing, which constitute assets other than BEA Assets or BEA Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the BEA Disclosure Schedule.

3.10 Solvency. As of the execution and delivery of this Agreement, BEA is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.11 Tax Matters.

(a) BEA is not a "consenting corporation" within the meaning of Section 341(f) of the Code. BEA has at all times been taxable as a Subchapter C corporation under the Code, and has never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the BEA Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of BEA for each of the most recent four tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by BEA to ATS) is true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal Tax Returns of BEA have not been examined by the Internal Revenue Service, and BEA has not been notified of any proposed examination, except as shown in Section 3.11(b) of the BEA Disclosure Schedule.

(c) BEA is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974. BEA (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement which is subject to ERISA.

3.13 Absence of Sensitive Payments. Neither BEA nor, to BEA's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the BEA Assets or the BEA Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. BEA is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the BEA Disclosure Schedule contains a true, accurate and complete list of all employees and consultants of BEA involved in the ownership or operation of the BEA Assets or the conduct of the BEA Business (the "BEA Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for the BEA Employees' compensation. BEA has no obligation or liability, contingent or other, under any Employment Arrangement with any BEA Employee, other than those listed or described in Section 3.15 of the BEA Disclosure Schedule. Except as described in Section 3.15 of the BEA Disclosure Schedule, (a) none of the BEA Employees is now, or since January 1, 1993 has been, represented by any labor union or other employee collective bargaining organization, and BEA is not and never has been a party to any labor or other collective bargaining agreement with respect to any of the BEA Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of the BEA Employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither BEA nor any of the BEA Employees is now, or has since January 1, 1993 been, subject to or involved in or, to BEA's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the BEA Employees, and (d) none of the BEA Employees has notified BEA that he or she does not intend to continue employment with BEA until the Closing or with ATS following the Closing. BEA has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the BEA Disclosure Schedule are all Material Agreements relating to the ownership or operation of the BEA Assets or the conduct of the business of the BEA Business or to which BEA is a party or to which it is bound or which any of the BEA Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by BEA to ATS and BEA has provided ATS with photocopies of all such Material Agreements requested by ATS. All of such Material Agreements are valid, binding and legally enforceable obligations of BEA and, to BEA's knowledge, all other parties thereto, 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. BEA has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of BEA, Claim threatened in writing that BEA has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of BEA under any of such Material Agreements in any material respect.

3.17 Ordinary Course of Business. BEA, from the date of the most recent BEA Financial Statements to the date hereof, except (i) as may be described on Section 3.17 of the BEA Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the BEA Assets and the BEA Business:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice;

(b) except in each case in the ordinary course of business, consistent with prior practice:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000;

(iii) has not entered into any individual commitment having a value in excess of $20,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property;

(d) has not increased the compensation payable or to become payable to any of the BEA Employees other than in the ordinary course of business or otherwise materially altered, modified or changed the terms of their employment, except for its officers;

(e) has not waived any rights of material value under any Contractual Obligation constituting a part of the BEA Assets without fair and adequate consideration;

(f) has not experienced any work stoppage; and

(g) except in the ordinary course of business, has not entered into, amended or terminated any Private Authorizations or Material Agreement constituting a part of the BEA Assets.

3.18 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of BEA.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, BEA as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and

constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have no material adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

ARTICLE 5

CLOSING CONDITIONS

5.1 Conditions to Obligations of Each Party to effect the Transactions. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a threat of any such Legal Action;

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be

made by ATS and BEA with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the BEA Assets or the BEA Business; and

(c) The transactions contemplated by the Other Agreement shall be consummated simultaneously with the Closing.

5.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) BEA shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Bernkopf, Goodman & Baseman LP, counsel for BEA, or other counsel to BEA reasonably acceptable to ATS, with respect to the matters set forth in Sections 3.1(a), (b) and (c) and 3.7(b) (to such counsel's knowledge);

(c) BEA shall have furnished ATS with such certificates and other documents evidencing the truth of its representations, warranties, covenants and agreements and the performance of its agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) BEA shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by BEA to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(e) ATS shall have received advice from its independent accountants to the effect that, if requested by ATS, an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets for each of the fiscal years ended December 31, 1995 and 1996 and statements of operations and cash flow for each of the three years in the period ended December 31, 1996) of the BEA Business in conformity with GAAP and Regulation S-X under the Securities Act could be prepared; and

(f) Each of the individuals named therein shall have executed and delivered to ATS an indemnity agreement (the "Indemnity Agreement"), in form, scope and substance reasonably satisfactory to ATS.

5.3 Conditions to Obligations of BEA. The obligation of BEA to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to BEA and its counsel, and BEA and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished BEA and, at BEA's request, any bank of other financial institution providing credit to BEA, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Sections 4.1 and 4.4;

(c) ATS shall have furnished BEA with such certificates and other documents evidencing the truth of its representations, warranties, covenants and agreements and the performance of its agreements or conditions as BEA or its counsel shall have reasonably requested; and

(d) ATS shall have delivered or cause to be delivered to BEA all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to BEA at or prior to the Closing pursuant to the terms of this Agreement.

ARTICLE 6

INDEMNIFICATION

6.1 Survival. The representations and warranties of the parties contained in or made pursuant to Sections 3 and 4 of this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period of (a) one (1) year after the Closing Date or (b) the applicable statute of limitations in the case of matters of a nature referred to in Sections 3.1, 3.11, 3.12, 4.1 and 4.4, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The covenants and agreements of the parties contained in or made pursuant to all of the other Sections of this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for the statute of limitations applicable to contractual obligations. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. Any Claim for indemnification, no matter how arising, not asserted by written notice to the Indemnifying Party prior to the expiration of the applicable Indemnity Period and for which arbitration for such Claim pursuant to Section 7.14 of this Agreement is not commenced within sixty (60) days of said written notice shall be waived and of no force and effect.

6.2 Indemnification. Each of BEA and ATS (the "Indemnifying Party") agrees that on and after the Closing it shall, subject to survival periods set forth in Section 6.1, indemnify and hold harmless the other (the "Indemnified Party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense" provided, however, that Loss and Expense shall, in the case of damages, be limited to actual damages and shall not include any type of punitive, consequential (including without limitation loss of anticipated profits) or any other measure of damages permitted by Applicable Law or otherwise), suffered directly by the Indemnified Party by reason of, or arising out of:

(a) any breach of representation or warranty made by the Indemnifying Party pursuant to this Agreement or any Collateral Document executed by it or any failure by the Indemnifying Party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(b) any Legal Action or other Claim by any third party relating to the Indemnifying Party or, in the case of ATS, the ownership or operations of the BEA Assets or the conduct of the business of the BEA Business to the extent such Legal Action or other Claim has also resulted in a breach of representation or warranty by the Indemnifying Party pursuant to this Agreement or any Collateral Document executed by it; or

(c) in the case of BEA as the Indemnifying Party, by reason of, or arising out of, (i) BEA Nonassumed Obligations or (ii) the ownership and operation of the BEA Assets and the BEA Business prior to the Closing Date; or

(d) in the case of ATS as the Indemnifying Party, by reason of, or arising out of, (i) BEA Assumed Obligations or (ii) the ownership and operation of the BEA Assets and the BEA Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the BEA Assumed Obligations.

6.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 6.2, after the Closing, except as otherwise provided in Section 6.6, each Indemnified Party's rights to indemnification shall be subject to the following limitations: (i) the Indemnified Party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $25,000, in which event the Indemnified Party shall be entitled to recover all such Loss and Expense (including without limitation such $25,000), and (ii) in no event shall the aggregate amount required to be paid by an Indemnifying Party pursuant to the provisions of this Article exceed $500,000, except for any Loss or Expense arising out of matters of a nature referred to in Sections 3.1 and 4.1 as to which the limitations set forth in this clause (ii) shall not apply.

(b) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

6.4 Notice of Claims. If an Indemnified Party believes that it has suffered or incurred any Loss and Expense, it shall notify the Indemnifying Party promptly in writing, and in any event within the applicable time period specified in Section 6.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an Indemnified Party intends to claim any liability or expense as Loss and Expense under this Article, such Indemnified Party shall promptly notify the Indemnifying Party of such Legal Action, but the failure to so notify the Indemnifying Party shall not relieve such Indemnifying Party of its obligations under this Article, except to the extent such failure to notify prejudices such Indemnifying Party's ability to defend against such Claim.

6.5 Defense of Third Party Claims. The Indemnifying Party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the Indemnified Party, any third party Legal Action or other Claim, but the Indemnified Party may, at its election, participate in the defense

thereof at its sole cost and expense; provided, however, that if the Indemnifying Party shall fail to defend any such Legal Action or other Claim, then the Indemnified Party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the Indemnifying Party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the Indemnifying Party to then undertake the defense thereof) settle such Legal Action or other Claim and recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The Indemnifying Party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the Indemnified Party, which consent shall not unreasonably be withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the Indemnifying Party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the Indemnified Party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the Indemnified Party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the BEA Assets or the conduct of the BEA Business in substantially the manner then being theretofore owned, operated and conducted by ATS.

6.6 Exclusive Remedy. Except for (a) fraud constituting dishonesty or willful or intentional gross misrepresentation or willful or intentional gross breach of warranty, covenant or agreement; provided, however, that any Claim with respect to fraud constituting dishonesty or willful or intentional gross misrepresentation or willful or intentional gross breach of warranty, covenant or agreement, no matter how arising, not asserted by written notice to the party alleged to have committed the same prior to May 21, 1999 and for which arbitration with respect to such Claim pursuant to Section 7.14 of this Agreement is not commenced within sixty (60) days of said written notice shall be waived and of no force and effect; or (b) specific performance and injunctive relief as provided in Section 7.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 7

GENERAL PROVISIONS

7.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

7.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or BEA may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

7.3 Fees, Expenses and Other Payments. All costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

7.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to BEA:

23 Hampden Drive
Norwood, Massachusetts 02062
Attention: David Burnett or Paul Ehrlich
Telecopier No.: (617) 551-0546

with a copy to:

D'Agostine, Levine & Gordon, P.C.
268 Main Street
Acton, Massachusetts 01720
Attention: Louis N. Levine, Esq.
Telecopier No.: (508) 264-4868

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.

7.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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. The parties agree that the dispute underlying Claims of any action for specific performance shall be decided by arbitration in accordance with the provisions of Section 7.14. All actions for injunctive relief, specific performance or other relief shall be determined in accordance with the governing law provisions of Section 7.9. Nothing herein contained shall be construed as prohibiting each party from pursuing any other remedies available to it pursuant to the provisions of and subject to the limitations

contained in this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, after the Closing Date ATS shall not be entitled to specific performance or any other remedy to the extent that the cost to BEA arising from the enforcement or exercise of such remedy would exceed the amount of the indemnification required by Section 6.3, for all costs and expenses incurred in connection with its performance of or compliance with the remedy exercised or enforced.

7.6 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

7.7 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 such counterparts.

7.8 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.

7.9 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 Commonwealth of Massachusetts 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 6, 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. In the event of any Legal Action among the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate state or federal court sitting in Suffolk County, Massachusetts and the parties agree to submit to the jurisdiction of such courts.

7.10 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 any 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.

7.11 Entire Agreement. This Agreement (together with the BEA Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated March 6, 1997, between the parties. The parties have not made or relied upon any warranties or representations except those specifically set forth in this Agreement.

7.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

7.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 7.12.

7.14 Arbitration. Subject to the provisions of Section 2.2(d) and the right to seek injunctive relief and specific performance in accordance with the provisions of Section 7.5 which shall take precedence over the provisions of this Section, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be determined by arbitration in accordance with the governing law provisions of Section 7.9 and the then existing commercial arbitration rules of the American Arbitration Association before a panel of three (3) arbitrators in Boston, Massachusetts, selected within thirty (30) days of the commencement of such arbitration, with each participant selecting one arbitrator and the two so selected selecting the third (or the third being selected by the American Arbitration Association if agreement on a third is not reached within thirty (30) days); and the parties hereto agree that any judgment or award rendered by such arbitrators shall be a final and binding determination as to such matter or matters and may be entered in any court having jurisdiction thereof; provided, however, that in the case of damages, the parties shall, except in the case of a fraud constituting dishonesty or willful or intentional gross misrepresentation or willful or intentional gross breach of warranty, covenant or agreement, be limited to actual damages and shall not be entitled to any type of punitive, consequential (including without limitation loss of anticipated profits) or any other measure of damages permitted by Applicable Law or otherwise. The arbitrators shall award fees and expenses (including reasonable attorney fees and expenses) to the prevailing party or, if they determine there is no prevailing party, as they may otherwise determine.

7.15 Mutual Drafting. This Agreement is the result of the joint efforts of BEA and ATS, 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.

IN WITNESS WHEREOF, ATS and BEA have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name:
Title:

B & E Associates, Inc.

By:

Name:
Title:

APPENDIX A

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the BEA Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to BEA and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to BEA attributable to the ownership or operation of the BEA Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of BEA's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the BEA Business, or (c) impair BEA's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to constitute such a change, affect or effect.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the BEA Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the business or operations of the BEA Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, which are the following:

(a) the Private Authorizations;

(b) the Contracts (other than the BEA Nonassumed Obligations);

(c) all Intellectual Property and other proprietary information, which relate to the BEA Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the BEA Business;

(d) all claims, choses in action and rights under warranties relating to the BEA Business or any of the BEA Assets;

(e) all books and records relating to the ownership or operation of the BEA Assets or the conduct of the BEA Business, including executed copies of Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of BEA; and

(f) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

ATS shall have the meaning given to it in the Preamble.

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., including without limitation the FCC.

BEA shall have the meaning given to it in the Preamble.

BEA Assets shall have the meaning given to it in Section 2.1.

BEA Assumable Agreements shall mean all obligations and liabilities of BEA under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations and other Contractual Obligations not required to be listed on Section 3.16 of the BEA Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the BEA Assets or the conduct of the BEA Business.

BEA Assumed Obligations shall have the meaning given to it in Section 2.2(b).

BEA Business shall have the meaning given them in the first Whereas paragraph.

BEA Disclosure Schedule shall mean the BEA Disclosure Schedule dated as of the date of this Agreement delivered by BEA to ATS.

BEA Employees shall have the meaning given it in the Section 3.15.

BEA Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

BEA Statements shall have the meaning given to it in Section 3.2(b).

BEA's knowledge means the actual knowledge of any officer or senior manager of BEA, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of BEA's records.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the BEA Business.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Indemnity Agreement, bills of sale, assignments of intangibles, assumption agreements with respect to the BEA Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other BEA Assets and the BEA Business, and any other

agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the BEA Assets or the conduct of the BEA Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Employment Arrangement shall mean, with respect to BEA, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by BEA or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the BEA Assets or the conduct of the BEA Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local

any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with BEA under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the DBC Assets or the conduct of the DBC Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenysis ("PCBs") and PCB-containing equipment,

fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to BEA, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Agreement shall have the meaning given to it in Section 5.2(h).

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean the following, but solely and exclusively to the extent it relates to the BEA Business, and not otherwise: any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common

law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 6.2.

material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to BEA, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the BEA Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the BEA Business during the current fiscal year, (f) is with the United States Forest Service or any other Authority, or (g) involves the management by BEA of any communication tower of any other Person.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the BEA Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by BEA and used or useful as of the date hereof in the conduct of the business or operations of the BEA Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the BEA Business.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by BEA prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by BEA prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the BEA Assets and the BEA Business and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.16

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

DB CONSULTANTS, INC.

Dated as of

May 21, 1997

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of May 21, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and DB Consultants, Inc., a Texas corporation ("DBC").

WHEREAS, DBC is engaged in the business of identifying and locating and managing communication sites for third parties (the "DBC Business"); and

WHEREAS, ATS desires to purchase and DBC desires to sell the DBC Assets and the DBC Business on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the DBC Disclosure Schedule and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to DBC and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, DBC hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the DBC Assets and the DBC Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "DBC Assets" shall mean all of the Assets of DBC set forth on Schedule 2.1 of the DBC Disclosure Schedule.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of DBC (collectively, the "DBC Assumed Obligations"): (i) all of the obligations and liabilities of DBC under the DBC Assumable Agreements, and (ii) all obligations and liabilities of DBC with respect to the ownership and operation of the DBC Assets and the conduct of the DBC Business, on and

after the Closing Date; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the DBC Nonassumed Obligations.

(b) ATS shall not assume or become obligated to perform any debt, liability or obligation of DBC relating to any of the following matters (collectively, the "DBC Nonassumed Obligations"):

(i) the ownership or operation of the DBC Assets or the conduct of the DBC Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of DBC (including without limitation any obligation to any DBC Employee for severance benefits, vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the DBC Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of DBC;

(iv) those required to be disclosed in the DBC Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iv) of the DBC Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by DBC under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of DBC's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any asset of DBC not included in the DBC Assets.

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any Taxes, fees, expenses or other amounts required to be paid by DBC pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of DBC, other than those, if any, set forth in Section 2(b)(x) of the DBC Disclosure Schedule.

All DBC Nonassumed Obligations shall remain and be the obligations and liabilities solely of DBC.

(c) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(c) of the DBC Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of DBC employees) arising from the ownership or operation of the DBC Assets or the conduct of the DBC Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with DBC entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis

as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the DBC Disclosure Schedule, within sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, DBC and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by DBC and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, DBC or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section.

Nothing contained in this Section 2.2(c) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, at 10:00 a.m., local time, on May 21, 1997 or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the DBC Assets and the DBC Business (the "Purchase Price") shall be an amount equal to $3,137,000 subject to adjustment as provided in Section 2.2(d) plus an amount equal to the Prepaid Expenses and minus an amount equal to the sum of (i) the DBC Nonassumed Obligations, if any, which ATS agrees to assume, and (ii) Prepaid Revenues.

2.4 Accounts Receivable. At the closing, DBC shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the DBC Business. DBC shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the DBC Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the DBC Business will be for the account of DBC. ATS shall use the same procedures and efforts which it uses with respect to its own accounts receivable to collect the Accounts Receivable with respect to the DBC Business for a period of ninety (90) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the DBC Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests the validity of such application. If the customer contests the validity of any payment received by ATS during the Collection Period to be applied in reduction of the Accounts Receivable, then ATS shall promptly notify DBC and any payment with respect to which application is contested as aforesaid shall be placed in an escrow arrangement reasonably satisfactory to ATS and DBC until the validity of the application is determined. During the Collection Period, ATS shall furnish DBC with a list of, and pay over to DBC, the amounts collected with respect to the Accounts Receivable with respect to the DBC Business on a monthly basis and forward to DBC, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide DBC with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually

and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to DBC if ATS, in its sole discretion, chooses to retain such Accounts Receivable. DBC shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to DBC any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of DBC. ATS shall not incur any liability to DBC for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither DBC nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by DBC after the Collection Period.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF DBC

DBC hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) DBC is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) DBC has all requisite corporate power and corporate authority and has in full force and effect all Governmental Authorizations and Private Authorizations, except for those set forth in Section 3.1(b) of the DBC Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material adverse effect on DBC, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of either of the DBC. This Agreement has been duly executed and delivered by DBC and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by DBC will constitute, legal, valid and binding obligations of DBC, 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) Except as set forth in Section 3.1(c) of the DBC Disclosure Schedule, and except for matters which would have no material adverse effect on the DBC, neither the execution and delivery by DBC of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by DBC of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by DBC:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of DBC or any Applicable Law on the part of DBC, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of DBC, other than those constituting DBC Nonassumed Obligations; provided, however, that DBC makes no representation and warranty that any Contractual Obligation which requires a consent to its assignment will not be breached if such consent is not obtained prior to the Closing and the rights of DBC thereunder are nevertheless assigned to ATS; or

(ii) will require DBC to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

(d) DBC has no Subsidiaries.

3.2 Financial and Other Information. The DBC has heretofore furnished to ATS copies of the internally prepared cash basis income and expense statements of the DBC Business listed in Section 3.2 of the DBC Disclosure Schedule (the "DBC Statements"). The DBC Statements are true, accurate and complete cash basis income and expense statements in all material respects, do not contain any untrue statement of a material fact, and fairly present the cash flow of the DBC Business for the respective periods covered thereby, subject to normal nonmaterial adjustments. ATS acknowledges that no representations have been made by DBC that (a) the past financial performance of DBC as reflected in the DBC Statements (and on the Tax Returns furnished pursuant to the provisions of Section 3.11) are in any way reflective of future financial performance and (b) that certain amounts of income included in the DBC Statements (and on the Tax Returns furnished pursuant to the provisions of Section 3.11) are derived from sources other than the DBC Assets.

3.3 Changes in Condition. Since the date of the most recent statements constituting a part of the DBC Statements, except to the extent specifically described in Section 3.3 of the DBC Disclosure Schedule, there has been no material adverse change in the DBC Assets or the DBC Business. There is no Event known to DBC which materially adversely affects, or (so far as DBC can now reasonably foresee) is likely to materially adversely affect, the DBC Assets or the DBC Business, except to the extent specifically described in Section 3.3 of the DBC Disclosure Schedule.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein or set forth in the DBC Disclosure Schedule, except for such exceptions and qualifications including without limitation those set forth in the DBC Disclosure Schedule which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to the DBC Assets or the DBC Business.

3.5 Title to Properties; Leases. DBC does not own or lease any real property or lease any personal property that is part of the DBC Assets or own any material items of tangible personal property and, therefore, no real property or any material items of tangible personal property or any interest therein is being transferred.

3.6 Compliance with Private Authorizations. Section 3.6 of the DBC Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the DBC Assets or the DBC Business. DBC has obtained all Private Authorizations which are necessary for the ownership or operation of the DBC Assets or the conduct of the DBC Business which, if

not obtained and maintained, could, individually or in the aggregate, materially adversely affect DBC; provided, however, that the representations and warranties set forth in this Section are not intended to apply to (a) any of the consents required in order to assign the DBC Assets to ATS pursuant to the provisions of this Agreement, and (b) the failure of DBC to obtain any or all of the consents required in order to assign the DBC Assets to ATS pursuant to the provisions of this Agreement. All of such Private Authorizations are valid and in good standing and are in full force and effect. DBC is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on DBC; provided, however, that the foregoing representation and warranty is not intended to apply to the failure of DBC to obtain all consents required in order to assign the DBC Assets to ATS pursuant to the provisions of this Agreement. No such Private Authorization is the subject of any pending or, to DBC's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Except as otherwise specifically described in Section 3.7(a) of the DBC Disclosure Schedule, there is no Governmental Authorization required under Applicable Laws (i) to own and operate the DBC Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, or (ii) that is necessary to permit DBC to execute and deliver this Agreement and to perform its obligations hereunder; provided, however, that the foregoing representation and warranty is not intended to apply to consents of Persons (other than Authorities) required in order to assign the DBC Assets to ATS pursuant to the provisions of this Agreement.

(b) Except as otherwise specifically described in Section 3.7(b) of the DBC Disclosure Schedule, neither DBC nor any director or officer thereof (in connection with ownership or operation of the DBC Assets or the conduct of the DBC Business) is in or is charged by any Authority with or, to DBC's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to DBC's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Applicable Law relating to the ownership and operation of the DBC Assets or the conduct of the DBC Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to DBC's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the DBC Assets or the conduct of the DBC Business which, individually or in the aggregate, are reasonably likely to result in the imposition of any restriction of such a nature as would adversely affect the ownership or operation of the DBC Assets or the conduct of the DBC Business; (y) involving charges of illegal discrimination by DBC under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the DBC Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the DBC Disclosure Schedule, no Event exists or has occurred, which, to DBC's knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on the DBC Assets or the DBC Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(b) or 3.7(c) of the DBC Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the DBC Disclosure Schedule, all such information and matters set forth in the DBC Disclosure Schedule, if adversely determined

against DBC, will not, individually or in the aggregate, have a materially adverse effect on the DBC Assets or the DBC Business.

3.8 Intangible Assets. There are no Intangible Assets (other than Private Authorizations) required for the ownership or operation of the DBC Assets or the conduct of the DBC Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. DBC, to its knowledge, does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and DBC has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. DBC is not a party or subject to any Contractual Obligation relating to the ownership or operation of the DBC Assets or the conduct of the DBC Business between DBC and any of its officers, directors, shareholders, employees or, to the knowledge of DBC, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the DBC Disclosure Schedule, (ii) Contractual Obligations between DBC and any of its directors, shareholders, officers, employees or Affiliates of DBC or any of the foregoing, which constitute assets other than DBC Assets or DBC Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the DBC Disclosure Schedule.

3.10 Solvency. As of the execution and delivery of this Agreement, DBC is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.11 Tax Matters.

(a) DBC is not a "consenting corporation" within the meaning of Section 341(f) of the Code. DBC has at all times been taxable as a Subchapter C corporation under the Code, and has never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the DBC Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of DBC for each of the most recent four tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by DBC to ATS) is true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal Tax Returns of DBC have not been examined by the Internal Revenue Service, and DBC has not been notified of any proposed examination, except as shown in Section 3.11(b) of the DBC Disclosure Schedule.

(c) DBC is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974. DBC (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement which is subject to ERISA.

3.13 Absence of Sensitive Payments. Neither DBC nor, to DBC's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the DBC Assets or the DBC Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal

under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. DBC is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the DBC Disclosure Schedule contains a true, accurate and complete list of all employees and consultants of DBC involved in the ownership or operation of the DBC Assets or the conduct of the DBC Business (the "DBC Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for the DBC Employees' compensation. DBC has no obligation or liability, contingent or other, under any Employment Arrangement with any DBC Employee, other than those listed or described in Section 3.15 of the DBC Disclosure Schedule. Except as described in Section 3.15 of the DBC Disclosure Schedule, (a) none of the DBC Employees is now, or since January 1, 1993 has been, represented by any labor union or other employee collective bargaining organization, and DBC is not and never has been a party to any labor or other collective bargaining agreement with respect to any of the DBC Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of the DBC Employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither DBC nor any of the DBC Employees is now, or has since January 1, 1993 been, subject to or involved in or, to DBC's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the DBC Employees, and (d) none of the DBC Employees has notified DBC that he or she does not intend to continue employment with DBC until the Closing or with ATS following the Closing. DBC has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the DBC Disclosure Schedule are all Material Agreements relating to the ownership or operation of the DBC Assets or the conduct of the business of the DBC Business or to which DBC is a party or to which it is bound or which any of the DBC Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by DBC to ATS and DBC has provided ATS with photocopies of all such Material Agreements requested by ATS. All of such Material Agreements are valid, binding and legally enforceable obligations of DBC and, to DBC's knowledge, all other parties thereto, 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. DBC has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of DBC, Claim threatened in writing that DBC has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of DBC under any of such Material Agreements in any material respect.

3.17 Ordinary Course of Business. DBC, from the date of the most recent DBC Financial Statements to the date hereof, except (i) as may be described on Section 3.17 of the DBC Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the DBC Assets and the DBC Business:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice;

(b) except in each case in the ordinary course of business, consistent with prior practice:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000;

(iii) has not entered into any individual commitment having a value in excess of $20,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property;

(d) has not increased the compensation payable or to become payable to any of the DBC Employees other than in the ordinary course of business or otherwise materially altered, modified or changed the terms of their employment, except for its officers;

(e) has not waived any rights of material value under any Contractual Obligation constituting a part of the DBC Assets without fair and adequate consideration;

(f) has not experienced any work stoppage; and

(g) except in the ordinary course of business, has not entered into, amended or terminated any Private Authorizations or Material Agreement constituting a part of the DBC Assets.

3.18 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of DBC.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, DBC as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and

the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have no material adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

ARTICLE 5

CLOSING CONDITIONS

5.1 Conditions to Obligations of Each Party to effect the Transactions. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a threat of any such Legal Action;

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and DBC with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the DBC Assets or the DBC Business; and

(c) The transactions contemplated by the Other Agreement shall be consummated simultaneously with the Closing.

5.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) DBC shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Robert Osborn, Esq., counsel for DBC, or other counsel to DBC reasonably acceptable to ATS, with respect to the matters set forth in Sections 3.1(a), (b) and (c) and 3.7(b) (to such counsel's knowledge);

(c) DBC shall have furnished ATS with such certificates and other documents evidencing the truth of its representations, warranties, covenants and agreements and the performance of its agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) DBC shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by DBC to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(e) ATS shall have received advice from its independent accountants to the effect that, if requested by ATS, an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets for each of the fiscal years ended December 31, 1995 and 1996 and statements of operations and cash flow for each of the three years in the period ended December 31, 1996) of the DBC Business in conformity with GAAP and Regulation S-X under the Securities Act could be prepared; and

(f) The individual named therein shall have executed and delivered to ATS an indemnity agreement (the "Indemnity Agreement"), in form, scope and substance reasonably satisfactory to ATS.

5.3 Conditions to Obligations of DBC. The obligation of DBC to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to DBC and its counsel, and DBC and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished DBC and, at DBC's request, any bank of other financial institution providing credit to DBC, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Sections 4.1 and 4.4;

(c) ATS shall have furnished DBC with such certificates and other documents evidencing the truth of its representations, warranties, covenants and agreements and the performance of its agreements or conditions as DBC or its counsel shall have reasonably requested; and

(d) ATS shall have delivered or cause to be delivered to DBC all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to DBC at or prior to the Closing pursuant to the terms of this Agreement.

ARTICLE 6

INDEMNIFICATION

6.1 Survival. The representations and warranties of the parties contained in or made pursuant to Sections 3 and 4 of this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period of (a) one (1) year after the Closing Date or (b) the applicable statute of limitations in the case of matters of a nature referred to in Sections 3.1, 3.11, 3.12, 4.1 and 4.4, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The covenants and agreements of the parties contained in or made pursuant to all of the other Sections of this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for the statute of limitations applicable to contractual obligations. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. Any Claim for indemnification, no matter how arising, not asserted by written notice to the Indemnifying Party prior to the expiration of the applicable Indemnity Period and for which arbitration for such Claim pursuant to Section 7.14 of this Agreement is not commenced within sixty (60) days of said written notice shall be waived and of no force and effect.

6.2 Indemnification. Each of DBC and ATS (the "Indemnifying Party") agrees that on and after the Closing it shall, subject to survival periods set forth in Section 6.1, indemnify and hold harmless the other (the "Indemnified Party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense" provided, however, that Loss and Expense shall, in the case of damages, be limited to actual damages and shall not include any type of punitive, consequential (including without limitation loss of anticipated profits) or any other measure of damages permitted by Applicable Law or otherwise), suffered directly by the Indemnified Party by reason of, or arising out of:

(a) any breach of representation or warranty made by the Indemnifying Party pursuant to this Agreement or any Collateral Document executed by it or any failure by the Indemnifying Party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(b) any Legal Action or other Claim by any third party relating to the Indemnifying Party or, in the case of ATS, the ownership or operations of the DBC Assets or the conduct of the business of the DBC Business to the extent such Legal Action or other Claim has also resulted in a breach of representation or warranty by the Indemnifying Party pursuant to this Agreement or any Collateral Document executed by it; or

(c) in the case of DBC as the Indemnifying Party, by reason of, or arising out of, (i) DBC Nonassumed Obligations or (ii) the ownership and operation of the DBC Assets and the DBC Business prior to the Closing Date; or

(d) in the case of ATS as the Indemnifying Party, by reason of, or arising out of, (i) DBC Assumed Obligations or (ii) the ownership and operation of the DBC Assets and the DBC Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the DBC Assumed Obligations.

6.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 6.2, after the Closing, except as otherwise provided in Section 6.6, each Indemnified Party's rights to indemnification shall be subject to the following limitations: (i) the Indemnified Party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $25,000, in which event the Indemnified Party shall be entitled to recover all such Loss and Expense (including without limitation such $25,000), and (ii) in no event shall the aggregate amount required to be paid by an Indemnifying Party pursuant to the provisions of this Article exceed $410,000, except for any Loss or Expense arising out of matters of a nature referred to in Sections 3.1 and 4.1 as to which the limitations set forth in this clause (ii) shall not apply.

(b) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

6.4 Notice of Claims. If an Indemnified Party believes that it has suffered or incurred any Loss and Expense, it shall notify the Indemnifying Party promptly in writing, and in any event within the applicable time period specified in Section 6.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an Indemnified Party intends to claim any liability or expense as Loss and Expense under this Article, such Indemnified Party shall promptly notify the Indemnifying Party of such Legal Action, but the failure to so notify the Indemnifying Party shall not relieve such Indemnifying Party of its obligations under this Article, except to the extent such failure to notify prejudices such Indemnifying Party's ability to defend against such Claim.

6.5 Defense of Third Party Claims. The Indemnifying Party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the Indemnified Party, any third party Legal Action or other Claim, but the Indemnified Party may, at its election, participate in the defense

thereof at its sole cost and expense; provided, however, that if the Indemnifying Party shall fail to defend any such Legal Action or other Claim, then the Indemnified Party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the Indemnifying Party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the Indemnifying Party to then undertake the defense thereof) settle such Legal Action or other Claim and recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The Indemnifying Party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the Indemnified Party, which consent shall not unreasonably be withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the Indemnifying Party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the Indemnified Party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the Indemnified Party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the DBC Assets or the conduct of the DBC Business in substantially the manner then being theretofore owned, operated and conducted by ATS.

6.6 Exclusive Remedy. Except for (a) fraud constituting dishonesty or willful or intentional gross misrepresentation or willful or intentional gross breach of warranty, covenant or agreement; provided, however, that any Claim with respect to fraud constituting dishonesty or willful or intentional gross misrepresentation or willful or intentional gross breach of warranty, covenant or agreement, no matter how arising, not asserted by written notice to the party alleged to have committed the same prior to May 21, 1999 and for which arbitration with respect to such Claim pursuant to Section 7.14 of this Agreement is not commenced within sixty (60) days of said written notice shall be waived and of no force and effect; or (b) specific performance and injunctive relief as provided in Section 7.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 7

GENERAL PROVISIONS

7.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

7.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or DBC may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

7.3 Fees, Expenses and Other Payments. All costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

7.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to DBC:

23 Hampden Drive
Norwood, Massachusetts 02062
Attention: David Burnett
Telecopier No.: (617) 551-0546

with a copy to:

D'Agostine, Levine & Gordon, P.C.
268 Main Street
Acton, Massachusetts 01720
Attention: Louis N. Levine, Esq.
Telecopier No.: (508) 264-4868

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.

7.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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. The parties agree that the dispute underlying Claims of any action for specific performance shall be decided by arbitration in accordance with the provisions of Section 7.14. All actions for injunctive relief, specific performance or other relief shall be determined in accordance with the governing law provisions of Section 7.9. Nothing herein contained shall be construed as prohibiting each party from pursuing any other remedies available to it pursuant to the provisions of and subject to the limitations

contained in this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, after the Closing Date ATS shall not be entitled to specific performance or any other remedy to the extent that the cost to DBC arising from the enforcement or exercise of such remedy would exceed the amount of the indemnification required by Section 6.3, for all costs and expenses incurred in connection with its performance of or compliance with the remedy exercised or enforced.

7.6 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

7.7 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 such counterparts.

7.8 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.

7.9 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 Commonwealth of Massachusetts 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 6, 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. In the event of any Legal Action among the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate state or federal court sitting in Suffolk County, Massachusetts and the parties agree to submit to the jurisdiction of such courts.

7.10 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 any 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.

7.11 Entire Agreement. This Agreement (together with the DBC Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated March 6, 1997, between the parties. The parties have not made or relied upon any warranties or representations except those specifically set forth in this Agreement.

7.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

7.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 7.12.

7.14 Arbitration. Subject to the provisions of Section 2.2(d) and the right to seek injunctive relief and specific performance in accordance with the provisions of Section 7.5 which shall take precedence over the provisions of this Section, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be determined by arbitration in accordance with the governing law provisions of Section 7.9 and the then existing commercial arbitration rules of the American Arbitration Association before a panel of three (3) arbitrators in Boston, Massachusetts, selected within thirty (30) days of the commencement of such arbitration, with each participant selecting one arbitrator and the two so selected selecting the third (or the third being selected by the American Arbitration Association if agreement on a third is not reached within thirty (30) days); and the parties hereto agree that any judgment or award rendered by such arbitrators shall be a final and binding determination as to such matter or matters and may be entered in any court having jurisdiction thereof; provided, however, that in the case of damages, the parties shall, except in the case of a fraud constituting dishonesty or willful or intentional gross misrepresentation or willful or intentional gross breach of warranty, covenant or agreement, be limited to actual damages and shall not be entitled to any type of punitive, consequential (including without limitation loss of anticipated profits) or any other measure of damages permitted by Applicable Law or otherwise. The arbitrators shall award fees and expenses (including reasonable attorney fees and expenses) to the prevailing party or, if they determine there is no prevailing party, as they may otherwise determine.

7.15 Mutual Drafting. This Agreement is the result of the joint efforts of DBC and ATS, 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.

IN WITNESS WHEREOF, ATS and DBC have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name:
Title:

DB Consultants, Inc.

By:

Name:
Title:

APPENDIX A

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the DBC Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to DBC and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to DBC attributable to the ownership or operation of the DBC Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of DBC's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the DBC Business, or (c) impair DBC's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to constitute such a change, affect or effect.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the DBC Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the business or operations of the DBC Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, which are the following:

(a) the Private Authorizations;

(b) the Contracts (other than the DBC Nonassumed Obligations);

(c) all Intellectual Property and other proprietary information, which relate to the DBC Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the DBC Business;

(d) all claims, choses in action and rights under warranties relating to the DBC Business or any of the DBC Assets;

(e) all books and records relating to the ownership or operation of the DBC Assets or the conduct of the DBC Business, including executed copies of Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of DBC; and

(f) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

ATS shall have the meaning given to it in the Preamble.

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing

termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the DBC Business.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Indemnity Agreement, bills of sale, assignments of intangibles, assumption agreements with respect to the DBC Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other DBC Assets and the DBC Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the DBC Assets or the conduct of the DBC Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

DBC shall have the meaning given to it in the Preamble.

DBC Assets shall have the meaning given to it in Section 2.1.

DBC Assumable Agreements shall mean all obligations and liabilities of DBC under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations and other Contractual Obligations not required to be listed on Section 3.16 of the DBC Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the DBC Assets or the conduct of the DBC Business.

DBC Assumed Obligations shall have the meaning given to it in Section 2.2(b).

DBC Business shall have the meaning given them in the first Whereas paragraph.

DBC Disclosure Schedule shall mean the DBC Disclosure Schedule dated as of the date of this Agreement delivered by DBC to ATS.

DBC Employees shall have the meaning given it in the Section 3.15.

DBC Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

DBC Statements shall have the meaning given to it in Section 3.2(b).

DBC's knowledge means the actual knowledge of any officer or senior manager of DBC, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of DBC's records.

Employment Arrangement shall mean, with respect to DBC, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by DBC or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the DBC Assets or the conduct of the DBC Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and

any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with DBC under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the DBC Assets or the conduct of the DBC Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or

other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to DBC, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Agreement shall have the meaning given to it in Section 5.2(h).

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean the following, but solely and exclusively to the extent it relates to the DBC Business, and not otherwise: any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding

or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 6.2.

Material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to DBC, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the DBC Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the DBC Business during the current fiscal year, (f) is with the United States Forest Service or any other Authority, or (g) involves the management by DBC of any communication tower of any other Person.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the DBC Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by DBC and used or useful as of the date hereof in the conduct of the business or operations of the DBC Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the DBC Business.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by DBC prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by DBC prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the DBC Assets and the DBC Business and the execution, delivery and performance of the Collateral Documents.

Exhibit 10.17

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

COMMUNICATION SYSTEMS DEVELOPMENT, INC.

Dated as of

May 27, 1997

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of May 27, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Communication Systems Development, Inc., a California corporation ("CSD").

WHEREAS, CSD leases forty-two (42) sites (the "Entitled Sites") for which CSD has completed all activities related to the acquisition and land use entitlements and sixteen (16) sites (the "Remaining Sites") for which zoning and other land use approvals have not been obtained, and on all sixty (60) sites (the "Sites") it is proposed to construct and operate communication towers (the "CSD Central Valley Business");

WHEREAS, ATS and CSD desire to form a limited liability company under the laws of the State of Delaware ("LLC") pursuant to an agreement of limited liability company substantially in the form of Exhibit A attached hereto and made a part hereof (the "LLC Agreement");

WHEREAS, ATS desires to purchase from CSD, and CSD desires to sell to ATS, an undivided seventy percent (70%) interest in the CSD Assets on the terms and conditions hereinafter set forth;

WHEREAS, ATS and CSD desire to transfer to LLC, and LLC shall assume, all of their respective right, title and interest in the CSD Assets so that the CSD Assets will be ultimately owned and operated by LLC; and

WHEREAS, prior to the execution and delivery of this Agreement, ATS and CSD have entered into an escrow agreement (the "Escrow Agreement") with The Bank of Stockton, Stockton, California (the "Escrow Agent"), pursuant to which ATS has made a deposit of $100,000 (the "Escrow Deposit");

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the CSD Disclosure Schedule and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to CSD and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, CSD hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, an undivided seventy percent (70%) interest in the CSD Assets, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "CSD Assets" shall mean all of the Entitled Sites and all of the Remaining Sites (a true, correct and accurate list of all of which is set forth in Section 2.1 of the CSD Disclosure Schedule), together with all Governmental Authorizations, Private Authorizations, Material Agreements and other Contracts related thereto (a true, correct and complete list or description of which is set forth in the relevant sections of the CSD Disclosure Schedule).

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, LLC shall assume and agree to pay, discharge and perform any and all obligations and liabilities that are directly associated with or related to the CSD Assets that become due after the Closing Date, including, but not limited to, Pro Ratable Taxes and all lease payments that are due and owing for any of the Entitled Sites and the Remaining Sites (the "CSD Assumed Obligations"); provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the CSD Nonassumed Obligations.

(b) LLC shall not assume or become obligated to perform any debt, liability or obligation of CSD relating to any of the following matters (collectively, the "CSD Nonassumed Obligations"):

(i) the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business prior to the Closing Date, including without limitation Taxes (other than Pro Ratable Taxes), any Legal Actions or other Claims and any obligations or liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the CSD Assumable Agreements relating to the period prior to the Closing; and

(iii) those required to be disclosed in the CSD Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iii) of the CSD Disclosure Schedule indicates that such obligation or liability will not be assumed.

All CSD Nonassumed Obligations shall remain and be the obligations and liabilities solely of CSD.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the term "CSD Nonassumed Obligations" shall not include, and the term "CSD Assumed Obligations" shall include, any liability arising out of the transfer or assignment to LLC of, or the use or enjoyment of the benefits by LLC under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(c) of the CSD Disclosure Schedule) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified CSD in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract to LLC despite the failure or inability of CSD to obtain the approval or consent of an Authority or other Person whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or ATS elects to have LLC receive the benefits of such

Nonassumable Contract, in either of which events, if the approval or consent of an Authority or other Person applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS' obligations at Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(h), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of any Authority or other Person is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, CSD and ATS shall negotiate in good faith to reach an equitable sharing of the rights and obligations under such Nonassignable Contracts.

(d) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(d) of the CSD Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of CSD employees) arising from the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with CSD entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the CSD Disclosure Schedule, within sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, CSD and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by CSD and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, CSD or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section.

Nothing contained in this Section 2.2(c) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, at 10:00 a.m., local time, on May 29, 1997 or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties and LLC shall deliver such bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the interest in the CSD Assets being acquired by ATS (the "Purchase Price") shall be an amount equal to the sum of (a) $790,000, subject to adjustment as provided in Section 2.2(d), plus an amount equal to the Prepaid Expenses and minus an amount equal to the sum of (i) the CSD Nonassumed Obligations, if any, which ATS agrees to assume, and (ii) Prepaid Revenues (the "Base Purchase Price"), and (b) the Entitled Site Payment. The Base Purchase Price shall be payable by (a) ATS instructing the Escrow Agent to deliver the Escrow Deposit (together with interest and other increments thereto) to CSD, and (b) wire transfer of immediately available funds to CSD for the balance of the Base Purchase Price to such account (or accounts) as CSD shall

designate in written instructions to ATS delivered not later than two (2) business days prior to the Closing. The CSD LLC Interest shall be deliverable by the execution and delivery of the LLC Agreement at the Closing. ATS agrees to pay any and all costs incurred by CSD with respect to procuring any construction permits for each of the Entitled Sites, including, but not limited to, fees and costs for surveys, geotechnical reports, construction drawings and permit fees. Such costs are exclusive of and/or in addition to the Entitled Site Payment of $5,000. The "Entitled Site Payment" shall mean an amount equal to $5,000 for each of the Entitled Sites and shall be payable, from time to time, by ATS or LLC within ten (10) business days of the receipt by LLC of notice from all applicable Authorities that all Governmental Authorizations necessary to construct a communication tower on the Entitled Site as to which payment is to be made have been fully approved.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF CSD

CSD hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) CSD is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) CSD has all requisite corporate power and corporate authority and has in full force and effect all Governmental Authorizations and Private Authorizations, except for those set forth in Section 3.1(b) of the CSD Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material adverse effect on CSD, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of CSD. This Agreement has been duly executed and delivered by CSD and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by CSD will constitute, legal, valid and binding obligations of CSD, 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) Except as set forth in Section 3.1(c) of the CSD Disclosure Schedule, and except for matters which would have no material adverse effect on CSD, neither the execution and delivery by CSD of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by CSD of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by CSD:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of CSD or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of CSD, other than those constituting CSD Nonassumed Obligations; or

(ii) will require CSD to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

(d) CSD does not have any Subsidiaries.

3.2 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein or set forth in the CSD Disclosure Schedule, except for such exceptions and qualifications including without limitation those set forth in the CSD Disclosure Schedule which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to CSD.

3.3 Title to Properties; Leases.

(a) CSD does not own any real property.

(b) Section 3.3(b) of the CSD Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the CSD Central Valley Business is leased. Except as otherwise set forth in Schedule 3.3(b) of the CSD Disclosure Schedule, each Lease or other occupancy or other agreement under which CSD holds real or personal property constituting a part of the CSD Assets has been duly authorized, executed and delivered by CSD and, to CSD's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of CSD, and, to CSD's knowledge, each of the other parties thereto, enforceable in accordance with its 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. CSD has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. All of such Leases are valid and subsisting and in full force and effect; neither CSD nor, to CSD's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the CSD Assets is subject to contracts of sale, and none is held by CSD as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.3(b) of the CSD Disclosure Schedule.

3.4 Compliance with Private Authorizations. Section 3.4 of the CSD Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the CSD Assets or the CSD Central Valley Business. CSD has obtained all Private Authorizations which are necessary for the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect CSD. All of such Private Authorizations are valid and in good standing and are in full force and effect. CSD is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on CSD. No such Private Authorization is the subject of any pending or, to CSD's knowledge, threatened attack, revocation or termination.

3.5 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.5(a) of the CSD Disclosure Schedule contains a true, complete and accurate description of each Governmental Authorization required under Applicable Laws (i) to own and operate the CSD Central Valley Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, all of which are in full force and effect or (ii) that is necessary to permit CSD to execute and deliver this Agreement and to perform its obligations hereunder. CSD has obtained all Governmental Authorizations which are necessary for the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material adverse effect on CSD. None of the Governmental Authorizations listed in Section 3.5(a) of the CSD Disclosure Schedule is subject to any restriction or condition which would limit in any material respect the ownership or operations of the CSD Assets or the conduct of the CSD Central Valley Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. The Governmental Authorizations listed in Section 3.5(a) of the CSD Disclosure Schedule are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of CSD or its officers, directors, employees or agents, and the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business are in accordance in all material respects with the Governmental Authorizations. All material reports, forms and statements required to be filed by CSD with all Authorities with respect to the CSD Central Valley Business have been filed and are true, complete and accurate in all material respects. No such Governmental Authorization is the subject of any pending or, to CSD's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. CSD has no reason to believe that any such Governmental Authorization would not be renewed in the name of CSD by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 3.5(b) of the CSD Disclosure Schedule, neither CSD nor any director or officer thereof (in connection with ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business) is in or is charged by any Authority with or, to CSD's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to CSD's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the CSD Assets or the conduct of the CSD Central Valley Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to CSD's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would adversely affect the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business; (y) involving charges of illegal discrimination by CSD under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.5(b) of the CSD Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.5(c) of the CSD Disclosure Schedule, no Event exists or has occurred, which, to CSD's knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on CSD or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the CSD Assets or the conduct of the CSD Central Valley Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.5(a), 3.5(b) or 3.5(c) of the CSD Disclosure Schedule, except as otherwise specifically described in Section 3.5(d) of the CSD Disclosure Schedule, all such information and matters set forth in the CSD Disclosure Schedule, if adversely determined against CSD, will not, individually or in the aggregate, have a materially adversely effect on CSD.

3.6 Intangible Assets. CSD does not own or use any Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the CSD Assets or the conduct of the CSD Central Valley Business. CSD does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and CSD has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.7 Insurance. CSD maintains, with respect to the CSD Assets and the CSD Central Valley Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.7 of the CSD Disclosure Schedule.

3.8 Absence of Sensitive Payments. Neither CSD nor, to CSD's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the CSD Assets or the CSD Central Valley Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.9 Inapplicability of Specified Statutes. CSD is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.10 Material Agreements. Listed on Section 3.10 of the CSD Disclosure Schedule are all Material Agreements relating to the ownership or operation of the CSD Assets or the conduct of the business of the CSD Central Valley Business or to which CSD is a party or to which it is bound or which any of the CSD Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by CSD to ATS and CSD has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.10 of the CSD Disclosure Schedule, with respect to Material Agreements comprised of site leases and site licenses granted by CSD to third parties and with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of CSD and, to CSD's knowledge, all other parties thereto, 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. CSD has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of CSD, Claim threatened in writing that CSD has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of CSD under any of such Material Agreements in any material respect.

3.11 Material and Adverse Restrictions. CSD is not a party to or subject to, nor is any of the CSD Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind

or character, which now has or, as far as CSD can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material adverse effect on CSD, except as set forth in Section 3.11 of the CSD Disclosure Schedule.

3.12 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of CSD.

3.13 Environmental Matters. Except as set forth in Section 3.13 of the CSD Disclosure Schedule, with respect to the CSD Assets and the CSD Assets, CSD:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to CSD's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree issued pursuant to any Environmental Law;

(d) is in compliance in all material respects with all Environmental Laws, has obtained all Environmental Permits required under Environmental Laws, and is not the subject of or, to CSD's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to material violations or material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the CSD Central Valley Business or the CSD Assets which Event, individually or in the aggregate, will interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, CSD as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and

the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have not material adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) CSD shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of CSD's properties, books, contracts, commitments and records (including without limitation Tax returns) relating to the CSD Assets and the CSD Central Valley Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an adverse effect on the CSD Assets or the CSD Central Valley Business or the businesses, operations, properties, prospects, personnel, condition (financial or other), or results of operations thereof, (ii) all financial records, ledgers, work papers and other sources of

financial information possessed and controlled by CSD or its accountants deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the CSD Assets and the CSD Central Valley Business and certifying financial statements and financial information, and (iii) such other information in the possession or control of CSD or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that CSD shall not be required to permit any such access to the extent same would unreasonably interfere with CSD's normal business operations. All non-public information relating to the CSD Assets or the CSD Central Valley Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of CSD, be disclosed by ATS in any manner whatsoever, in whole or in part, and shall not be used for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of CSD. ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, CSD shall not, without the prior written consent of ATS, disclose any information with respect to the CSD Assets or the CSD Central Valley Business, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with CSD, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for ATS.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, either party may disclose information received or retained by it in accordance with the provisions of this Agreement if it can demonstrate (i) such information is generally available to or known by the public from a source other than the party seeking to disclose such information or (ii) was obtained by the party seeking to disclose such information from a source other than the other party, provided that such source was not bound by a duty of confidentiality to the other party or another party with respect to such information.

(d) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto, except as set forth in Section 8.3(e).

5.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d),

(iii) to effect all necessary registrations, filings and submissions (including without limitation all filings necessary for ATS to own and operate the CSD Assets and conduct the CSD Central Valley Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, CSD and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that CSD and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement. In addition, subject to the terms and conditions hereof, ATS may disclose the subject matter of this Agreement to Persons with whom CSD has a business or contractual relationship in connection with ATS' due diligence investigation of CSD.

5.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the CSD Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. CSD shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether CSD is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the CSD Assets or the CSD Central Valley Business. The provisions of this Section shall apply to each of CSD's Subsidiaries. If CSD or any of its Representatives receives any inquiry with respect to an Alternative

Transaction while this Agreement is in effect, CSD shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

5.6 Conduct of Business by CSD Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date, unless ATS shall otherwise agree in writing, CSD shall, to the extent relating to the CSD Central Valley Business or the CSD Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the CSD Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the CSD Central Valley Business in conformity in all material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the CSD Assets or the CSD Central Valley Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the CSD Central Valley Business; and

(f) not (i) dispose of any of the CSD Assets owned by CSD or used in the operation of the CSD Central Valley Business or (ii) modify or change in any material respect, or enter into, any Lease or Material Agreement relating to any of the CSD Assets.

With respect to any transaction or act proposed to be entered into or performed by CSD which, pursuant to Sections 5.1(a) through (f), requires the prior approval of ATS, ATS shall be deemed to have approved same unless written notice of disapproval is received by CSD within five (5) business days after receipt by ATS of a written request for approval made by CSD.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a threat of any such Legal Action;

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and CSD with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 6.1(b) of the CSD Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the CSD Assets or the CSD Central Valley Business; and

(c) LLC shall have executed and delivered this Agreement as set forth below.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) CSD shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Taylor, Scott, Nichols and Matteucci, counsel for CSD, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.5(b) and 3.9, and such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of CSD contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of CSD or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by CSD hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and CSD shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 6.2(d) of the CSD Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the CSD Assets and the CSD Central Valley Business (including without limitation all Private Authorizations, Leases and Material Agreements of CSD) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could adversely affect ATS;

(e) CSD shall have delivered or cause to be delivered to ATS all of the Collateral Documents (including without limitation the LLC Agreement) and other agreements, documents and instruments required to be delivered by CSD to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(f) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the CSD Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material adverse effect on the CSD Assets and the CSD Central Valley Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(g) Each of the individuals named therein shall have executed and delivered to ATS an agreement substantially in the form of Exhibit B attached hereto and made a part hereof (the "ATS Noncompetition Agreements");

(h) CSD shall have delivered to ATS all use permits, consents or other Governmental Authorizations of and all Leases from the United States Forest Service, if any, set forth in Section 6.2(h) of the CSD Disclosure Schedule; and

(i) CSD shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) CSD will hold (but will have no obligation to perform services thereunder) for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse CSD for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless CSD with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by CSD pursuant thereto other than those relating to the bad faith, negligence or willful misconduct of CSD or its officers, directors, stockholders or employees.

6.3 Conditions to Obligations of CSD. The obligation of CSD to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and

substance to CSD and its counsel, and CSD and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished CSD and, at CSD's request, any bank of other financial institution providing credit to CSD, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 4.1 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as CSD or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of CSD or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS shall have furnished CSD with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as CSD or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to CSD all of the Collateral Documents (including without limitation the LLC Agreement) and other agreements, documents and instruments required to be delivered by ATS to CSD at or prior to the Closing pursuant to the terms of this Agreement; and

(e) ATS shall have executed and delivered to CSD the Nonassignable Contracts Agreement.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of CSD and ATS;

(b) by either ATS or CSD if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by CSD in the event (i) CSD is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date, or (B) ATS is in material breach of this Agreement or any of its representations or warranties

shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date, or (B) CSD is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date.

The term "Termination Date" shall mean July 1, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or CSD to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1 (with respect to confidentiality), 5.3 and 9.3 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by CSD pursuant to the provisions of Section 7.1(c), then CSD shall be entitled to liquidated damages of an amount equal to the Escrow Deposit, together with interest and other earnings thereon, it being agreed that such amount shall constitute full payment for any and all damages suffered by CSD by reason of ATS' failure to consummate the Transactions. ATS and CSD agree in advance that actual damages would be difficult to ascertain and that such liquidated damages is a fair and equitable amount to reimburse CSD for damages sustained due to ATS' failure to consummate the Transactions for the above-stated reasons. In the event this Agreement is terminated by ATS pursuant to the provisions of Section 7.1(d), then ATS shall be entitled to the amount of the Escrow Deposit, together with interest and other earnings thereon, without prejudice to ATS' right to pursue damages or other remedies hereunder. Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Section 7.1(a), 7.1(b) or 7.1(e), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies, except that ATS shall be entitled to the Escrow Deposit, together with interest and earnings thereon.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations and warranties of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period of (a) two (2) years after the Closing Date or (b) the applicable statute of limitations in the case of matters of a nature referred to in Sections 3.1, 3.13 and 4.1, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for the statute of limitations applicable to contractual obligations. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud or intentional and willful breach or misrepresentation, may be asserted after the expiration of the Indemnity Period. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

8.2 Indemnification. Each of CSD and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(a) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(b) any Legal Action or other Claim by any third party relating to the indemnifying party or, in the case of ATS, the ownership or operations of the CSD Assets or the conduct of the business of the CSD Central Valley Business to the extent such Legal Action or other Claim has also resulted in a breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it; or

(c) in the case of CSD as the indemnifying party, the failure of CSD to comply with Bulk Sales law of the State of California; or

(d) in the case of CSD as the indemnifying party, by reason of, or arising out of, (i) CSD Nonassumed Obligations or (ii) the ownership and operation of the CSD Assets and the CSD Central Valley Business prior to the Closing Date; or

(e) in the case of ATS as the indemnifying party, by reason of, or arising out of, (i) CSD Assumed Obligations or (ii) the ownership and operation of the CSD Assets and the CSD Central Valley Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the CSD Assumed Obligations.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnified party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $25,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $25,000), and (ii) in no event shall the aggregate amount required to be paid by each indemnifying party pursuant to the provisions of this Article exceed $1,000,000, except for any Loss or Expense arising out of matters of a nature referred to in Sections 3.1 and 4.1 as to which the limitations set forth in this clause (ii) shall not apply. Notwithstanding anything to the contrary contained herein, it is expressly agreed to by the parties that any lease payments due under any Lease for any of the Sites being acquired which comprise the CSD Assets after the Closing shall not be considered an item of Loss and Expense for purposes of the limitation of liability set forth herein.

(b) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party, which consent shall not unreasonably be withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the CSD Assets or the conduct of the CSD Central Valley Business in substantially the manner then being theretofore owned, operated and conducted by ATS.

8.6 Exclusive Remedy. Except for fraud or willful or intentional misrepresentation or breach of warranty, covenant or agreement or as otherwise provided in Section 9.5, the indemnification provided in

this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or CSD may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All costs and expenses, incurred in connection with any transfer taxes, sales taxes, recording or documentary taxes, stamps or other charges levied by any Authority in connection with this Agreement and the consummation of the Transactions shall be borne equally by CSD and ATS. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to CSD:

7488 Shoreline Drive - Suite B-1
Stockton, California 95219
Attention: Michael Wingo, Chief Executive Officer
Telecopier No.: (209) 951-5845

with a copy to:

Taylor, Scott, Nichols and Matteucci
120 North Hunter Street
Stockton, California 95202
Attention: Christopher P. Papas, Esq.
Telecopier No.: (209) 942-4450

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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 post ing 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach.

9.6 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 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 California 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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.

9.10 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 any 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.

9.11 Entire Agreement. This Agreement (together with the CSD Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated December 19, 1996, between the parties.

9.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of CSD and ATS, 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.

9.15 Arbitration of Disputes. Subject to the right of the parties to seek injunctive relief pursuant to the provisions of Section 9.5, in the event of any dispute arising from or related to any of the terms or conditions of this Agreement, ATS, CSD and LLC hereby agree to submit any such dispute to binding arbitration under the Commercial Rules of the American Arbitration Association at Sacramento, California.

IN WITNESS WHEREOF, ATS and CSD have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:
Name:
Title:

Communication Systems Development, Inc.

By:
Title:

The undersigned, Communication Systems Development, LLC, a Delaware limited liability company, hereby executed the above agreement as of May , 1997, and hereby agrees to be bound by, and understands that it will be entitled to the benefits of, the above agreement with the same force and effect as though it were an original party thereto.

Communication Systems Development, LLC

By:
Name:
Title:

APPENDIX A

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the CSD Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to CSD and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the CSD Central Valley Business, or (c) impair CSD's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to constitute such a change, affect or effect.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the CSD Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

ATS shall have the meaning given to it in the Preamble.

ATS' Noncompetition Agreements shall have the meaning given to it in Section 6.2(i).

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, including without limitation the FCC.

Base Purchase Price shall have the meaning given to it in Section 2.3.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

Collateral Document shall mean the ATS Noncompetition Agreements, the Nonassignable Contracts Agreement, the LLC Agreement, bills of sale, assignments of intangibles, assumption agreements with respect to the CSD Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other CSD Assets and the CSD Central Valley Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

CSD shall have the meaning given to it in the Preamble.

CSD Assumable Agreements shall mean all obligations and liabilities of CSD under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations, the other Contractual Obligations not required to be listed on Section 3.10 of the CSD Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the CSD Assets or the conduct of the CSD Central Valley Business, and the letter of intent, dated, 1997 between CSD and .

CSD Assets shall have the meaning given to it in Section 2.1.

CSD Assumed Liabilities shall have the meaning given to it in Section 2.2(b).

CSD Central Valley Business shall have the meaning given them in the first Whereas paragraph.

CSD Disclosure Schedule shall mean the CSD Disclosure Schedule dated as of the date of this Agreement delivered by CSD to ATS.

CSD Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

CSD's knowledge means the actual knowledge of any CSD officer or senior manager, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate CSD records.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entitled Site Payment shall have the meaning given to it in Section 2.3.

Entitled Sites shall have the meaning given to it in first Whereas paragraph.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Escrow Agent shall have the meaning given to it in the fifth Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the fifth Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the fifth Whereas paragraph.

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.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the CSD Assets or the conduct of the CSD Central Valley Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

LLC shall have the meaning given to it in the second Whereas paragraph.

LLC Agreement shall have the meaning given to it in the second Whereas paragraph.

Loss and Expense shall have the meaning given to it in Section 8.2.

Material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to CSD, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the CSD Central Valley Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the CSD Central Valley Business during the current fiscal year, (f) is with the United States Forest Service or any other Authority, or (g) involves the lease by CSD of any Site.

Nonassignable Contracts shall have the meaning given to it in Section 2.2(c).

Nonassignable Contracts Agreement shall have the meaning given to it in Section 6.2(i).

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the CSD Central Valley Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by CSD prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by CSD prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned or used by CSD as of the date hereof, in the operations of the CSD Central Valley Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Remaining Sites shall have the meaning given to it in the first Whereas paragraph.

Representatives shall have the meaning given to it in Section 5.1(a).

Sites shall have the meaning given to it in the first Whereas paragraph.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Termination Date shall have the meaning given to it in Section 7.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the interest in the CSD Assets, and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.18

COMMUNICATION SYSTEMS DEVELOPMENT, LLC

AGREEMENT OF LIMITED LIABILITY COMPANY

Dated as of May 30, 1997

COMMUNICATION SYSTEMS DEVELOPMENT, LLC
AGREEMENT OF LIMITED LIABILITY COMPANY

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COMMUNICATION SYSTEMS DEVELOPMENT, LLC

AGREEMENT OF LIMITED LIABILITY COMPANY

THIS AGREEMENT OF LIMITED LIABILITY COMPANY of Communication Systems Development, LLC, dated as of May 30, 1997, is entered into by and among American Tower Systems, Inc., a Delaware corporation ("ATS"), and Communication Development Corporation, Inc., a California corporation ("CSD").

WITNESSETH THAT:

WHEREAS, the undersigned desire, by execution of this Agreement, to form a limited liability company pursuant to the Delaware Limited Liability Company Act, 6 Del. C. ss.18-101 et seq. (as from time to time amended and including any successor statute of similar import, the "Act");

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1

DEFINITIONS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in each document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. The words such as "herein", "hereinafter", "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

ARTICLE 2

FORMATION OF LIMITED LIABILITY COMPANY

2.1 Formation. The parties, by execution of this Agreement, hereby enter into and join together in, and do hereby form, the Company as a limited liability company under and pursuant to the Act. Each party hereto represents and warrants that it is duly authorized to join in this Agreement and that the Person executing this Agreement on its behalf is duly authorized to do so.

2.2 Company Name. The name of the Company shall be Communication Systems Development, LLC. The business of the Company shall be conducted under such name or such other names as may from time be established by a Determination of the Members.

2.3 The Certificate, Etc. One or more of the Members, as authorized persons shall execute and file the Certificate, together with a duplicate copy thereof, with the Secretary of State of the State of Delaware, and upon receipt from the Secretary of State of the duplicate copy (and any certificates of amendment thereto that may subsequently be filed) marked "Filed", the Members executing the Certificate shall promptly deliver or mail, or caused to be delivered or mailed, a copy of the Certificate (or any such certificate of amendment) to any Member not so executing the Certificate (or certificate of amendment). The Members hereby agree (or to cause one or more of the individuals designated as managers under Section 7.2 hereof) to execute, file and record such other certificates and documents, including amendments to the Certificate, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property, and the conduct of business under the laws of the State of Delaware and any other jurisdiction in which the Company may own property or conduct business.

2.4 Principal Business Office, Registered Office and Registered Agent. The principal business office of the Company shall be located at 7488 Shoreline Drive, Suite 1-B, Stockton, California 95219 or at such other location as may hereafter be designated by a Determination of the Members. The registered office of the Company shall be c/o Corporation Service Company, 1013 Centre Road, Wilmington, New Castle County, Delaware 19805. The registered agent for service of process on the Company shall be Corporation Service Company, whose address is 1013 Centre Road, Wilmington, New Castle County, Delaware 19805. The principal business office, the registered office and the registered agent of the Company may be changed from time to time upon a Determination of the Members and in accordance with the then applicable provisions of the Act and any other applicable laws. The Members shall be promptly notified in writing of any change in such principal office, registered office or registered agent for service of process.

2.5 Term of the Company. The term of the Company shall commence on the date of the initial filing of the Certificate with the office of the Secretary of State of the State of Delaware (the "Effective Date"), and shall continue until December 31, 2047 unless it is sooner dissolved pursuant to the provisions of Section 9.1.

2.6 Purposes. The purpose of the Company is to engage, whether directly or indirectly, in the development, ownership, operation, management and disposition of communication towers and communication tower sites and to engage in all actions necessary, convenient or incidental to the foregoing. The Company shall not engage in any other business or activity without a Determination of the Members.

2.7 Powers. In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Company shall have the power and is hereby authorized to:

(a) acquire by purchase, lease, contribution of property or otherwise and own, hold, sell, convey, transfer or dispose of real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(b) act as a general or limited partner of any general or limited partnership of which the Company may be a partner and to exercise all of the powers, duties, rights and responsibilities associated therewith;

(c) take any and all actions necessary, convenient or appropriate as the holder of partnership interests, including the granting or approval of waivers, consents or amendments of rights or powers relating thereto and the execution of appropriate documents to evidence such waivers, consents or amendments;

(d) operate, purchase, maintain, finance, improve, own, sell, convey, assign, mortgage, lease or demolish or otherwise dispose of any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(e) borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Company, and secure the same by mortgage, pledge or other lien on the assets of the Company;

(f) invest any funds of the Company pending distribution or payment of the same pursuant to the provisions of this Agreement;

(g) prepay in whole or in part, refinance, recast, increase, modify or extend any indebtedness of the Company and, in connection therewith, execute any extensions, renewals or modifications of any mortgage or security agreement securing such indebtedness;

(h) enter into, perform and carry out contracts of any kind, including, without limitation, contracts with any Affiliate of a Member, necessary to, in connection with, or incidental to the accomplishment of the purposes of the Company;

(i) establish reserves for capital expenditures, working capital, debt service, taxes, assessments, insurance premiums, repairs, improvements, depreciation, depletion, obsolescence, and general maintenance of buildings and other property out of the rents, profits, or other income received;

(j) employ or otherwise engage employees, managers, directors, contractors, advisors and consultants (including without limitation any Member) and pay reasonable compensation for such services;

(k) enter into partnerships or other ventures with other Persons (including without limitation any Affiliate of any Member) in furtherance of the purposes of the Company; and

(l) do such other things and engage in such other activities related to the foregoing as may be necessary, convenient or advisable with respect to the conduct of the business of the Company, and have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

ARTICLE 3

CAPITALIZATION

3.1 Initial Capital Contributions. Each of the Members shall contribute or cause to be contributed to the Company, on the Effective Date, as its Initial Capital Contribution, the cash and other property set forth on the Member Schedule.

3.2 ATS Construction Funding. ATS agrees to make, from time to time, Additional Capital Contributions for the purposes of constructing communication towers and other improvements on the sites to be acquired by the Company pursuant to the consummation of the transactions contemplated by the

Acquisition Agreement and, in addition from time to time, for acquiring additional sites and constructing communication towers and other improvements thereon, subject to the following conditions:

(i) ATS shall have approved the acquisition of any such additional site for which the Additional Capital Contribution is to be used, such approval not to be unreasonably withheld; and

(ii) CSD shall have prepared in good faith, based on the results of comparable sites and towers owned by the Company or any Affiliates of any of the Members, and furnished to ATS not less than thirty (30) days prior to the proposed acquisition of the site a financial analysis of the costs associated with such acquisition, the construction of the communication tower or towers thereon, the estimated revenue to be obtained and expenses to be incurred in the operation and maintenance of such tower or towers.

Upon receipt of such financial analysis, and such other information as it shall have reasonably requested, ATS shall determine, in good faith, whether it reasonably believes that the proposed project is in the best interests of the Company. In the event it agrees that they will or is, as the case may be, it shall be obligated to make the Additional Capital Contribution referred to in such financial analysis in a timely manner in order to facilitate the acquisition of the site and the construction of the communication tower or towers. Any Additional Capital Contribution made by ATS pursuant to the provisions of this Section will not in any way result in a change or modification as to any Member's Company Interest as initially set forth in the Member Schedule, but shall only be reflected as an increase in ATS' Capital Account. In the event ATS shall not have given written notice to CSD of its objection (an "Objection Notice") to the acquisition within ten (10) days of the receipt of such financial analysis (and any other information with respect thereto which it has reasonably requested), it shall be deemed to have approved such acquisition and shall be obligated to make such Additional Capital Contribution. In the event ATS shall have given an Objection Notice (which shall specify in reasonable detail the basis thereof), CSD and ATS shall negotiate in good faith in an effort to resolve their differences to the end that ATS would be willing to make the Additional Capital Contribution. In the event ATS and CSD are unable to resolve their differences within twenty (20) days, CSD shall have the right, in its sole and absolute discretion, to (x) make the Additional Capital Contribution on the same terms and conditions as ATS would otherwise have made such Additional Capital Contribution, (ii) to advance the required funds in the form of a Member Loan, (iii) to obtain such funds as a loan from an Unaffiliated Person in accordance with the provisions of Section 3.3 (in which event no Determination of the Members will be required), or (iv) to acquire such site and construct such tower or towers for its own account or for the account of any Affiliate of CSD.

Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, ATS shall advance all funds to finance the construction of communication towers on the initial sixty (60) sites acquired by the Company upon its formation and the consummation of the transactions contemplated by the Acquisition Agreement in the form of Additional Capital Contributions and not in the form of Member Loans or loans from one or more Unaffiliated Persons.

3.3 Other Required Funds. In the event that in the judgment of Members representing a Determination of the Members additional funds are required by the Company for any Company purpose which ATS is not obligated to fund pursuant to the provisions of Section 3.2, the Members may elect, upon a Determination of the Members, but subject in any event to the provisions of Section 7.2, to obtain such funds as a loan from any Unaffiliated Person upon such terms and conditions as the Members, by Determination of the Members, deem appropriate or, in the alternative, the Members may elect, by Unanimous Determination of the Members, to cause each Member to advance, as an Additional Capital Contribution, its proportionate share, based upon the Company Interests of all Members, or in such other proportion as shall be fixed by a Unanimous Determination of the Members, of the total amount so required,

it being expressly understood that no Member may be required to make an Additional Capital Contribution and no such Additional Capital Contribution shall be made by any Member, unless the same shall have been approved by Unanimous Determination of the Members. CSD shall also have the right, pursuant to the provisions of Section 3.2, to obtain funds as a loan from any Unaffiliated Person.

In the event that additional funds are required for any Company purpose which ATS is not obligated to fund pursuant to the provisions of Section 3.2, and provided that the Members are unable to obtain, or agree upon terms with respect to, a loan from an Unaffiliated Person of such funds or if the Members fail to agree, by Unanimous Determination of the Members, to advance the same as Additional Capital Contributions, then any Member may, by written notice to each Member, propose that the same be advanced as loans from the Members. Any such loan (each a "Member Loan") shall bear interest at an annual rate of interest, compounded quarterly, equal to the Prime Rate plus two (2) percentage points and shall be payable, on a priority basis, out of Cash Flow and at liquidation of the Company, all as further provided in Article 6. Any such Member Loan may be advanced by all of the Members, pro rata in proportion to Company Interests, or, in the event that any Member declines to participate in any such Member Loan by advancing its share thereof within ten (10) days after receipt of a written proposal with respect to such loan, by any Member or Members who determine to participate therein, it being expressly understood and agreed that no Member shall have any obligation to participate in any Member Loan so proposed. To the extent that any Member declines to participate in any Member Loan so proposed, that Member's portion of the Member Loan so proposed shall be allocated to the Member or Members who elect to participate therein in such proportions as such other Members may agree or, in the absence of such agreement, pro rata among all Members electing to participate therein in proportion to their respective Company Interests.

3.4 Capital Accounts. A separate capital account (a "Capital Account") shall be established and maintained for each Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited the amount of cash and fair market value of the property actually contributed to the Company pursuant to Sections 3.1, 3.2 and 3.3, such Member's allocable share of Profit and the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member.

(b) To each Member's Capital Account there shall be debited the amount of cash and the fair market value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's allocable share of Loss and the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b)(2)(iv) of the Treasury Regulations, and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

(d) A Member shall not be entitled to withdraw any part of its Capital Account or to receive any distributions from the Company except as provided in Article 6; nor shall a Member be entitled to make any loan or Capital Contribution to the Company other than as expressly provided herein. No loan made to the Company by any Member shall constitute a Capital Contribution to the Company for any purpose.

(e) Except as required by the Act, no Member shall have any liability for the return of the Capital Contribution of any other Member. A Member who has more than one interest in the

Company shall have a single Capital Account that reflects all such interests, regardless of the class of interest owned and regardless of the time or manner in which the interests were acquired.

3.5 Transfer of Capital Accounts. The original Capital Account established for each substituted Member shall be in the same amount as the Capital Account of the Member which such substituted Member succeeds, at the time such substituted Member is admitted to the Company. The Capital Account of any Member whose interest in the Company shall be increased by means of the transfer to it of all or part of the interest in the Company of another Member shall be appropriately adjusted to reflect such transfer. Any reference in this Agreement to a Capital Contribution of or distribution to a then Member shall include a Capital Contribution or distribution previously made by or to any prior Member on account of the Company interest of such then Member.

3.6 Deficit Capital Accounts. No Member with a deficit in his Capital Account shall be obligated to restore such deficit balance or make a Capital Contribution to the Company solely by reason of such deficit.

3.7 Additional Equity. If the Members, by a Unanimous Determination of the Members, conclude that an additional equity investment in the Company is necessary and desirable, the Board shall determine the value of the outstanding equity of the Company, and based on such value, shall determine the price for the additional equity to be issued. Each Member shall be entitled to subscribe for such Member's proportionate share (based on its Company Interest) of such additional equity. If any Member shall subscribe for less than its proportionate share, the excess shall then be offered to the fully-subscribing Members. Any portion not subscribed for by Members may then be offered to Persons who are not Members. If it is necessary to offer such equity to Persons who are not Members on terms more favorable than the terms originally accepted by Members, all of the equity originally subscribed for by the Members shall be issued on the terms the equity was offered to Persons who are not Members. The Board shall establish procedures for each equity issuance that will assure that each Member has an equitable and fair opportunity to subscribe for such equity, exercise its right to preserve its relative Company Interest and exercise its right of first refusal before any equity is offered to Persons who are not Members.

3.8 Additional Members. No additional Members may be admitted to the Company without a Unanimous Determination of the Members, other than pursuant to the provisions of Section 3.6 or Article 8.

ARTICLE 4

BOOKS; ACCOUNTING; TAX ELECTIONS; REPORTS

4.1 Fiscal Year. The fiscal year of the Company shall be the calendar year (the "Year"), or such other year as shall be required under the Code.

4.2 Method of Accounting and Taxation. The books of account of the Company (other than books required to maintain Capital Accounts) shall be maintained on an accrual basis and otherwise in accordance with GAAP. It is the intention of the Members that the Company be taxed as a partnership for Federal income tax purposes and the Members shall take all action and make all elections necessary to ensure that the Company is so taxed.

4.3 Books and Records and Inspection.

(a) Books of Account and Records. Proper and complete records and books of account of the Company's business, including all such transactions and other matters as are usually entered into records and books of account maintained by Persons engaged in businesses of like character or as are required by law, shall be kept by the Company at the Company's principal office and place of business. To the extent required by law, the Company shall also keep, at its principal office and place of business, all records, required by the Act.

(b) Inspection. Each Member shall have the right, at all reasonable times and upon reasonable notice during usual business hours, to audit, examine and make copies of or extracts from the books of account of the Company for any purpose reasonably related to such Member's interest as a member of the Company. Such right may be exercised through any agent or employee of such Member designated by it or by a certified public accountant designated by such Member. A Member shall bear all expenses incurred in any examination made for such Member's account.

4.4 Reports.

(a) Monthly Reports. The Company shall prepare and deliver or cause to be delivered to each Member, within thirty (30) days after the end of each calendar month:

(i) a management-prepared balance sheet, income statement and cash flow statement for the Company with respect to such calendar month just ending and the fiscal year to date;

(ii) a management-prepared statement of income for the Company comparing the actual results for the month and the fiscal year to date with budgeted amounts as set forth in the most recently approved Annual Budget; and

(iii) (A) a narrative report concerning the operations of the Company, including the matters set forth in the profit and loss and cash flow statements and the variance report described above; and (B) as of the end of each calendar quarter, the balance of each Member's Capital Account.

The monthly financial statements and other reports and information shall be certified as accurate in all material respects by an officer of the Company to his best knowledge and belief.

(b) Annual Report. The Company shall prepare and deliver or cause to be delivered to each Member, within eighty (80) days after the end of each fiscal year, an annual report for the Company containing the following:

(i) a balance sheet for the Company as of the end of such Year, and statements of income, Members' capital and statement of cash flows for the Company for such year;

(ii) a general description of the activities of the Company during the period covered by the report; and

(iii) a report of any transactions between the Company and any Member or Affiliates with respect thereto, including fees or compensation paid by the Company and the services performed by the Members or any Affiliates thereof for such fees or compensation.

The annual financial statements of the Company shall be audited (which audit shall be conducted in accordance with GAAP) and certified by the Accountants.

(c) Other Information. Forthwith upon request of any Member, the Company shall, at the cost and expense of the Company, furnish (or cause to be furnished) to each Member such information bearing on the financial condition and operations of the Company as any such Member may from time to time reasonably request. Upon obtaining knowledge thereof, the Company shall furnish to each Member prompt written notice of any events or occurrences not otherwise provided for in this Section 4.4 which may materially and adversely affect the Company.

4.5 Filing of Returns and Other Writings; Tax Matters Member.

(a) The Tax Matters Member shall cause the preparation and timely filing of all Company tax returns and shall, on behalf of the Company, timely file all other writings required by any governmental authority having jurisdiction to require such filing.

(b) Unless and until the Members shall otherwise direct by Determination of the Members, ATS will serve as the "tax matters partner" (as such term is defined in Section 6231(a)(7) of the Code, the "Tax Matters Member") for purposes of Section 6231 of the Code.

(c) The Company shall, to the fullest extent permitted by law, reimburse and indemnify the Tax Matters Member for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Member in connection with any administrative or judicial proceeding with respect to the tax liability of the Members.

(d) The provisions of this Section shall survive the termination of the Company or the termination of any Member's interest in the Company and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the Federal income taxation of the Company or the Members.

(e) The Members agree to file all tax returns in a manner consistent with all Company tax returns.

ARTICLE 5

ALLOCATIONS

5.1 Allocations of Profit and Loss.

(a) Profit. After giving effect to the special allocations set forth in Section 5.6 and taking into account any curative allocations in Section 5.7, Profit of the Company for each fiscal year or other period shall be allocated among the Members as follows:

(i) first, to the Members in the amounts and proportions necessary to reverse, on a cumulative basis and without duplication, all allocations of Loss to the Members pursuant to Section 5.1(b)(iii) over the life of the Company;

(ii) second, to the Members in the amounts and proportions necessary to reverse, on a cumulative basis and without duplication, all allocations of Loss to the Members pursuant to Section 5.1(b)(ii) over the life of the Company; and

(iii) the balance, to the Members in accordance with their Company Interests.

(b) Loss. After giving effect to the special allocations set forth in Section 5.6 and taking into account any curative allocations in Section 5.7, Loss of the Company for each fiscal year or other period shall be allocated among the Members as follows:

(i) first, to the Members in the amounts and proportions necessary to reverse, on a cumulative basis and without duplication, all allocations of Profit to the Members pursuant to Section 5.1(a)(iii) over the life of the Company;

(ii) second, to the Members with positive balances in their Capital Accounts, in accordance with their Company Interests until the Capital Accounts of all Members are reduced to zero; and

(iii) the balance, to the Members in accordance with their Company Interests.

5.2 Section 754 Election. Upon the request of any Member, the Company shall elect, pursuant to Section 754 of the Code, to adjust the basis of Company property as permitted and provided in Sections 734 and 743 of the Code. Such election shall be effective solely for Federal (and, if applicable, state and local) income tax purposes and shall not result in any adjustment to the Book Value of any Company asset or to the Members' Capital Accounts (except as provided in Treasury Regulations Section 1.704-1(b)(2)(iv)(m)) or in the determination or allocation of Profit or Loss for purposes other than such tax purposes.

5.3 Allocations for Tax and Book Purposes. Except as otherwise provided herein, any allocation to a Member for a fiscal year or other period of a portion of the Profit or Loss, or of a specially allocated item, shall be determined to be an allocation to that Member of the same proportionate part of each item of income, gain, loss, deduction or credit, as the case may be, as is earned, realized or available by or to the Company for Federal tax purposes.

5.4 Certain Accounting Matters. For purposes of determining Profit, Loss or any other items allocable to any period, Profit, Loss and any such other items shall be determined on a daily, monthly or other basis, as determined by the Managers using any permissible method under Section 706 of the Code and the Treasury Regulations promulgated thereunder.

5.5 Tax Allocations; Code Section 704(c). In accordance with Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for Federal income tax purposes and its fair market value at the time of contribution. In the event that the Book Value of any Company asset is subsequently adjusted in accordance with the last sentence of the definition of Book Value, any allocation of income, gain, loss and deduction with respect to such asset shall thereafter take account of any variation between the adjusted tax basis of the asset to the Company and its Book Value in the same manner as under Section 704(c) of the Code and any Treasury Regulations promulgated thereunder. Any elections or other decisions relating to such allocations shall be made by the Managers in a manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this section are solely for purposes of Federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Members' Capital Account or share of Profit, Loss or distributions pursuant to any provision of this Agreement.

5.6 Compliance With Section 704(b).

(a) Qualified Income Offset. If any Member unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes the Member to have, or increases the amount of a Member's, deficit Adjusted Capital Account Balance, items of Company income and gain shall be specially allocated to such Member in accordance with the requirements of Regulations Section 1.704-1(b)(2)(ii)(d). This Section 5.6(a) is intended to comply with the qualified income offset provision of such Regulations Section, and shall be interpreted consistently therewith.

(b) Gross Income Allocation. If any Member would otherwise have a deficit Adjusted Capital Account Balance as of the last day of any fiscal year or other period, items of income and gain of the Company shall be specially allocated to such Member (in the manner specified in Section 5.6(a) hereof) so as to eliminate such deficit Adjusted Capital Account Balance as quickly as possible, provided that an allocation pursuant to this Section 5.6(b) shall be made only if and to the extent that such Member would have a deficit Adjusted Capital Account Balance after all other allocations provided for in this Agreement have been tentatively made as if this Section 5.6(b) were not in this Agreement.

(c) Limitation on Loss Allocations. No item of deduction or loss of the Company shall be allocated to a Member if such allocation would cause or increase a deficit Adjusted Capital Account Balance. In the event that some but not all of the Members would have deficit Adjusted Capital Account Balances as a result of an allocation of Loss pursuant to this Article 5, the limitation set forth in this Section 5.6(c) shall be applied on a Member by Member basis so as to allocate the maximum permissible Loss to each Member under Regulations Section 1.704-1(b)(2)(ii)(d).

(d) Minimum Gain Chargeback. Notwithstanding any other provision of this Article 5, if there is a net decrease in "partnership minimum gain" or "partner nonrecourse debt minimum gain" of the Company (as such terms are defined in Regulations Section 1.704-2) during any fiscal year or other period, prior to any other allocation pursuant hereto, items of Company income and gain for such fiscal year or other period (and, if necessary, for subsequent fiscal years or periods) shall be specially allocated among the Members in accordance with Regulations Sections 1.704-2(f) and (i). The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and (j)(2).

(e) Allocation of "Partner Nonrecourse Deductions". "Partner nonrecourse deductions" as defined in Section 1.704-2(i)(1) of the Treasury Regulations for any fiscal year or other period shall be specially allocated to the Members who bear the economic risk of loss for the "partner nonrecourse debt" to which such "partner nonrecourse deductions" are attributable, as provided in Section 1.704-2(i)(1) of the Treasury Regulations.

(f) Allocation of "Nonrecourse Deductions". "Nonrecourse deductions" as such term is defined in Section 1.704-2(b)(1) of the Treasury Regulations for any fiscal year or other period shall be allocated to the Members in accordance with their respective Company Interests.

5.7 Curative Allocations. The allocations set forth in Section 5.6 (the "Regulatory Allocations") are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to divide Company Profits, Losses and similar items. Accordingly, Profits, Losses and other items will be reallocated among the Members (in the same year, and to the extent necessary, in subsequent years) in a

manner consistent with Treasury Regulation section 1.704-1(b) and 1.704-2 so as to prevent the Regulatory Allocations from distorting the manner in which Company Profits, Losses and other items are intended to be allocated among the Members pursuant to this Article 5.

ARTICLE 6

DISTRIBUTIONS

6.1 Distributions Other Than Proceeds of Any Liquidating Transaction. Subject to Section 18-607 of the Act, the Company shall distribute Cash Flow to each Member, on a monthly basis, in the following manner:

(a) first, up to thirty percent (30%) of Cash Flow to the Members in payment of any Member Loans in proportion to the outstanding balances of such Member Loans held by each Member (amounts so paid to be applied first to interest accrued and unpaid, and then to outstanding principal); and

(b) the balance, to the Members in accordance with their respective Company Interests at the time of distribution.

6.2 Proceeds of Any Liquidating Transaction. Upon the occurrence of any transaction (a "Liquidating Transaction") involving the sale or other disposition of all or substantially all of the assets of the Company, all proceeds resulting therefrom (and all cash available from any other source during the period of winding up of the Company) shall be applied as follows:

(a) first, to the payment of, or of the making of reasonable provisions for payment of, any debts or liabilities of the Company to creditors (other than Members as holders of Member Loans);

(b) second, to the Members in payment of any Member Loans in proportion to the outstanding balances of such Member Loans held by each Member (with amounts so paid to be applied first to interest and then to principal); and,

(c) the balance, to the Members in proportion to and to the extent of the positive balances of the Capital Accounts of the Members (after reflecting in such Capital Accounts all adjustments thereto necessitated by (i) all other Company transactions for the Fiscal Year of the Company in which such Liquidating Transaction occurs prior to or simultaneously with such Liquidating Transaction and (ii) such Liquidating Transaction).

It is understood and agreed that all payments under this Section shall be made as soon as reasonably practicable and in any event by the end of the Fiscal Year in which such Liquidating Transaction occurs or, if later, within ninety (90) days after the date of such Liquidating Transaction.

6.3 Liquidation of Member's Interest. Upon liquidation of a Member's interest in the Company, other than in connection with a Liquidating Transaction, liquidating distributions to such Member shall be made in accordance with Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

ARTICLE 7

RIGHTS AND OBLIGATIONS OF MEMBERS

7.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company. The Members shall not be required to lend any funds to the Company. Each of the Members shall only be liable to make payment of its respective contributions as and when due hereunder and other payments as expressly provided in this Agreement. If and to the extent a Member's contribution shall be fully paid, such Member shall not, except as required by the express provisions of the Act regarding repayment of sums wrongfully distributed to Members, be required to make any further contributions.

To the extent that, at law or in equity, any Affiliate of a Member or any manager, officer, stockholder, employee, agent or representative of a Member or such Affiliate has duties (including fiduciary duties) and liabilities to the Company or to the Members, no such Person shall be liable to the Company or to any Member for its good faith reliance on the provisions of this Agreement, including without limitation Section 7.4, which, in the event of any conflict with any such duties, shall govern.

7.2 Management and Control, Etc. Management and control of the Company shall be vested in the Members and all material decisions with respect to management, control, operation and disposition of the business and assets of the Company shall, except as otherwise specifically provided in this Agreement, be made by Determination of the Members.

There shall be established by the Members a Board of Managers of the Company (the "Board"), composed of five managers, designated as hereinafter set forth. The Board shall meet on a regular basis, not less frequently than quarterly, to review the operations of the Company, and any Determination of the Members, required or permitted to be taken under this Agreement may be accomplished by action of a majority of the managers (or, in the case of any Unanimous Determination of the Members, by action of all of the managers), either at a meeting of the Board or by written consent. The Board may also appoint a Chairman, President, one or more Vice Presidents, a Treasurer and a Secretary and such other officers as the Board shall deem appropriate, each of which officers may, to the extent provided by the Board, have the powers attendant to a similar officer of a Delaware corporation.

Each of ATS and CSD shall have the right, from time to time, to designate three managers and two managers, respectively, to the Board. Any manager may be removed, with or without cause, and a successor appointed at any time by the Member or Members responsible for designation of such manager and any Member entitled to do so may also designate one or more alternates to serve in the place of any manager designated by such Member who may temporarily be unavailable to act with respect to Company matters. In the event of any transfer by any Member or by any of its successors and assigns, of any interest in the Company in accordance with Article 8, (a) the assigning Member shall be deemed to have assigned its right to designate a manager or managers under this Section to its assignee in the event that such assignment is of the assignor's then entire interest as a Member of the Company and the assignee is admitted as a Member in accordance with Article 8, and (b) the assigning Member shall have the right to transfer its right to designate a manager, by express statement of exercise of such right in the applicable instrument of assignment; provided, however, that the assignee of such right is, or will be upon completion of such transfer, the holder of not less than ten percent (10%) of the Company Interests and the assignee is admitted as a Member in accordance with Article 8.

The Company shall pay the reasonable out-of-pocket expenses, including travel and lodging, of each manager (including any manager-alternate) acting in connection with the business of the Company.

From time to time upon request, the Company will furnish to each Member such information regarding the business, properties, financial condition and results of operation of the Company in such detail as may reasonably be requested; and the Company covenants and agrees that any authorized representative of any such Member shall have the right, reasonably exercisable, to visit and inspect any of the properties of the Company during normal business hours and in a manner so as to not interfere with the operations and business of the Company, to examine and to discuss their affairs, finances and accounts with, and be advised as to the same by, their officers, all at such reasonable times and intervals as such Member may reasonably request.

Notwithstanding anything to the contrary in this Agreement, the Company shall not take any of the following actions without first obtaining the Unanimous Determination of the Members, which approval shall be given or withheld at the absolute discretion of the Members:

(a) sell or exchange all or substantially all of the assets of the Company;

(b) issue any additional Company Interests, or admit the transferee of a Member's Company Interest as a substitute Member under Section 8.2 hereof;

(c) dissolve the Company, or continue the Company after its dissolution due to the withdrawal of a Member (or if there are none, of any Member) as provided in Section 9.1 hereof;

(d) merge or consolidate the Company with another business entity under the Act, unless the Members of the Company immediately prior to such merger or consolidation own not less than a majority of the voting interests in the survivor, whether or not the Company, of such merger or consolidation;

(e) file any voluntary petitions for the Company under Title XI of the United States Code, the Bankruptcy Act, or consent to the filing of any involuntary petition for the Company thereunder, or seek the protection of any other federal, state, bankruptcy or insolvency law or debtor relief statutes;

(f) borrow any funds other than in the ordinary course of business or if, as a result thereof, the aggregate principal amount of indebtedness of the Company outstanding would exceed seventy-five percent (75%) of the fair market value of the assets of the Company; or

(g) establish any extraordinary reserves (i.e., reserves other than those in the ordinary course of business which shall include, without limitation, those with respect to capital expenditures).

7.3 Evidence of Authority, Etc. Any Person dealing with the Company may rely on a certificate signed by any Member:

(a) as to who are the Members or managers, officers, employees or agents of the Company;

(b) as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the Members or any such manager, officer, employee or agent or in any other manner germane to the affairs of the Company;

(c) as to who is authorized to execute and deliver any instrument or document on behalf of the Company;

(d) as to the authenticity of any copy of this Agreement and amendments hereto;

(e) as to any act or failure to act by the Company or as to any other matter whatsoever involving the Company, any Member or any manager, officer, employee or agent; or

(f) as to the authority of any Member or any manager, officer, employee or agent or other Person to act on behalf of the Company.

7.4 Other Business, Etc. Except as hereinafter set forth in this Section (or in any separate agreement between the Company and any such Person), any Member and any Affiliate of a Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others and none of the Company or the other Members shall have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

To the extent that, at law or in equity, any Affiliate of a Member or any director, officer, stockholder, employee, agent or representative of a Member or such Affiliate has duties (including fiduciary duties) and liabilities to the Company or to the Members, no such Person shall be liable to the Company or to any Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of any such Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Person.

Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, it is the intent and understanding of the Members, and each of ATS and CSD covenant and agree as follows:

(a) except as set forth in the Exceptions Schedule, all future acquisition of sites, whether in fee ownership, pursuant to a leasehold interest, or otherwise, for the construction of communication towers, and all future construction of communication towers, by CSD or any of its Affiliates will be offered to the Company and neither CSD nor any of its Affiliates will, directly or indirectly (as a stockholder, member, partner, trustee or otherwise) own, construct, operate, manage, finance or otherwise be involved with any communication towers, unless ATS shall have failed to approve the acquisition of site pursuant to the provisions of Section 3.2; and

(b) the Company will enter into a Management Agreement with ATS.

7.5 Indemnification. No Member, manager or officer of the Company shall be liable to any other Member or any other Person who has an interest in the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Member, manager of officer in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Member, manager or officer by this Agreement, except that a Member, manager of officer of the Company shall be liable for any such loss, damage or claim incurred by reason of such Person's gross negligence or willful misconduct. To the full extent permitted by applicable law, a Member, manager or officer of the Company shall be entitled to indemnification from the Company for any loss, damage or claim by reason of any act or omission performed or omitted by such Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on it by this Agreement, except that no Member, manager or officer shall be entitled to be indemnified in respect of any loss, damage or claim incurred by it by reason of the Person's gross negligence or willful misconduct with respect to such

acts or omissions; provided, however, that any indemnity under this Section shall be provided out of and to the extent of Company assets only, and no Member shall have personal liability on account thereof.

7.6 Agreements with Affiliates. The Company may enter into agreements with any Member or Affiliate of a Member for the acquisition of property or rendition of services, provided that the acquisition of such property from, or the rendition of such services by, such Member or Affiliate has previously been approved by a Unanimous Determination of the Members. The affected Member shall in each case disclose in advance the existence of any such affiliation to the other Members.

7.7 Payment of Expenses; Compensation. Promptly following the Effective Date, or as the Members may, by Determination of the Members, otherwise agree, the Company shall reimburse each Member for such reasonable fees and costs incurred and reasonable out-of-pocket expenditures relating to the formation of the Company and the preparation of the associated documentation as may have been approved by a Determination of the Members. Except as expressly set forth in this Agreement, or as otherwise approved by a Determination of the Members, no Member or manager shall receive any compensation for performing its duties hereunder.

ARTICLE 8

TRANSFERS OF INTERESTS, ETC.

8.1 Consent Required. Except as otherwise contemplated by Section 8.2 or as permitted by the succeeding paragraphs of this Section, no Member shall suffer or permit any transfer, whether direct or indirect, voluntary or involuntary, of all or any portion of such Member's Company Interest without an approval given by Determination of the Members representing a majority of the Company Interests held by the non-transferring Members, which approval may be given or withheld by the non-transferring Members in their sole and absolute discretion. Notwithstanding the foregoing, a Member may, without the approval of the other Members, transfer an economic Company Interest pursuant to a Permitted Transfer, in which event the assignee shall be entitled to the share of Profit or Loss and any distribution or return of Capital Contributions and any credit or other item properly allocable to the Company Interest to be transferred. However, unless and until any such transfer of an economic interest shall have been approved by a Determination of the Members representing a majority in interest of the Company Interests held by the non- transferring Members, which approval may be given or withheld by the non-transferring Members in their sole and absolute discretion, the assignee shall not be entitled to be admitted as a Member of the Company and the assignor shall continue as a Member of the Company for all other purposes of this Agreement. In addition, any assignee of an economic Company Interest pursuant to the foregoing provisions of this paragraph who has not been admitted as a Member may further assign such interest provided that such assignment is carried out in accordance with and subject to the provisions of this Article, in all respects as if or with the same effect as if such assignee were a Member.

The foregoing provisions of this Section shall not be deemed to restrict any transfer of an interest in ATS or CSD, except as otherwise specifically provided.

Anything in this Section 8.1 or elsewhere in this Agreement to the contrary notwithstanding, ATS may, without the approval of the other Members, pledge all or any portion of its interests to one or more banks or other financial institutions pursuant to any bona fide borrowing arrangements, which, upon foreclosure, shall succeed to the interest of ATS and may become a Member without the consent of any other Member being required.

8.2 Right of First Refusal.

(a) If any Member (the "Offeror") desires, at any time, to transfer all or any part of its Company Interest other than as permitted by Section 8.1 or other than pursuant to a Permitted Transfer, it shall submit to the other Members (the "Offerees") a true copy of an offer to purchase such Company Interest (the "Offer"), which shall in any event disclose the price and terms of such proposed sale and the name and address of the proposed purchaser. The Offerees shall have the absolute right to purchase such Company Interest upon the terms and conditions as set forth in the Offer. Each Offeree shall, within thirty (30) days of such receipt, specify in a notice to the Offeror whether or not it desires to accept the Offer, and upon acceptance of the Offer, the same shall constitute a binding agreement of purchase and sale between the parties. Failure to send such notification within thirty (30) days shall constitute an election to reject the Offer. The Offeror may sell its Company Interest, to the extent the Offer was not so accepted, to the proposed purchaser whose name and address were disclosed in the Offer, but only upon the same terms and conditions set forth therein and within sixty (60) days after the expiration of said thirty (30) day period during which the Offeree had the right to accept the Offer; otherwise, any such sale shall be null and void and of no force or effect whatever.

(b) In the event that two or more of the Offerees desire to accept any Offer, and if such Offerees are unable to agree among themselves as to the apportionment thereof, each accepting Offeree shall be entitled to acquire a portion of the offered Company Interest based upon the ratio which the Company Interest of each such accepting Offeree bears to the aggregate Company Interests of all such accepting Offerees.

(c) No Offeree shall have any obligation, by reason of acceptance or rejection of any Offer pursuant to this Section to compensate any broker retained by any Offeror or third party with respect to any proposed transfer of an Company Interest.

(d) Each Member shall use reasonable efforts to keep the other Members apprised with respect to any inquiries or proposals regarding the sale of such Member's Company Interest.

8.3 Buy/Sell. A Member (for purposes of this Section the "Initiating Member") may (a) in the event that there shall be a transfer of majority ownership or control of CSD to any Person in competition with the Company, at any time within ninety (90) days after receipt of notice of such transfer of ownership or control (in which event only another Member may be the Initiating Member), or (b) in the event an Act of Bankruptcy occurs with respect to a Member (in which event only another Member may be the Initiating Member), by notice to the other Members (for purposes of this Section, "Other Members") require the Other Members to elect either to sell their respective entire Company Interests and any Member Loans to the Initiating Member or to purchase the entire interest of the Initiating Member in the Company and any Member Loans for a price computed by reference to an amount stated in the Initiating Member's notice (the "Stated Amount"). The purchase price shall equal the amount such Member would receive as a distribution from the Company in respect of such Member's Company Interest and in repayment of any Member Loans if (i) all of the assets of the Company were sold on the closing date under this Section for the Stated Amount, (ii) the Company were dissolved in accordance with Section 9.1, and (iii) the proceeds of sale were applied in accordance with Section 9.3, it being understood that the applicable purchase price for such Company Interest and Member Loans shall be determined by the affected Members if they can agree upon the same within ten (10) days prior to the closing date and otherwise the same shall be determined on such date by the Accountants (with any such determination by the Accountants to be binding upon all Members in the absence of manifest error). Each of the Other Members shall have thirty (30) after receipt of the Initiating Member's notice within which to elect whether he shall buy the Initiating Member's Company Interest and Member Loans or sell his Company Interest and Member Loans based upon the Stated Amount. If any of the Other

Members fails to make an election within such period, he shall be deemed to have elected to sell his Company Interest and Member Loans to the Initiating Member.

The closing pursuant to this Section shall occur on the sixtieth (60th) day after the election (or deemed election) to purchase or sell has been made, or at such earlier date as the purchasing Member(s) may specify on ten (10) days prior written notice; provided, however, that each of the following (unless and except to the extent waived by the purchasing Member(s)) shall be a condition of the obligation of the purchasing Member(s) to proceed with any such purchase: (a) that the Company shall have continued to be operated in accordance with this Agreement in all material respects through the date of sale, (b) that the purchasing Member(s) shall have obtained all lender and other third-party consents, if any, required in connection with such sale, and (c) that there shall be no suit, action or proceeding pending on the date of sale before or by any court or governmental body seeking to restrain or prohibit, or material damages or other relief in connection with, the sale; provided further, however, the Company shall agree to indemnify and hold harmless the seller(s) with respect to all Company obligations, whether arising before or after the date of such sale (other than any such obligations resulting from any breach of this Agreement by a selling Member).

The Company Interest and any applicable Member Loans shall be purchased and the purchase price shall be paid at a closing to be held at the principal business office of the Company. At the closing the Company Interest and Member Loans shall be duly conveyed, free of all liens and encumbrances on the same and the purchase price shall be paid by wire transfer of immediately available Federal funds. At the election of the purchasing Member(s), the Company Interest and the Member Loans to be purchased may be acquired in the name of one or more nominees (whether or not any such nominee is an Affiliate of a purchasing Member), provided, however, that any such nominee is designated by written notice given at least five (5) days prior to the date of Closing.

Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, (a) in the event one, but not all, of the Other Members shall elect to purchase the Initiating Member's Company Interest and Member Loans, such election shall take precedence over any election to sell Company Interests and Member Loans to the Initiating Member and any such elections to sell shall be deemed to be an election to sell such Company Interests and Member Loans to the Other Members who have elected to purchase the Company Interests and Member Loans of the Initiating Member, (b), such purchasing Other Members shall have the right but not the obligation to purchase the Company Interests and Member Loans of the non- purchasing Other Members and, after the closing under this Section, the purchasing Other Members and, in the event the purchasing Other Members do not elect to purchase all of the Company Interests and member Loans of the nonpurchasing Other Members, the non-purchasing Other Members shall continue the Company in accordance with this Agreement, and (c) if one or more of the Other Members elect to purchase the Company Interest and Member Loans of the Initiating Member and are unable to agree among themselves as to apportionment thereof, each Other Member shall be entitled to acquire a portion of the Initiating Member's Company Interest and Member Loans based upon the ratio which the Company Interest of each such Other Member bears to the aggregate Company Interests of all of the purchasing Other Members. In no event shall the purchasing Other Members be entitled to purchase less than all of the Company Interest and Member Loans of any nonpurchasing Other Member unless such nonpurchasing Other Member so agree in writing, it being understood, however, that the purchasing Other Members may elect to purchase Company Interests and Member Loans from some but not all of the nonpurchasing Other Members.

In the event of the failure of a selling Member to proceed with the sale of its Company Interest and Member Loans at the closing as herein provided (other than any failure by reason of the non-occurrence of any condition to such sale herein provided), the same shall constitute a default by such Member under this Agreement and any purchasing Member shall be entitled to pursue any and all remedies available under this Agreement or at law or equity, including specific performance. In the event of the failure of a purchasing

Member (or its nominee) to proceed with the purchase of a Company Interest and Member Loans at the closing as herein provided (other than because a condition to such Member's obligation to make such purchase has not been satisfied), each selling Member may elect, by written notice given to the purchasing Member within thirty (30) days after the date of such failure, either (a) to cause the purchasing Member to sell its Company Interest and Member Loans to such selling Member (or its nominee) at a purchase price for such Company Interest which is ten percent (10%) less than the price which the defaulting purchasing Member would have received if it had initially agreed to sell its Company Interest at a price determined by reference to the Stated Amount or (b) to pursue any and all remedies available under this Agreement or at law or in equity, including specific performance. If a selling Member elects within the aforesaid thirty (30) day period to cause such defaulting purchasing Member to sell the Company Interest and Member Loans, the closing shall occur on the sixtieth (60th) day after the election to purchase has been given, or at such earlier date as the electing Member may specify on ten (10) days prior written notice; provided, however, that it shall be a condition of the electing Member's obligation to proceed, in the case of the electing Member as buyer, that the conditions set forth in the second paragraph of this Section are satisfied and, in the case of the former purchasing Member as seller, that the conditions set forth in the immediately preceding paragraph are satisfied.

8.4 CSD Right/Obligation of Exchange. In conjunction with the initial public offering of the common stock of ATS (the "ATS IPO") (including an initial public offering which takes the form of a merger with an existing publicly traded company), CSD shall have the right, and ATS shall have the right to require CSD, to exchange all but not less than all of CSD's Company Interest for shares of common stock of ATS (of the class which is the subject of the ATS IPO, the "ATS Common Stock") on the terms and subject to the conditions of this Section. ATS agrees that it shall give prompt written notice (which notice shall include the estimate initial public offering price or the range thereof and whether ATS has elected to require CSD to exchange its Company Interest for shares of ATS Common Stock pursuant to the provisions of this Section) to CSD of its determination to proceed with the ATS IPO. In the event ATS shall not have elected to require CSD to exchange its Company Interest for shares of ATS Common Stock pursuant to the provisions of this Section, CSD shall have the right, exercisable within twenty (20) days of receipt of such notice, to elect to exchange all but not less than all of its Company Interest for shares of ATS Common Stock. Failure of CSD to deliver a timely notice of election to so exchange its Company Interest shall be deemed to be an election not to exchange its Company Interest.

In the event CSD elects to exchange its Company Interest, ATS and CSD shall attempt in good faith to agree upon a fair market value for CSD's Company Interest. In the event ATS and CSD are unable to agree upon such value within ten (10) days, CSD shall have the right, but not the obligation, to submit such matter to appraisal in accordance with the provisions of this Section. In the event ATS and CSD agree on such fair market value or CSD elects to submit such matter to appraisal, ATS and CSD shall be obligated to effect the exchange and shall be conclusively bound to effect such exchange based on the results of the appraisal. In the event CSD shall have elected not to submit, or shall have failed within such ten (10)-day period to have submitted, such matter to binding appraisal in accordance with the provisions of the preceding sentence, it shall not have any further right to exchange its Company Interest for shares of common stock of ATS, except as otherwise provided in the last paragraph of this Section. Any appraisal of the fair market value of the Company Interest of CSD shall be made by the managing underwriter of the ATS IPO (or, in the event the ATS IPO shall be pursuant to a merger, by an investment banker knowledgeable in the communications tower business mutually reasonably acceptable to ATS and CSD or, in the absence of such agreement, by Credit Suisse First Boston). The number of shares of ATS Common Stock to be issued in exchange for the Company Interest of ATS shall be determined by dividing the fair market value of CSD's Company Interest (as agreed upon by ATS and CSD or as determined by appraisal) by the amount paid by the underwriters to ATS (or the selling stockholders in the event ATS does not sell any shares pursuant

thereto) in the ATS IPO (or the closing price of the common stock of the party to the merger agreement on the date the merger agreement is executed).

To the extent permitted by the Code, ATS will use its reasonable business efforts to effect the exchange of CSD's Company Interest for shares of ATS Common Stock pursuant to a tax-free reorganization under the Code so long as doing so does not subject ATS or its subsidiaries or stockholders to any risk of tax in connection with the exchange or any related transactions.

CSD hereby appoints ATS as its agent and attorney-in-fact, which appointment is coupled with an interest, and is irrevocable, for purposes of executing and delivering all such agreements, instruments and documents necessary or desirable in order to effectuate the provisions of this Section, including without limitation the right and power to transfer the Company Interest of CSD to ATS in accordance with the provisions of this Section, all in the event CSD has elected to proceed with the exchange of its Company Interest for shares of ATS Common Stock pursuant to the provisions of this Section.

In the event CSD shall have elected or been deemed to have elected not to exchange its Company Interest for shares of ATS Common Stock pursuant to the ATS IPO and ATS subsequently determines not to proceed with such ATS IPO or such ATS IPO is withdrawn or is otherwise not consummated, CSD shall have the rights set forth in this Section upon any subsequent determination of ATS to proceed with the ATS IPO.

8.5 Obligations and Rights of Transferees and Assignees. Any Person who acquires in any manner whatsoever the interest (or any part thereof) of any Member in the Company, irrespective of whether such Person has accepted and assumed in writing the terms and provisions of this Agreement, shall be deemed, by acceptance of the benefit of the acquisition thereof, to have requested and agreed to be subject to and bound by all of the obligations of this Agreement, with the same force and effect as any predecessor in Company Interest, shall have only such rights as are provided in this Agreement, and, without limiting the generality of the foregoing, such Person shall not have the value of his interest ascertained or receive the value of such interest, or, in lieu thereof, profits attributable to any right in the Company, except as set forth in this Agreement.

8.6 Non-Recognition of Certain Transfers. Notwithstanding any other provision of this Agreement, any transfer, sale, alienation, assignment, encumbrance or other disposition in contravention of any of the provisions of this Article shall be void and ineffective, and shall not bind, or be recognized by, the Company.

8.7 Required Amendments; Continuation. If and to the extent any transfer of a Company Interest is permitted hereunder and the transferee is admitted as a Member, this Agreement shall be amended to reflect such admission or transfer and the elimination of the transferor Member and (if and to the extent then required by the Act) a certificate of amendment to the Certificate reflecting such admission and elimination shall be filed in accordance with the Act. The admission of any substitute Member pursuant to this Article shall be deemed effective immediately prior to the transfer of a Company Interest to such substitute Member. If the transferor Member has transferred all of its Company Interest pursuant to this Article, then, immediately following such transfer, the transferor Member shall cease to be a member of the Company.

8.8 Resignation. No Member shall have the right to resign from the Company without the prior written consent of the other Members.

ARTICLE 9

TERMINATION

9.1 Events of Dissolution.

(a) In accordance with Section 18-801 of the Act, the Company shall be dissolved and the affairs of the Company wound up upon the occurrence of any of the following events:

(i) a Unanimous Determination of the Members to dissolve the Company; or

(ii) death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which, pursuant to the Act, terminates the continued existence of a Member in the Company, unless, if there is more than one Member remaining, the business of the Company is continued by the consent of all the remaining Members within ninety (90) days following the occurrence of any such event; or

(iii) the sale, transfer or other disposition of all or substantially all of the business and assets of the Company; or

(iv) in any event, at 12:00 midnight on December 31, 2047.

(b) Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the assets of the Company shall have been distributed as provided herein and a certificate of cancellation of the Company has been filed with the Secretary of State of the State of Delaware.

(c) If as a result of the occurrence of any event described in Section 9.1(a)(ii), a Member is the only remaining member of the Company, to the fullest extent permitted by the Act, such Member shall have the right to admit a Person as a new member of the Company, effective as of the date of the occurrence of the event set forth in Section 9.1(a) (ii), on terms satisfactory to such remaining Member. Upon such admission, the Members are hereby authorized to, and shall, continue the business of the Company without dissolution.

9.2 Application of Assets. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the business and assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 6.2.

9.3 Distributions in Liquidation. No Member shall have the right to request or require the distribution of the assets of the Company in kind upon the liquidation of the Company.

ARTICLE 10

MISCELLANEOUS

10.1 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form

of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 set forth on the Member Schedule (including any copies shown thereon) or to such other address (within the United States of America) as any party may have designated for itself by written notice to the others in the manner herein prescribed, except that notices of change of address shall be effective only upon receipt. All notices, demands, and requests to be sent hereunder shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal.

10.2 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the other party should refuse to perform any of its obligations under this Agreement, 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 or as provided in Article 7, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach.

10.3 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 effect of which is to affect materially and adversely any Member, the Members shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Members as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that such intent is fulfilled to the maximum extent possible.

10.4 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 Members. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

10.5 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.

10.6 Title to Company Property. All property owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company may hold any of its assets in its own

name or in the name of its nominee, which nominee may be one or more individuals, partnerships, trusts or other entities.

10.7 Governing Law. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provision of this Agreement shall control and take precedence. 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 Delaware 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. 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.

10.8 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 documents and other assurances, as any 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.

10.9 Entire Agreement. This Agreement (together with the Member Schedule) constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof.

10.10 Assignment. This Agreement shall not be assignable by any Member, except as otherwise provided in Section 8.1, and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

10.11 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 10.10.

10.12 Mutual Drafting. This Agreement is the result of the joint efforts of CSD and ATS, 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.

10.13 Amendments; Waivers.. This Agreement may be amended from time to time with written approval of all Members. At any time or from time to time, except to the extent not permitted by Applicable Law, the Members may extend the time for the performance of any of the obligations or other acts of any Member, and waive compliance by the other with any of the agreements, covenants or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by all Members.

10.14 Schedule. The Member Schedule attached hereto shall be incorporated into and shall be deemed a part of this Agreement. If the Member Schedule shall not be attached hereto at the time of execution of this Agreement, or if it shall be incomplete, it may be later attached or completed in accordance with the provisions of this Agreement and the Member Schedule shall, as later attached or completed, for all purposes be deemed a part of this Agreement as if attached hereto or completed at the time of the execution hereof. Without limiting the generality of the foregoing, the Member Schedule shall be amended from time to time to reflect the admission of Members or the transfer of interests of Members and the Company shall, from time to time, so cause the Member Schedule to be amended and shall promptly notify the Members in writing of any change in the Member Schedule.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement under seal as of the day and year first above written.

American Tower Systems, Inc.

By:

Name:
Title:

Communication Systems Development, Inc.

By:

Name:
Title:

"Accountant(s)" shall mean such firm of independent certified public accountants as may be engaged from time to time by the Company, upon a Determination of the Members, for purposes of reviewing or auditing the financial statements of the Company and performing such other duties as are imposed upon the Accountants by the express provisions of this Agreement.

"Act" shall have the meaning set forth in the recitals to this Agreement.

"Act of Bankruptcy" shall mean, when used with reference to any Person, any of the following events or occurrences:

(a) its admitting in writing its inability, or being unable under applicable law, or its failing generally, to pay its debts generally as they become due, or

(b) its filing a petition, answer or consent seeking relief as a debtor or otherwise commencing a voluntary case under the Bankruptcy Code as from time to time in effect, or its authorizing, by appropriate proceedings of its board of directors or other governing body, any such petition, answer, consent or commencement of such a voluntary case; or

(c) the filing against it or all or any substantial part of its property of a petition commencing an involuntary case under the Bankruptcy Code which shall remain undismissed for a period of more than thirty (30) days or which is consented to by such Person or any order or decree approving relief adverse to such Person thereunder shall remain unstayed and in effect for more than forty five (45) days; or

(d) its commencement of proceedings or filing a petition, answer or consent seeking relief as a debtor under any Applicable Law, other than the Bankruptcy Code, of any jurisdiction relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors, or its consenting to or acquiescing in such relief or its admitting or acquiescing in or failing promptly and in any event within thirty (30) days of the filing thereof, in an appropriate manner, to deny the material allegations of any petition seeking such relief, any such involuntary petition remaining undismissed for more than thirty (30) days or an order in any involuntary proceeding adverse to such Person remaining unstayed and in effect for more than forty-five (45) days; or

(e) the entry of an order or decree (whether or not final) by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation, dissolution or winding up, or reorganization or any modification or alteration of the rights of its creditors, or any composition or readjustment of debts, (iii) assuming custody of, or appointing a receiver, trustee, sequestrator, conservator, assignee, custodian, liquidator, fiscal agent or similar official for, such Person or all or a substantial part of its property and any such order or decree shall continue unstayed and in effect for a period of forty-five (45) days; or

(f) its convening a meeting of creditors for the purpose of consummating an out-of-court arrangement, or making an assignment for the benefit of, or entering into a composition, extension or similar arrangement with, its creditors in respect of all or a substantial portion of its debt; or

(g) its seeking or consenting to or acquiescing in the appointment of a receiver, trustee, sequestrator, conservator, liquidator, fiscal agent or other custodian of itself or of all or any substantial part of its property; or

(h) its winding-up, liquidation or dissolution; or

(i) its authorization, by appropriate action of its board of directors or other governing body, of any of the foregoing.

"Additional Capital Contribution" shall mean any Capital Contribution made in accordance with Section 3.2 or 3.3.

"Adjusted Capital Account Balance" shall mean, with respect to any Member, the balance in such Member's Capital Account after giving effect to the following adjustments:

(a) credits to such Capital Account of such Member's share of "partnership minimum gain" or a "partner nonrecourse debt minimum gain" or any amount which such Member would be required to restore under this Agreement or otherwise; and

(b) debits to such Capital Account of the items described in Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

"Affiliate" shall mean, with respect to any Person, (i) in the case of any such Person which is a Company, any Member in such Company, (ii) any other Person which is a Parent, a Subsidiary, or a Subsidiary of a Parent with respect to such Person or to one or more of the Persons referred to in the preceding clause (i), (iii) any other Person who is an officer, director, trustee or employee of, or Member in, such Person or any Person referred to in the preceding clauses (i) and (ii), and (iv) any other Person who is a member of the Immediate Family of such Person or of any Person referred to in the preceding clauses (i) through (iii); provided, however, that such term shall not include within its meaning the Company itself or a Subsidiary of the Company.

"Agreement" shall mean this Agreement of Limited Liability Company, as it may be amended, restated or supplemented from time to time as herein provided.

"Annual Budget" shall mean the detailed annual budget of all anticipated revenues and other cash receipts and expenses and capital expenditures associated with ownership and operation of the Company as heretofore furnished to each of the Members, as amended and updated from time to time as provided herein.

"Applicable Law" shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

"ATS" shall have the meaning given to such term in the Preamble.

"ATS Common Stock" shall have the meaning given such term in Section 8.4.

"ATS IPO" shall have the meaning given such term in Section 8.4.

"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.

"Bankruptcy Code" shall mean 11 U.S.C. ss. 101 et seq., as from time to time in effect, and any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

"Board" shall have the meaning given such term in Section 7.2.

"Book Gain" or "Book Loss" shall mean the gain or loss recognized by the Company for book purposes in any Fiscal Year by reason of any sale or disposition with respect to any of the assets of the Company. Such Book Gain or Book Loss shall be computed by reference to the Book Value of such property or assets as of the date of such sale or disposition, rather than by reference to the tax basis of such property or assets as of such date, and each and every reference herein to "gain" or "loss" shall be deemed to refer to Book Gain or Book Loss, rather than to tax gain or tax loss, unless the context manifestly otherwise requires.

"Book Value" of an asset shall mean, as of any particular date, the value at which the asset is properly reflected on the books and records of the Company as of such date in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations. The initial Book Value of each asset shall be its cost, unless such asset was contributed to the Company by a Member, in which case the initial Book Value shall be the amount stated as the fair market value for such asset on the Member Schedule (or, if no such value is stated, as reasonably established by a Determination of the Member), and, in each case, such Book Value shall thereafter be adjusted for Depreciation with respect to such asset rather than for the cost recovery deductions to which the Company is entitled for Federal income tax purposes with respect thereto. The Book Values of all Company assets shall be adjusted to equal their respective fair market values, as determined by the Board in its reasonably business judgment as of the following times: (a) the acquisition of an additional Company Interest by any new or existing Member in exchange for more than a de minimis Additional Capital Contribution; (b) the distribution by the Company to a Member of more than a de minimis amount of Company assets, including money, if, as a result of such distribution, such Member's Company Interest is reduced; and (c) the termination of the Company for Federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code.

"Capital Account" shall have the meaning set forth in Section 3.4.

"Capital Contributions" shall mean the total amount of cash and other property contributed to the Company by the Members, whether as Initial Capital Contributions or Additional Capital Contributions.

"Cash Flow" shall mean, for any period, the amount, computed on a cash basis, of:

(i) the sum of:

(A) all gross receipts, all investment income of the Company, and all cash received from other sources, and

(B) any amounts released from reserves as provided in the Annual Budget, reduced by:

(ii) the sum of:

(A) disbursements of the Company for operating expenses, principal payments on debt (other than Member Loans), interest (other than on Member Loans) and other expenses,

(B) capital expenditures reasonably determined to be necessary or appropriate by the Board,

(C) any increase in reserves as provided in the Annual Budget, and

(D) an additional amount necessary to ensure that the Company has funds necessary to meet the cash requirements of the Company for the period prior to the date on which the Company is next anticipated to receive income as set forth in the applicable Annual Budget or such other date thereafter (to the extent no such date is specified in the Annual Budget) as determined by the Board.

"Certificate" shall mean the Certificate of Formation of Limited Liability Company of the Company as provided for pursuant to the Act, as originally filed with the office of the Secretary of State of the State of Delaware, as amended and restated from time to time as herein provided.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any subsequent Federal law of similar import, and, to the extent applicable, any Treasury Regulations promulgated thereunder.

"Company" shall mean the limited liability company hereby established in accordance with this Agreement by the parties hereto, as such limited liability company may from time to time be constituted.

"Company Interest" shall mean, with respect to each Member, its interest in the Company as set forth in the Member Schedule, subject in each instance to adjustment from time to time pursuant to the applicable provisions of this Agreement.

"Control" shall mean, when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether as an officer or manager, through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Controlling Interest" shall mean, with respect to any Person, the power to control such Person.

"CSD" shall have the meaning given such term in the Preamble.

"Depreciation" shall mean, for each fiscal year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period; provided, however, that if the Book Value of an asset differs from its adjusted basis for Federal income tax purposes at the beginning of any such year or other period, Depreciation shall be an amount that bears the same relationship to the Book Value of such asset as the depreciation, amortization, or other cost recovery deduction computed for tax purposes with respect to such asset for the applicable period bears to the adjusted tax basis of such asset at the beginning of such period, or if such asset has a zero adjusted tax basis, Depreciation shall be an amount determined under any reasonable method selected by a Determination of the Members.

"Determination of the Members" shall mean the affirmative vote or approval of Members holding at least fifty and one-tenth percent (50.1%) of the Company Interests (or such greater or lesser percentage of Company Interests as may otherwise in this Agreement be expressly provided). "Unanimous Determination of the Members" shall mean the affirmative vote or approval of Members holding one hundred percent (100%) of the Company Interests.

"Effective Date" shall have the meaning set forth in Section 2.5.

"Entity" shall mean any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, business trust, cooperative or association.

"Exceptions Schedule" shall mean the schedule attached hereto and made a part hereof which sets forth, as of the date hereof, existing sites and communication towers owned, leased, operated or managed by CSD or any Affiliate thereof and which are exceptions to the provisions of Section 7.4. The Exceptions Schedule may be amended, from time to time, with the prior written approval of ATS in its sole and absolute discretion.

"Fiscal year" shall mean the fiscal year of the Company and shall be the same as its taxable year, which shall be the calendar year unless otherwise required by the Code. Each fiscal year shall commence on the day immediately following the last day of the immediately preceding fiscal year.

"GAAP" shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

"Immediate Family" shall mean, with respect to any Person, his spouse, parents, brothers, sisters, children (natural or adopted), stepchildren, grandchildren, grandparents, parents-in-law, brothers-in-law, sisters-in-law, nephews and nieces.

"Initial Capital Contribution" shall mean any Capital Contribution made in accordance with Section 3.1.

"Initial Investment" shall mean the aggregate amount proposed to be invested in the project or site, including for all tower and other improvements during the initial phase of construction.

"Initiating Member" shall have the meaning set forth in Section 8.3.

"Law" shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

"Liquidating Transaction" shall have the meaning set forth in Section 6.2.

"Management Agreement" shall mean the agreement, dated as of the date hereof, between ATS and the Company, relating to the marketing and management by ATS on behalf of the Company of all communication towers now or hereafter owned, leased, operated or managed by the Company.

"Member" shall mean each of the undersigned, together with any Person who becomes a substituted or additional Member as herein provided and who is listed as a member of the Company in the books and records of the Company, in such Person's capacity as a member of the Company.

"Member Loan" shall have the meaning set forth in Section 3.2.

"Member Schedule" shall have the meaning set forth in Section 3.1, as amended from time to time pursuant to the provisions of this Agreement.

"Objection Notice" shall have the meaning set forth in Section 3.2.

"Offer" shall have the meaning set forth in Section 8.2.

"Offeror" shall have the meaning set forth in Section 8.2.

"Other Member" shall have the meaning set forth in Section 8.3.

"Parent" shall mean, with respect to any Person, any Person which owns directly, or indirectly through one or more Subsidiaries, twenty percent (20%) or more of the voting or beneficial interest in, or otherwise has the right or power (whether by contract, through ownership of securities or otherwise) to control, such Person.

"Permitted Transfer" shall mean any sale, transfer, assignment or other disposition of a Company Interest by any Member to a Permitted Transferee.

"Permitted Transferee" shall mean any of the following:

(a) any member of the Immediate Family or the estate, executors or legal representatives of any transferor,

(b) the trustees of an inter vivos or testamentary trust for the benefit of any transferor or any member of his Immediate Family, or

(c) any Affiliate of the transferor effecting such transactions.

"Person" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

"Prime Rate" shall mean the annual floating rate of interest, determined daily and expressed as a percentage, from time to time announced by Toronto-Dominion (Texas), Inc. as its "prime" or "base" rate, so-called, or if at any time such bank ceases to announce such a rate, as announced by the largest national or state-chartered banking institution then having its principal office in the New York City and announcing such a rate. If at any time neither Toronto-Dominion (Texas), Inc nor any of the five largest other national or state-chartered banking institutions having their principal offices in the New York City is announcing such a floating rate, "Prime Rate" shall mean a rate of interest, determined daily, which is two (2) percentage points above the 14-day moving average closing trading price of 90-day Treasury Bills.

"Profit" and "Loss" shall mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code (provided that for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from Federal income tax and not otherwise taken into account in computing Profit or Loss pursuant to this provision shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations, and not otherwise taken into account in computing Profit or Loss pursuant to this provision, shall be subtracted from such taxable income or loss;

(c) Book Gain or Book Loss shall be taken into account in lieu of any tax gain or tax loss recognized by the Company by reason of any sale or disposition of an asset of the Company; and

(d) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such

taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed as provided in this Agreement.

If the Company's taxable income or loss for such Fiscal Year, as adjusted in the manner provided above, is a positive amount, such amount shall be the Company's Profit for such Fiscal Year; and if a negative amount, such amount shall be the Company's Loss for such Fiscal Year.

If the Book Value of the Company assets is adjusted pursuant to the last sentence of the definition of Book Value, the amount of such adjustment shall be included in computing Profit or Loss. If any Company asset is distributed in kind (whether in connection with the liquidation of the Company or otherwise), the Company shall be deemed to have realized Profit or Loss thereon in the same manner as if the Company had sold such asset for an amount equal to its fair market value on the date of distribution, as determined in good faith by a Determination of the Members.

"Regulatory Allocations" shall have the meaning given such term in Section 5.7.

"Stated Amount" shall have the meaning given such term in Section 8.3.

"Subsidiary" shall mean, with respect to any Person, any Entity (i) in which such Person owns directly, or indirectly through one or more Subsidiaries, twenty percent (20%) or more of the voting or beneficial interest or (ii) which such Person otherwise has the right or power to control (whether by contract, through ownership of securities or otherwise).

"Tax Matters Member" shall have the meaning given such term in Section 4.5(b).

"Transfer" shall mean, in the context of a Transfer of a Membership Interest, the sale, assignment, pledge, hypothecation, transfer or other voluntary disposition (by gift or otherwise, and whether as security or otherwise) by a Member of all or a portion of its Interest. For purposes of this definition, "Transfer" of a Company Interest includes (i) the sale, assignment, pledge, hypothecation, transfer or other voluntary disposition (by gift or otherwise, and whether as security or otherwise) of an equity interest in any Person substantially all of the assets of which consist, directly or indirectly, of a Company Interest, or (ii) the merger or consolidation of a Member, or of any Person referred to in clause (i), with another Person.

"Treasury Regulations" shall mean the Federal income tax regulations, including any temporary or proposed regulations, promulgated under the Code, as such Treasury Regulations may be amended from time to time (it being understood that all references herein to specific sections of the Treasury Regulations shall be deemed also to refer to any corresponding provisions of succeeding Treasury Regulations).

"Unaffiliated Person" shall mean, with respect to any Person, a Person who is not an Affiliate as to such Person.

Initial Capital Contributions of the Members

Member and Address	Contribution
American Tower Systems, Inc. 6400 North Congress Avenue, Suite 1750 Boca Raton, Florida 33487 Attention: Chief Operating Officer and Chief Financial Officer Telecopier No.: (407) 998-2278	
Communication Systems Development, Inc. 7488 Shoreline Drive, Suite B-1 Stockton, California 95219 Attention: Michael Wingo, Chief Executive Officer Telecopier No.: (209) 951-5845	

EXHIBIT 10.19

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of the 25th day of June, 1997, by and between AMERICAN TOWER SYSTEMS, INC., a Delaware corporation (herein called "Purchaser") and FERNAND E. PHANEUF, JR. and LORRAINE PHANEUF (herein collectively called "Shareholders") being all of the shareholders of Tower Sites, Inc., and TOWER SITES, INC., d/b/a TOWER SITES, INC., a Connecticut corporation ("Company"). The Shareholders and the Company are collectively referred to herein as the "Sellers."

Agreement

In consideration of the mutual benefits to be derived therefrom and the mutual agreements hereinafter contained, Purchaser and Sellers approve and adopt this Agreement and mutually covenant and agree with each other as follows:

1. Assets to Be Purchased and Purchase Price.

1.1 On the Closing Date (as hereinafter defined) the Sellers shall transfer to Purchaser the assets of Company consisting of (a) tower leases with existing tenants (the "Tower Leases"), (b) certain items of leased and owned real property (the "Realty") and (c) certain items of tangible personal property (the "Personalty"), all free and clear of any debt or liens whatsoever which in the aggregate shall represent all of the assets of Company, but not the debt or other liabilities. The Tower Leases, Realty and Personalty are collectively referred to herein as the "Transferred Assets" and are described in Schedules 1 (Tower Leases), 2 (Realty), and 3 (Personalty) hereto.

1.2 As consideration for the Transferred Assets being transferred pursuant to Subparagraph 1.1 hereof, Purchaser shall on the Closing Date and contemporaneously with such transfer of the Transferred Assets, and except as provided in Subparagraph 5.4 hereof, pay to Sellers U.S. $1,500,000.00 ("Purchase Consideration") subject to adjustment and proration for monthly land lease payments, monthly tenant rental income and real and personal taxes paid to respective municipalities. Upon execution hereof, Purchaser shall deposit a $75,000.00 earnest money deposit ("Deposit") with Moyle, Flanigan, Katz, Kolins, Raymond & Sheehan, P.A. ("Escrow Agent"), to be held in escrow pursuant to the terms hereof and credited toward the Purchase Price at Closing. Sellers shall be solely responsible for allocating the Purchase Consideration among themselves and shall give Notice of such allocation to Purchaser at least two (2) days prior to the Closing Date.

2. Representations and Warranties of Sellers.

2.1 Ownership of Stock/Transferred Assets.

Shareholders are the record owners and holders of all of the shares of Company's common stock as of the date hereof and will continue to own such shares until the Closing Date. The

Company is the record owner and holder of all of the Transferred Assets listed in Schedules 1 through 3, inclusive, hereto and will continue to own such Transferred Assets to, on and through the Closing Date. All such Transferred Assets are or will be on the Closing Date owned free and clear of all liens, encumbrances, charges and assessments of every nature, are subject to no restrictions with respect to transferability, and, where applicable, all consents of any parties to the Tower Leases required for their transfer to Purchaser have or will be on the Closing Date obtained in writing. The Sellers will have full power and authority to assign and transfer the Transferred Assets in accordance with the terms hereof.

(b) Except for Tower Leases listed in Schedule 1 of this Agreement, and repeater business to be retained by Sellers, there are no outstanding options, contracts, calls, commitments, agreement or demands of any character relating to the Transferred Assets.

(c) Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, with all requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted, is duly qualified and in good standing in every jurisdiction in which the property owned, leased or operated by it or the nature of the Transferred Assets are located. The states in which Company is qualified to do business are listed in Schedule 4.

(d) Schedule 5 contains a list of the officers, directors and shareholders of Company; and a list of the articles of incorporation and bylaws currently in effect of Company, copies of which have been furnished to Purchaser.

(e) The execution and delivery of this Agreement does not, and, subject to the approval and adoption by the Shareholders of Company contemplated hereby, the consummation of the transaction contemplated hereby will not violate any provision of Company's articles of incorporation or bylaws, or any provisions of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, court order, arbitration award, judgment or decree to which Company is a party, or by which it is bound, and will not violate any other restriction of any kind or character to which it is subject, or cause or result in the filing of a bankruptcy or insolvency proceeding under state or federal law.

(f) All Personalty of Company is in AS-IS, WHERE-IS condition and repair, and Seller has no notice of any required repairs to the Personalty.

2.2 Changes since December 31, 1996.

Since December 31, 1996, there has not been:

(a) Any material adverse change in the Company's prospects, financial condition, assets, liabilities, properties or business.

(b) Any mortgage, pledge, lien or encumbrance made on any of the Transferred Assets.

(c) Any sale, transfer or other disposition of assets of Company, except in the normal course of business.

(d) Any other event or condition not in the ordinary course of business.

2.3 Liabilities.

(a) There are no liabilities of Company, whether accrued, absolute, contingent or otherwise, which arose or relate to any transaction of Company occurring prior to December 31, 1996. There are no such liabilities of Company which have arisen or relate to any transaction of Company occurring since December 31, 1996, other than normal liabilities incurred in the normal conduct of Company's business, and none of which have a material adverse effect on the business or financial condition of the Company. As of the date hereof, there are no known circumstances, conditions, happenings, events or arrangements, contractual or otherwise, which may hereafter give rise to liabilities, except in the normal course of Company's business.

(b) All corporate acts required of Company have been taken and all reports and returns required to be filed by them with any governmental agency have been filed. Company has no notice of any claimed violation of any, and is in compliance with, all applicable federal, state, county, local and foreign government laws, ordinances or regulations relating to the Transferred Assets. Company has maintained files and records which contain all correspondence, notices, applications and other documentation relating to all federal, state, local and foreign governmental, regulatory agency and other licenses, approvals, clearances, and investigations, or employees of Company relating to the Transferred Assets. All such files and records have been heretofore identified to and made available for review by Purchaser.

(c) There are no legal, administrative or other proceedings, investigations, inquiries, or claims, judgments, injunctions or restrictions, either threatened, pending or outstanding against or involving Company, or the Transferred Assets, nor does Company know, or have reasonable grounds to know, of any basis for any such proceedings, investigations, inquiries, or claims, judgments, injunctions or restrictions relating to the Transferred Assets.

(d) Company does not have any contract with any governmental body relating to the Transferred Assets which is subject to renegotiation.

(e) The past and anticipated future operations of the Transferred Assets do not infringe or violate any patents, patent rights, trademarks, trade names, copyrights and/or licenses thereof of others.

(f) No claim, demand or notice is pending against the Company for breach of any of the Tower Leases or for any similar claim, nor, to the best of Sellers' knowledge, do any facts exist which may lead to any such claim, demand or notice being asserted in the future.

(g) All policies of insurance carried by Company are in full force and all premiums thereon are paid to date. Schedule 6 contains a true and correct list of all policies of insurance, relating to the Transferred Assets.

(h) All negotiations relative to this Agreement and the transaction contemplated hereby have been carried on directly by Shareholders with Purchaser without the intervention of any broker or third party other than Blackburn & Company, Inc. ("Broker"). Seller shall pay Broker a commission pursuant to a separate letter agreement between Seller and Broker. Neither Shareholders nor Company has engaged, consented to, or authorized any other broker, investment banker or third party to act on its behalf, directly or indirectly, as a broker or finder in connection with the transaction contemplated by this Agreement.

(i) Neither Company nor any of its Subsidiaries has granted any license or made any assignment of any of their patents, patent applications, invention discoveries, trademarks, trade names or copyrights, relating to the Transferred Assets, other than the Tower Leases and repeater business.

2.4 Taxes.

(a) All federal, state, foreign, county and local income, ad valorem, excise, profits, franchise, occupation, property, sales, use, gross receipts and other taxes (including any interest or penalties relating thereto) and assessments which are due and payable have been duly reported, fully paid and discharged as reported by Company, and there are no unpaid taxes which are, or could become a lien on the Transferred Assets. All tax returns of any kind required to be filed have been filed and the taxes paid or accrued.

(b) Company's federal income tax returns have never been audited.

(c) The Company has not waived restrictions on assessment or collection of taxes or consented to the extension of any statute of limitations relating to any tax. Company has no knowledge of any possible deficiency assessments in respect to federal income tax returns or other tax returns filed by it.

2.5 Tower Leases and Commitments.

(a) The Company has no commitments relating to the Transferred Assets (except the Tower Leases and repeater business themselves).

(b) The Company has not given a power of attorney which is currently in effect, to any person, firm or, corporation for any purpose whatsoever.

2.6 Accuracy of All Statements Made by Sellers and Company.

No representation or warranty by Sellers or Company in this Agreement, nor any statement, certificate, schedule or exhibit hereto furnished or to be furnished by or on behalf of Sellers or Company pursuant to this Agreement, nor any document or certificate delivered to Purchaser pursuant to this Agreement or in connection with actions contemplated hereby, contains or shall contain any untrue statement of material fact or omits or shall omit a material fact necessary to make the statement contained therein not misleading.

3. Representations and Warranties of Purchaser.

Purchaser represents and warrants as follows:

3.1 Organization and Good Standing.

Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full power and authority to enter into and perform the transactions contemplated by this Agreement.

3.2 Performance of this Agreement.

The execution and performance of this Agreement by Purchaser has been authorized by the board of directors of Purchaser.

3.3 No Covenant as to Tax Consequences.

It is expressly understood and agreed that neither Purchaser nor its employees, officers, counsel or agents has made any warranty or agreement, expressed or implied, as to the tax consequences of the transactions contemplated by this Agreement or the tax consequences of any action pursuant to or growing out of this Agreement.

4. Covenants of Sellers.

Sellers hereby covenant and agree to cause Company to comply with the following:

4.1 Access to Information.

Purchaser and its authorized representatives shall have full access during normal business hours to all properties, books, records, Tower Leases and documents of Company, and Company

shall furnish or cause to be furnished to Purchaser and its authorized representative all information with respect to its affairs and business of Company as Purchaser may reasonably request.

4.2 Actions Prior to Closing.

From and after the date of this Agreement and until the Closing Date:

(a) Except with the prior written consent of Purchaser, Company shall carry on their business diligently and substantially in the same manner as heretofore, and the Company shall not make or institute any unusual or novel methods of purchase, sale, management, accounting or operation, except with the prior written consent of Purchaser.

(b) Company shall not enter into any contract or commitment or engage in any transaction not in the usual and ordinary course of business and consistent with Company's business practices without the prior written consent of Purchaser.

(c) Company shall not create any indebtedness other than short term indebtedness incurred in the usual and ordinary course of business, pursuant to existing Tower Leases disclosed in the Schedules submitted in connection herewith, and in doing the acts and things contemplated by this Agreement.

(d) Company shall not amend its articles of incorporation or bylaws, or make any changes in authorized or issued capital stock interests without the prior written consent of Purchaser.

(e) Company shall maintain current insurance and such additional insurance in effect as may be reasonably required by increased business and risks; and all property shall be used, operated, maintained and repaired in a normal business manner.

(f) Company shall use is best efforts (without making any commitments on behalf of Purchaser) to preserve for Purchaser the present Contract relationships of Company.

(g) Company shall not do any act or omit to do any act, or permit any act or omission to act, which will cause a material breach of any Contract.

(h) Company shall duly comply with all applicable laws as may be required for the valid and effective transfer of the Transferred Assets contemplated by this Agreement, except that Purchaser hereby waives compliance with the provisions of any bulk sales act.

(i) Company shall promptly notify Purchaser of any lawsuits, claims, proceedings or investigations that may be threatened, brought, asserted or commenced against it, its officers or directors involving in any way the business, properties or assets of Company.

5. Conditions Precedent to Purchaser's Obligations.

5.1 Truth of Representations and Warranties.

The representations and warranties made by Company and Sellers in this Agreement or given on its or their behalf hereunder, shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date.

5.2 Compliance with Covenants.

Sellers shall have performed and complied with all its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date, including the delivery of the closing documents specified in Subparagraph 8.2.

5.3 Absence of Suit.

No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced or threatened and, no investigation by any governmental or regulatory authority shall have been commenced, against Purchaser, the Sellers, the Company or any of the affiliates, associates, officers or directors of any of them, seeking to restrain, prevent or change the transactions contemplated hereby, or questioning the validity or legality of any such transactions, or seeking damages in connection with any of such transactions.

5.4 Receipt of Approvals, etc.

All approvals, consents and/or waivers that are necessary to effect the transactions contemplated hereby shall have been received, unless the required receipt of such approvals, consents and/or waivers is waived in writing by Purchaser. If the consent to the assignment of a Contract has not been received by the Closing Date, Purchaser may withhold a reasonable portion of the Purchase Consideration -- based upon the value of that Contract -- until such consent shall have been obtained.

5.5 No Material Adverse Change.

As of the Closing Date there shall not have occurred any material adverse change which materially impairs the ability of Company to conduct their business or the earning power thereof on the same basis as in the past.

5.6 Accuracy of Financial Statement.

Purchaser and its representatives shall be satisfied as to the accuracy of all balance sheets, statements of income and other financial statements of Company furnished to Purchaser in connection herewith.

5.7 Noncompetition Agreements.

Noncompetition agreements referred to in Subparagraph 8.2(g) shall have been executed.

5.8 Legal Opinion.

Purchaser shall have received an opinion of counsel for Company referred to in Subparagraph 8.2(f).

5.9 Proceedings and Instruments Satisfactory; Certificates.

All proceedings, corporate or otherwise, to be taken in connection with the transactions contemplated by this Agreement shall have occurred and all appropriate documents incident thereto as Purchaser may request shall have been delivered to Purchaser. Company and the Sellers shall have delivered certificates in such detail as Purchaser may request as to compliance with the conditions set forth in this Article 5.

6. Conditions Precedent to Sellers' Obligations.

6.1 Truth of Representations and Warranties.

Purchaser's representations and warranties contained in this Agreement shall be true at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.

6.2 Purchaser's Compliance with Covenants.

Purchaser shall have performed and complied with its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date. Specifically, Purchaser and Sellers have executed a license or other agreement providing for Sellers' retention of the "repeater business" and the non-exclusive right to use and access the Transferred Assets in connection with such repeater business, provided such repeater business does not interfere with Purchaser's use of the Transferred Assets.

7. Indemnification.

7.1 Requirement of Indemnification.

Seller and each Seller, jointly and severally, shall indemnify Purchaser for any loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses) suffered by Purchaser resulting from, arising out of, or incurred with respect to the falsity or the breach of any representation, warranty or covenant made by Shareholders herein, and any claims arising from actions by Company or Subsidiaries prior to the Closing Date. Purchaser shall indemnify and hold the Sellers harmless from and against any loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses) resulting from, arising out of, or incurred with respect to, or alleged to result from, arise out of or have been incurred with respect to, the falsity or the breach of any representation, covenant, warranty or agreement made by Purchaser herein, and any claims arising from actions of Company or Subsidiaries from and after the Closing Date.

7.2 Notice and Resolution of Claim.

An indemnified party hereunder shall promptly give "Notice" (as hereinafter defined) to the indemnifying party after obtaining knowledge of any claim against the indemnified party as to which recovery may be sought against the indemnifying party because of the indemnity set forth above, and, if such indemnity shall arise from the claim of a third party, shall permit the indemnifying party to assume the defense of any such claim or any litigation resulting from such claim. Failure by the indemnifying party to give Notice to the indemnified party of its election to defend any such claim or action by a third party within fifteen (15) days after Notice thereof shall have been given to the indemnifying party shall be deemed a waiver by the indemnifying party of its right to defend such claim or action. If the indemnifying party assumes the defense of such claim or litigation resulting therefrom, the obligations of the indemnifying party hereunder as to such claim shall include taking all steps necessary in the defense or settlement of such claim or litigation resulting therefrom and holding the indemnified party harmless from and against any and all losses, damages and liabilities including, without limitation, attorneys' fees and expenses, caused by or arising out of any settlement approved by the indemnifying party or any judgment in connection with such claim or litigation resulting therefrom. The indemnifying party shall not, in the defense of such claim or any litigation resulting therefrom, consent to entry of any judgment except with the prior written consent of the indemnified party, or enter into any settlement (except with the prior written consent of the indemnified party). Notwithstanding the foregoing, any such judgment or settlement shall contain as an unconditional term thereof the giving by the claimant or the plaintiff to the indemnified party a release from all liability in respect of such claim or litigation.

7.3 Defense of Third-Party Claim.

If the indemnifying party shall not assume the defense of any such claim by a third party or litigation resulting therefrom, the indemnified party may defend against such claim or litigation in such manner as it may deem appropriate and, unless the indemnifying party shall deposit with the indemnified party a sum equivalent to the total amount demanded in such claim or litigation plus the indemnified party's estimate of the cost of defending the same, the indemnified party may settle such claim or litigation on such terms as it may deem appropriate and the indemnifying party shall within thirty (30) days of Notice from the indemnified party reimburse the indemnified party for the amount of such settlement and for all losses or expenses, legal or otherwise, incurred by the indemnified party in connection with the defense against or settlement of such claim or litigation.

7.4 Payment.

The indemnifying party shall promptly reimburse the indemnified party for the amount of any judgment rendered with respect to any claim by a third party in such litigation and for all losses and expenses, legal or otherwise, incurred by the indemnified party in connection with the defense against such claim or litigation, and for any other loss suffered or incurred with respect to the falsity or the breach of any representation, warranty, covenant or agreement (whether or not arising out of the claim of a third party).

7.5 Effect of Taxes.

The determination of any indemnified loss, cost or expense shall take into account any tax benefit derived by Purchaser or any affiliated companies. To the extent that any deficiency for state, local, or federal income taxes which may be established against Company for any year ended on or prior to December 31, 1997, is occasioned by a determination by the Internal Revenue Service or state or local departments of revenue that any increase in income for the year gives rise to a deduction or deductions from ordinary income of Company in the same aggregate amount for a subsequent taxable year or years, such deficiency shall be assumed by Purchaser and shall not be a breach of any of Company or Shareholders' warranties, representations and covenants in this Agreement.

7.6 Time Limit on Indemnification.

No claim for indemnification may be asserted by Purchaser after the second anniversary of the Closing Date, as hereinafter defined, except for (i) state or federal sales or income taxes for any period ending on or prior to December 31, 1997, which may be asserted at any time the applicable State Departments of Revenue or Internal Revenue Service may still assert a deficiency, and which indemnification is subject to the provisions of Subparagraph 7.5 above, and (ii) claims arising out of a representation, warranty or covenant that a Seller knew at the date of this

Agreement was false or which arises out of a claim later known to a Seller which Seller failed to disclose to Purchaser prior to the Closing Date.

7.7 Amount Limit on Indemnification.

Notwithstanding any other provision to the contrary, neither Shareholders nor Purchaser shall be charged with any such indemnified loss, cost or expense which in the aggregate does not exceed Five Thousand dollars ($5,000.00).

8. Closing.

8.1 Time and Place.

The closing of this transaction ("Closing") shall take place by mail with the escrow documents to be delivered to the offices of Moyle, Flanigan, Katz, Kolins, Raymond & Sheehan, P.A., in West Palm Beach, Florida, at 10:00 a.m., Palm Beach County, Florida, time on July 1, 1997, or at such other time and place as the parties hereto shall agree upon. Such date is referred to in this Agreement as the "Closing Date."

8.2 Documents To Be Delivered by Sellers.

At the closing Sellers shall deliver to Purchaser the following documents :

(a) Duly executed assignments of the Tower Leases together with all required consents thereto, in form and substance satisfactory to Purchaser.

(b) The originals or copies of the Tower Leases.

(c) A duly executed bill of sale absolute as to the Personalty with full warranties of title and no liens, in form and substance acceptable to Purchaser.

(d) Statutory Warranty Deed, or its Connecticut equivalent, as to the Realty with full warranties of title and in a form and substance acceptable to Purchaser.

(e) A certificate signed by the Sellers that the representations and warranties made by them in this Agreement are true and correct on and as of the Closing Date with the same effect as through such representations and warranties had been made on or given on and as of the Closing Date and that Sellers have performed and complied with all its obligations under this Agreement which are to be performed or complied with by or prior to or on the Closing Date.

(f) A written opinion from counsel for Sellers dated as of the Closing Date addressed to the Purchaser and its counsel satisfactory in form and substance to Purchaser to the effect that:

(1) The corporate existence and good standing and qualification of Company is as stated in Subparagraph 2.1;

(2) This Agreement has been duly executed and delivered by Sellers and constitutes a legal, valid and binding obligation of them enforceable in accordance with its terms except as generally and by the availability of equitable remedies;

(3) The Company has all requisite power and authority to own its property and operate its business as and where it is now being conducted (except as to the Rhode Island tower site);

(4) The Company has title to all of the Transferred Assets free and clear of all mortgages, liens, leases, pledges, charges, security interests, or encumbrances of any nature whatsoever except as set forth in such opinion;

(5) To such counsel's knowledge after due investigation, this Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy and other laws affecting creditors' rights generally and by the availability of equitable remedies;

(6) Counsel has no knowledge of any of the proceedings stated in Subparagraph 2.3(c);

(7) To the best of counsel's actual knowledge without any investigation required, Company is in compliance with all statutes, regulations, rules and executive orders of all government authorities;

(8) To the best of counsel's knowledge Seller's representations and warranties in Subparagraph 2 are true and correct; and

(9) The Noncompetition Agreement provided for herein to be entered into between all or certain of the Sellers and Purchaser or Company, as the case may be, are valid and binding individual obligations of the Sellers who are parties to such agreements, enforceable against each of them in accordance with the terms of such provisions.

(10) The transaction contemplated by this Agreement shall not cause or result in the filing of a bankruptcy or insolvency proceeding under state or federal law.

(g) Noncompetition agreements for a 10 year time period and within a 10 mile of radius of the Transferred Assets between each of Fernand E. Phaneuf and Lorraine Phaneuf, and the Purchaser in satisfactory form to Purchaser, with the exception of the repeater business.

(h) Copies of the Articles of Incorporation and good standing certificate certified by the secretary of state.

(i) Incumbency certificate relating to all parties executing documents relating to any of the transactions contemplated hereby.

(j) General releases in form and substance satisfactory to Purchaser of all claims that any officer, director or partner of Company may have to the date of closing against Purchaser.

(k) Duly executed Assignment of Land Leases and Tower Leases, and, to Seller's best efforts, Estoppel letters or Consents of Landlord, if needed, in a form acceptable to Purchaser.

(l) The originals of the Land Leases.

(m) Duly executed Lease agreements for the repeaters.

(n) Such other documents of transfer, certificates of authority and other documents as Purchaser may reasonably request.

8.3 Documents To Be Delivered by Purchaser.

At the closing Purchaser shall deliver to Sellers the following documents:

(a) Cash, cashiers check, wire transfer of immediately available federal funds, or Purchaser's attorneys' trust account check in the amount of the Purchase Consideration provided for in Subparagraph 1.2 hereof.

(b) A certified copy of the duly adopted resolutions of Purchaser's board of directors or executive committee authorizing or ratifying the execution and performance of this agreement and authorizing or ratifying the acts of its officers and employees in carrying out the terms and provisions thereof.

(c) A license agreement or other agreement providing for Sellers' retention of the "repeater business" and the non-exclusive right to use and access the Transferred Assets in connection with such repeater business, provided such repeater business does not interfere with Purchaser's use of the Transferred Assets.

9. Law Governing/Jurisdiction/Venue.

This Agreement and all transactions contemplated by this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Connecticut without regard to principles of conflicts of laws. The parties acknowledge that a substantial portion of negotiations and anticipated performance of this Agreement occurred or shall occur in Palm Beach County, Florida, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the parties irrevocably and conditionally (i) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement may be brought

in the courts of record of the State of Florida in Palm Beach County, or the courts of the United States, Southern District of Florida; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (iii) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any such court.

10. Assignment.

This Agreement shall not be assigned by any party without the prior written consent of the other parties which consent may be withheld for any reason and any attempted assignment without such written consent shall be null and void and without legal effect, except that this Agreement may be freely assigned by Purchaser to any corporation wholly-owned by Purchaser. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their successors, assigns, heirs, executors, administrators, and personal representatives (if the consent required by this Article 10 is properly secured if required).

11. Amendment and Modification.

Purchaser and Sellers may amend, modify and supplement this Agreement in such manner as may be agreed upon by them in writing.

12. Termination and Abandonment.

This Agreement may be terminated and the transaction provided for by this agreement may be abandoned without liability on the part of any part to any other, at any time before the Closing Date:

(a) By mutual consent of Purchaser and Company;

(b) By Purchaser:

(1) If any of the conditions provided for in Article 5 of this Agreement have not been met and have not been waived in writing by Purchaser.

(c) By Sellers:

(1) If any of the conditions provided for in Article 6 of this Agreement have not been met and have not been waived in writing by Sellers.

In the event of termination and abandonment by any party as above provided in this Article 12, Notice shall forthwith be given to the other party, and each party shall pay its own expenses incident to preparation for the consummation of this Agreement and the transactions contemplated hereunder.

13. Survival.

The covenants, agreements, indemnifications, representations and warranties of the parties hereto shall survive the closing of the transactions contemplated by this Agreement but shall expire when the indemnification claims period expires pursuant to Subparagraph 7.6 hereof.

14. Default.

14.1 If this transaction does not close due to a default by Purchaser, then Sellers may retain the Deposit as agreed upon and liquidated damages.

14.2 If this transaction does not close due to a default by Sellers or Company, the Purchaser may receive a return of its Deposit or, in the alternative, Purchaser may proceed in equity to specifically enforce Purchaser's rights hereunder, including the right of specific performance.

15. Notices.

All notices, requests, demands and other communications hereunder ("Notices") shall be deemed to have been duly given, if delivered by hand or mailed, certified or registered mail with postage prepaid:

(a) If to Sellers, to Mr. Fern E. Phaneuf, 156 Route 171, Woodstock, Connecticut 06281, with a copy to Nicholas Longo, Esquire, 168 Main Street, Putnam, Connecticut 06260; or to such other person and place as Sellers shall furnish to Purchaser by Notice; or

(b) If to Purchaser, to _____ at 6400 North Congress Avenue, Suite 1750, Boca Raton, Florida 33487, with a copy to John F. Flanigan, Esquire, Moyle, Flanigan, Katz, Kolins, Raymond & Sheehan, P.A., 625 North Flagler Drive, 9th Floor, West Palm Beach, Florida 33401, or to such other person and place as Purchaser shall furnish to Seller by Notice.

16. Announcements.

Announcements concerning the transactions provided for in this agreement by Company, Sellers, or Purchaser shall be subject to the approval of the others in all essential respects, except that Company's or Sellers' approval of form shall not be required as to any statements and other information which Purchaser may submit to the Securities and Exchange Commission, the New York Stock Exchange or Purchaser's shareholders or be required to make pursuant to any rule or regulation of the Securities and Exchange Commission or the New York Stock Exchange.

17. Entire Agreement.

This instrument embodies the entire agreement between the parties hereto with respect to the transactions contemplated herein, and there have been and are no agreements, representations or warranties between the parties other than those set forth or provided for herein.

18. Counterparts.

This Agreement may be executed in two or more partially or fully executed counterparts, each of which shall be deemed an original and shall bind the signatory, but all of which together shall constitute but one and the same instrument, provided that Purchaser shall have no obligations hereunder until all shareholders have become signatories hereto.

19. Headings.

The headings in the Articles and Paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof.

20. Further Documents.

Purchaser and Sellers agree to execute any and all other documents and to take such other action or corporate proceedings as may be necessary or desirable to carry out the terms hereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed all as of the day and year first above written.

WITNESSES:	SELLERS:
(1) /s/ Edwin C. Higgins, III Edwin C. Higgins, III (2) /s/ Jeanne B. Methot As to Phaneuf Jeanne B. Methot	/s/ Fernand E. Phaneuf, Jr. FERNAND E. PHANEUF, JR.
(1) /s/ Edwin C. Higgins, III Edwin C. Higgins, III (2) /s/ Jeanne B. Methot As to Jeanne B. Methot	/s/ Lorraine Phaneuf LORRAINE PHANEUF

TOWER SITES, INC.

(1) /s/ Edwin C. Higgins, III
Edwin C. Higgins, III
(2) /s/ Jeanne B. Methot
As to Tower Sites, Inc.
Jeanne B. Methot

By: /s/ Fernand E. Phaneuf, Jr.
Fernand E. Phaneuf, Jr., President

PURCHASER:

AMERICAN TOWER SYSTEMS, INC.

(1) /s/ Jill Pontano

(2) /s/ Shelly Doolity
As to Purchaser

By: /s/ James S. Eisenstein
Name: James S. Eisenstein
Its: Exec. Vice President

SCHEDULES

1. Tower Leases.

2. Realty (land leases and property owned)

3. Personalty.

4. States in which Company is qualified to do business.

5. Names of officers, directors and shareholders, of Company.

6. Insurance.

Exhibit 10.20

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

DIABLO COMMUNICATIONS, INC.

Dated as of

July 8, 1997

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of July 8, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Diablo Communications, Inc., a California corporation ("Diablo").

WHEREAS, Diablo owns and leases and operates communication towers and is engaged in the business of managing communication sites for third parties (the "Diablo Business");

WHEREAS, ATS desires to purchase and Diablo desire to sell the Diablo Assets and the Diablo Business on the terms and conditions hereinafter set forth;

WHEREAS, simultaneously with the execution and delivery of this Agreement, ATS and Diablo have entered into an escrow agreement (the "Escrow Agreement") with Bank of San Francisco (the "Escrow Agent"), pursuant to which ATS has made a deposit of $1,800,000 (the "Escrow Deposit");

WHEREAS, ATS is party to an asset purchase agreement with Diablo Communications of Southern California, Inc., a California corporation ("DCSC"), dated as of the date of this Agreement (the "Other Agreement"), relating to the purchase and sale of the communication towers and the business of managing communication sites for third parties of DCSC; and

WHEREAS, ATS and Diablo have heretofore executed and delivered a Note Purchase Agreement, dated as of March 20, 1997 (the "Note Agreement"), pursuant to which Diablo has issued an unsecured note in the aggregate principal amount of up to Six Hundred Fifty Thousand Dollars ($650,000) (the "Interim Financing Note");

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the Diablo Disclosure Schedule and each Collateral Document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. The term "either party" shall, unless the context otherwise requires, refer to Diablo and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Diablo hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the Diablo Assets and the Diablo Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Diablo Assets" shall mean all of the Assets of Diablo, other than the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(a) all cash and cash equivalents;

(b) all Accounts Receivable;

(c) a certificate of deposit in the face amount of $70,000 pledged as collateral on New England Capital loan;

(d) all books and records (including without limitation, if retained by Diablo, any financial records necessary or desirable to enable the condition specified in Section 6.2(g) to be satisfied) which Diablo is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of three (3) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Diablo;

(e) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts;

(f) the miscellaneous assets of Diablo and the personal assets of the officers, directors, shareholders and employees of Diablo, all as more specifically described in Section 2.1(f) of the Diablo Disclosure Schedule;

(g) any of the real property specifically described in Section 2.1(g) of the Diablo Disclosure Schedule which is covered by any agreement executed and delivered pursuant to the provisions of Section 6.2(p); and

(h) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of Diablo (collectively, the "Diablo Assumed Obligations"): (i) all of the obligations and liabilities of Diablo under the Diablo Assumable Agreements, and (ii) all obligations and liabilities of Diablo with respect to the ownership and operation of the Diablo Assets and the conduct of the Diablo Business, on and after the Closing Date; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not, except as provided in Section 2.2(c), be obligated with respect to, the Diablo Nonassumed Obligations.

(b) Except as otherwise specifically set forth in this Agreement or in the Diablo Disclosure Schedule to the contrary, ATS shall not assume or become obligated to perform any debt, liability or obligation of Diablo relating to any of the following matters (collectively, the "Diablo Nonassumed Obligations"):

(i) the ownership or operation of the Diablo Assets or the conduct of the Diablo Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of Diablo (including without limitation any obligation to any Diablo Employee for severance benefits or, except as provided in Section 2.2(c), vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the Diablo Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of Diablo;

(iv) those required to be disclosed in the Diablo Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iv) of the Diablo Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Diablo under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Diablo's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any Taxes, fees, expenses or other amounts required to be paid by Diablo pursuant to the provisions of this Agreement or any Collateral Document;

(x) any Contract with any Affiliate of Diablo, other than those set forth in Section 2(b)(x) of the Diablo Disclosure Schedule; and

(xi) any liability or obligation with respect to the U.S. Navy Claim in excess of fifty percent (50%) of the obligation of Diablo to the U.S. Navy, which obligation shall be determined by subtracting from the total obligation of Diablo to the U.S. Navy that portion thereof allocated to Watson Communications Systems, Inc.

All Diablo Nonassumed Obligations shall remain and be the obligations and liabilities solely of Diablo.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the term "Diablo Nonassumed Obligations" shall not include, and the term "Diablo Assumed Obligations" shall include, (i) the ATS Assumed Vacation Liability and the ATS Accrued Sick Time Liability and (ii) any

liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(c) of the Diablo Disclosure Schedule or according to the terms of such Government Authorization or Private Authorization) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Diablo in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Diablo to obtain the approval or consent of an Authority or other Person whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or receives the benefits of such Nonassignable Contract, in either of which events, if the approval or consent of an Authority or other Person applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS' obligations at Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of any Authority or other Person is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, Diablo and ATS shall enter into an agreement reasonably acceptable to each party which agreement shall to the maximum extent feasible provide ATS with the rights, benefits and obligations under such Nonassignable Contracts. The term "ATS Assumed Vacation Liability" shall mean the liability for Diablo employees with respect to accrued vacation (or payment in lieu thereof), whether accrued before or after the Closing subject to the following limitations and/or qualifications: (i) accrued vacation for all Diablo Employees who are retained by Diablo after the Closing will be the sole responsibility of Diablo; (ii) accrued vacation for any Diablo Employee who elects to resign prior to close, for reasons other than the sale to ATS, or whom Diablo chooses to terminate with or without cause, other than by reason of the sale to ATS, will be the sole responsibility of Diablo; (iii) accrued vacation for Diablo Employees who terminate at Closing and who are either not rehired by ATS or who choose not to be employed by ATS will be the sole responsibility of ATS; (iv) accrued vacation, to the time of close, for employees who are terminated by Diablo but rehired by ATS who terminate their employment with ATS but who ATS wishes to remain as an employee, will be the responsibility of Diablo; any accrued vacation after Closing for such employees will be the responsibility of ATS; and (v) accrued vacation for any employee terminated by Diablo, rehired by ATS and subsequently terminated by ATS, as well as accrued vacation for any employee who is terminated by Diablo prior to close at the request of ATS, will be the sole responsibility of ATS. The term "ATS Accrued Sick Time Liability" shall mean the liability with respect to accrued sick time (as provided in the applicable Diablo Benefit Arrangement or Plan), accrued on or before the Closing of Diablo Employees who become employees of ATS after the Closing. Although ATS has not had an opportunity to complete its evaluation of the Diablo employees, except for the employees being retained by Diablo, it is the current intention of ATS to hire initially all of the current Diablo employees at positions and compensation generally comparable to those currently in effect, subject, however, to the right of ATS, upon completion of its evaluation and to its determination of the overall needs of ATS, particularly in light of its general staffing patterns and of other pending or prospective acquisitions of comparable businesses in the state of California, not to offer such employment to certain of the Diablo employees or to alter the terms of such employment, including the positions and compensation. In no event shall the expression of ATS' current intention be deemed to be a covenant or agreement of ATS to so employ any particular current Diablo employee and no rights to employment by any particular current Diablo employee shall be created hereby.

(d) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(d) of the Diablo Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages and salaries) arising from the ownership or operation of the Diablo Assets or the conduct of the Diablo Business shall be prorated as of 12:01 a.m., Pacific time, on the Closing Date, with Diablo entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent

period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Diablo Disclosure Schedule, within sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Diablo and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Diablo and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Diablo or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, ATS shall be solely responsible for the payment of, and shall defend, indemnify and hold harmless Diablo, its officers, directors and shareholders from, any and all supplemental or additional real property or personal property taxes assessed on or in connection with the Diablo Assets or any part thereof, which arise from the transactions contemplated by this Agreement, with respect to California or other sales and/or use taxes, and documentary or governmental transfer or stamp taxes arising from the purchase and sale of the Diablo Assets and the Diablo Business contemplated hereby.

Nothing contained in this Section 2.2(d) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Cooper, White & Cooper, 1333 North California Boulevard, Suite 450, Walnut Creek, CA 94596, at 10:00 a.m., local time, on or before September 30, 1997, (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Diablo Assets and the Diablo Business (the "Purchase Price") shall be an amount equal to $40,500,000, plus an amount equal to the sum of the Interim Adjustment and Prepaid Expenses and deposits and minus an amount equal to the sum of (i) the Diablo Nonassumed Obligations, if any, which ATS agrees to assume at the request of Diablo and (ii) Prepaid Revenues. The term "Interim Adjustment" shall mean an amount equal to the aggregate amount actually incurred by Diablo from and after November 1, 1996 and prior to the Closing Date with respect to the completion of construction projects and site development projections (a) described in Section 2.3 of the Diablo Disclosure Schedule or (b) acquired after the date of this Agreement in accordance with the provisions of this Agreement, including without limitation Section 5.6, and capital improvements to, but not personnel costs, maintenance or other expenses items of, existing communication sites, in all cases, which ATS shall have approved in writing prior to their incurrence or commitment by Diablo. Section 2.3(a) of the Diablo Disclosure Schedule sets forth a description of the items constituting a part of the Interim Adjustment for the period ended as of a date not more than five (5) days prior to the date of this Agreement. The Purchase Price shall be payable by (a) delivery and cancellation of the Interim Financing Note and the Additional Compensation Certificates (as defined in the Note Agreement) (valued for such purposes at an amount equal to the unpaid principal amount of the Interim Financing Notes, plus accrued and unpaid interest to the Closing Date), (b) ATS instructing the Escrow Agent to deliver the Escrow Deposit (together with interest and other increments thereto) to

Diablo, (c) crediting against the Purchase Price amounts paid by ATS pursuant to the amendment included as part of the Letter of Intent, and, the balance, (d) wire transfer of immediately available funds (i) to the Indemnity Escrow Agent (or as it may designate) pursuant to the provisions of the Indemnity Escrow Agreement in the amount of $900,000 (together with interest and earnings thereon, the "Indemnity Escrow Fund") and (ii) to Diablo or, to the extent provided in Section 2.5, the "qualified intermediary" designated pursuant to the provisions of Section 2.5, for the balance of the Purchase Price to such account (or accounts) as Diablo shall designate in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

Although the parties believe that the value of the tangible personal property (other than goodwill, Governmental Authorizations, Private Authorizations and Contracts) constituting a part of the Diablo Assets approximate their depreciated book value, ATS shall have the right, at its sole discretion, to engage BIA Consulting, Inc. to promptly after the execution of this Agreement conduct and use its reasonable best efforts to complete, within forty-five (45) days, an appraisal of the Diablo Assets which shall be the basis for an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price shall be allocated among the Diablo Assets. Such appraisal shall be conducted in a manner which does not interfere with or inconvenience in any material matter any of the landlords or tenants at any of Diablo's sites and shall not, in any event, affect the Purchase Price. The cost of such appraisal, if undertaken, shall be borne by ATS. Each of Diablo and ATS shall report the purchase and sale of the Diablo Assets and the Diablo Business and the other Transactions in accordance with the Tax Allocation Schedule for purposes of all federal, state and local Tax Returns and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or report, inconsistent with such reporting position. Each of Diablo and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority. Notwithstanding the provisions of this Section, the parties to this Agreement will rely solely on their own advisors in determining the tax consequences of the transactions contemplated by this Agreement and each party is not relying, and will not rely, on any representations or assurances of any other party regarding such consequences other than the representations, warranties, covenants and agreements set forth in writing in this Agreement or furnished pursuant to the provisions hereof.

2.4 Accounts Receivable. At the closing, Diablo shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the Diablo Business. Diablo shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the Diablo Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the Diablo Business will be for the account of Diablo. ATS shall use its reasonable business efforts to collect the Accounts Receivable with respect to the Diablo Business for a period of one hundred eighty (180) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the Diablo Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests in writing the validity of such application. During the Collection Period, ATS shall furnish Diablo with a list of, and pay over to Diablo, the amounts collected with respect to the Accounts Receivable with respect to the Diablo Business on a monthly basis and forward to Diablo, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide Diablo with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to Diablo if ATS, in its sole discretion, chooses to retain such Accounts Receivable. Diablo shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to

reach agreement as to a good faith value, and ATS agrees to turn over to Diablo any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of Diablo. ATS shall not incur any liability to Diablo for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Diablo nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by Diablo after the Collection Period. The provisions of this Section shall not apply to those certain Accounts Receivable set forth in Section 2.4 of the Diablo Disclosure Schedule or to any other Accounts Receivable which Diablo, in its sole business judgment, determines will require extraordinary collection efforts or referrals to a collection agency or attorney for collection (collectively, the "Retained Accounts Receivable"), provided the Retained Accounts Receivable are set forth in a written notice delivered to ATS by Diablo on or prior to the Closing Date. Diablo shall retain the sole and exclusive right to collect, whether during or after the Collection Period, all Retained Accounts Receivable, as Diablo in its sole discretion may determine.

2.5 Like-Kind Exchanges. Diablo shall have the right, but not the obligation, to effect the transfer and conveyance of the Diablo Assets, in whole or in part, as part of one or more exchanges under Section 1031 of the Code, including the delay in Closing of escrow for those Assets subject to the exchange. If Diablo so elects, it shall provide notice to ATS of its election (the "Like-Kind Notice"), setting forth in reasonable detail which portion or portions of the Diablo Assets are to be so treated. In such event, Diablo (i) may at any time at or prior to Closing assign its rights, in whole or in part, under this Agreement with respect to such Diablo Assets to a "qualified intermediary" as defined in Treas. Reg. (S) 1.1031(k)-1(g)(4), subject to all of the rights and obligations hereunder of ATS, and (ii) shall promptly provide written notice of such assignment to ATS. No such assignment shall, however, relieve Diablo of its obligations under this Agreement. If Diablo shall have given a Like-Kind Notice, ATS shall (i) promptly provide Diablo with written acknowledgment of such notice, (ii) at the Closing, convey the Purchase Price for the Diablo Assets (or such portion of them as shall have been designated in writing by Diablo) to the "qualified intermediary" rather than to Diablo (which conveyance shall, to such extent, discharge the obligation of ATS to deliver such Purchase Price (or portion thereof), and (iii) at the request of Diablo extend the closing of escrow for all or a portion of those assets subject to the Like-Kind Notice for a period not to exceed one year. Should the closing for any Like-Kind Notice properties be so extended, Diablo and ATS shall enter into an agreement reasonably acceptable to each party which agreement shall, to the maximum extent feasible, provide ATS with the rights, benefits, and obligations for any Like-Kind Notice property for which the closing is so extended. Without limiting the generality of the foregoing, Diablo and ATS shall promptly after receipt by ATS of the Like-Kind Notice, negotiate in good faith in order to determine the portion of the Purchase Price attributable to the Diablo Assets which are to be the subject of like-kind exchange and, in the event they are unable to so agree on such amount, it shall be determined by arbitration in accordance with the provisions of Section 9.15 and not materially inconsistent with the appraisal undertaken pursuant to Section 2.3. If such determination has not been made on or prior to the Closing, ATS shall transfer to the "qualified intermediary" the amount proposed by Diablo in the Like-Kind Notice, subject to an agreement by the "qualified intermediary" to remit to Diablo the excess, if any, of the amount so transferred over the amount as finally determined by the arbitrator.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF DIABLO

Diablo hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Diablo is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Diablo has all requisite corporate power and corporate authority and has in full force and effect all Governmental Authorizations (which, for purposes of this Section 3.1(b), relate only to the sale of the Diablo Assets and Diablo Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) and Private Authorizations, except for those set forth in Section 3.1(b) of the Diablo Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material adverse effect on ATS, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of Diablo. This Agreement has been duly executed and delivered by Diablo and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Diablo will constitute, legal, valid and binding obligations of Diablo, 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) Except as set forth in Section 3.1(c) of the Diablo Disclosure Schedule, and except for matters which would have no material adverse effect on ATS, neither the execution and delivery by Diablo of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Diablo of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Diablo:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Diablo or any Applicable Law (which, for purposes of this Section 3.1(c)(i), relates only to the sale of the Diablo Assets and the Diablo Business generally and not to local Applicable Law) on the part of Diablo, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Diablo, other than those constituting Diablo Nonassumed Obligations; or

(ii) will require Diablo to make or obtain any Governmental Authorization, Governmental Filing (which, for purposes of this Section 3.1(c)(ii)), relate only to the sale of the Diablo Assets and Diablo Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

(d) Diablo does not have any Subsidiaries except as set forth in Section 3.1(d) of the Diablo Disclosure Schedule.

3.2 Financial and Other Information. Diablo has heretofore furnished to ATS copies of the financial statements of the Diablo Business listed in Section 3.2 of the Diablo Disclosure Schedule (the "Diablo Financial Statements"). The Diablo Financial Statements, including in each case the notes thereto, have been prepared in accordance with CAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Diablo Disclosure Schedule, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by CAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the financial position and the results of operations and cash flow of the Diablo Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals.

3.3 Changes in Condition. Since the date of the most recent financial statements constituting a part of the Diablo Financial Statements, except to the extent specifically described in Section 3.3 of the Diablo Disclosure Schedule, there has been no material adverse change in Diablo. There is no Event known to Diablo which materially adversely affects, or (so far as Diablo can now reasonably foresee) is likely to materially adversely affect, Diablo, except to the extent specifically described in Section 3.3 of the Diablo Disclosure Schedule.

3.4 Materiality. Other than those set forth in the Diablo Disclosure Schedule, the representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein. Other than those set forth in the Diablo Disclosure Schedule, in the aggregate all such exceptions and qualifications to the representations and warranties are not and could not reasonably be expected to be materially adverse to Diablo.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Diablo Disclosure Schedule contains a true, accurate and complete description of all real property owned or leased by Diablo that is part of the Diablo Assets. Without limiting the generality of the foregoing, Section 3.5 of the Diablo Disclosure Schedule will include a description of the approximately 74 acre parcel on Black Mountain that contains the communication site (the "Black Mountain Communication Site"); the Black Mountain Communications Site will be encumbered with a permanent conservation easement in favor of the Nature Conservancy that will prohibit development of that portion of the site that contains a certain endangered flower, so long as such easement does not interfere with access to the parcel or the use of the parcel for a communication site. Except as set forth in Section 3.5(a) of the Diablo Disclosure Schedule, Diablo has good indefeasible, marketable and insurable title to all real property (other than leasehold and managed real property) and good indefeasible and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Diablo Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Diablo Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the Diablo Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Diablo as debtor or which covers or purports to cover any of the Diablo Assets is on file in any state or other jurisdiction, and Diablo has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as disclosed in Section 3.5(a) of the Diablo Disclosure Schedule, to Diablo's knowledge, all improvements on the real property owned or leased by Diablo are in compliance

with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a material adverse effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 3.5(a) of the Diablo Disclosure Statement, all such improvements, to Diablo's knowledge, comply in all material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the Diablo Disclosure Statement, to Diablo's knowledge, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Diablo are located entirely on such real property. Diablo has no knowledge of any pending, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Diablo. Except as set forth in Section 3.5(a) of the Diablo Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in Diablo's reasonable business judgment, been maintained in a manner consistent with generally accepted standards of sound engineering practice and currently permit the Diablo Business to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, Governmental Authorizations and Private Authorizations.

(b) Section 3.5(b) of the Diablo Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the Diablo Business is leased. Except as otherwise set forth in Schedule 3.5(b) of the Diablo Disclosure Schedule, each Lease or other occupancy or other agreement under which Diablo holds real or personal property constituting a part of the Diablo Assets has been duly authorized, executed and delivered by Diablo or its predecessors in interest, as the case may be, and, to Diablo's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Diablo, and, to Diablo's knowledge, each of the other parties thereto, enforceable in accordance with its 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. Diablo has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. All of such Leases are valid and subsisting and in full force and effect; neither Diablo nor, to Diablo's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the Diablo Assets is subject to contracts of sale, and none is held by Diablo as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Diablo Disclosure Schedule.

(c) Section 3.5(c) of the Diablo Disclosure Schedule contains a true, accurate and complete description of all material items of Diablo Personal Property. Diablo owns and has good and merchantable title to all of the Diablo Personal Property relating to the Diablo Business (the "Diablo Personal Property"), in each case, free and clear of all Liens, except (i) Permitted Liens and (ii) Liens set forth on Section 3.5(c) of the Diablo Disclosure Schedule (which Liens shall be released prior to Closing). Except as set forth in Section 3.5(c) of the Diablo Disclosure Schedule, all of the Diablo Personal Property is in a state of good repair and maintenance and is in good operating condition, normal wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice and currently permits the Diablo Business to be operated in accordance with the terms and conditions of all Applicable Laws. Except for financing statements listed in Section 3.5(c) of the Diablo Disclosure Schedule, no financing statements under the Uniform Commercial Code and no other filing which names Diablo as debtor or which covers or purports to cover any of the Diablo Assets is on file in any state or other jurisdiction, and Diablo has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing.

3.6 Compliance with Private Authorizations. Section 3.6 of the Diablo Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the Diablo Assets or the Diablo Business. To Diablo's knowledge, and as set forth in Section 3.6 of the Diablo Disclosure Schedule, Diablo has obtained all Private Authorizations which are necessary for the ownership or operation of the Diablo Assets or the conduct of the Diablo Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect Diablo. All of such Private Authorizations are valid and in good standing and are in full force and effect. Diablo is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on Diablo. No such Private Authorization is the subject of any pending or, to Diablo's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) To Diablo's knowledge, Section 3.7(a) of the Diablo Disclosure Schedule contains a true, complete and accurate description of each Governmental Authorization required under Applicable Laws (i) to own and operate the Diablo Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, all of which are in full force and effect or (ii) that is necessary to permit Diablo to execute and deliver this Agreement and to perform its obligations hereunder. To Diablo's knowledge, except as otherwise set forth in Section 3.7(a) of the Diablo Disclosure Schedule, Diablo has obtained all Governmental Authorizations which are necessary for the ownership or operation of the Diablo Assets or the conduct of the Diablo Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material adverse effect on Diablo. None of the Governmental Authorizations listed in Section 3.7(a) of the Diablo Disclosure Schedule is subject to any restriction or condition which would limit in any material respect the ownership or operations of the Diablo Assets or the conduct of the Diablo Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. The Governmental Authorizations listed in Section 3.7(a) of the Diablo Disclosure Schedule are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of Diablo or its officers, directors, employees or agents, and the ownership or operation of the Diablo Assets or the conduct of the Diablo Business are in accordance in all material respects with the Governmental Authorizations. To Diablo's knowledge, all material reports, forms and statements required to be filed by Diablo with all Authorities with respect to the Diablo Business have been filed and are true, complete and accurate in all material respects. No such Governmental Authorization is the subject of any pending or, to Diablo's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. Diablo has no reason to believe that any such Governmental Authorization would not be renewed in the name of Diablo by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 3.7(b) of the Diablo Disclosure Schedule, neither Diablo nor any director or officer thereof (in connection with ownership or operation of the Diablo Assets or the conduct of the Diablo Business) is in or is charged by any Authority with or, to Diablo's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to Diablo's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Diablo Assets or the conduct of the Diablo Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Diablo's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business which,

individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would adversely affect the ownership or operations of the Diablo Business; (y) involving charges of illegal discrimination by Diablo under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the Diablo Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the Diablo Disclosure Schedule, no Event exists or has occurred, which, to Diablo's knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on Diablo or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the Diablo Assets or the conduct of the Diablo Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Diablo Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Diablo Disclosure Schedule, all such information and matters set forth in Sections 3.7(a), 3.7(b) or 3.7(c) of the Diablo Disclosure Schedule, if adversely determined against Diablo, will not, individually or in the aggregate, have a materially adversely effect on Diablo.

3.8 Intangible Assets. Section 3.8 of the Diablo Disclosure Schedule sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the Diablo Assets or the conduct of the Diablo Business held or used by Diablo, including without limitation the nature of Diablo's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 3.8 of the Diablo Disclosure Schedule, to Diablo's knowledge, no Intangible Assets (except Governmental Authorizations, Private Authorizations, and the Intangible Assets so set forth) are required for the ownership or operation of the Diablo Assets or the conduct of the Diablo Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. To Diablo's knowledge, Diablo does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Diablo has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. Diablo is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business between Diablo and any of its officers, directors, shareholders, employees or, to the knowledge of Diablo, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the Diablo Disclosure Schedule, (ii) Contractual Obligations between Diablo and any of its directors, shareholders, officers, employees or Affiliates of Diablo or any of the foregoing, which constitute Excluded Assets or Diablo Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Diablo Disclosure Schedule.

3.10 Insurance. Diablo maintains, with respect to the Diablo Assets and the Diablo Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Diablo Disclosure Schedule.

3.11 Tax Matters.

(a) Except as set forth in Section 3.11(a) of the Diablo Disclosure Schedule, Diablo has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, except with respect to failures to file which in the aggregate would not have a material adverse effect on Diablo and, to Diablo's knowledge, has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Diablo Financial Statements. The Tax Returns of Diablo have, to Diablo's knowledge, been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Diablo is required by law to withhold and collect have, to Diablo's knowledge, been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Diablo has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of Diablo for the fiscal years prior to and including the most recent fiscal year. Adequate provision has, to Diablo's knowledge, been made on the most recent balance sheet forming part of Diablo Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Diablo's knowledge, no past transactions or matters which could result in additional Taxes of a material nature to Diablo for which an adequate reserve has not been provided on such balance sheet. Diablo is not a "consenting corporation" within the meaning of Section 341(f) of the Code. Diablo has at all times been taxable as a Subchapter S corporation under the Code, and has never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the Diablo Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of Diablo for each of the most recent five tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by Diablo to ATS) is, to Diablo's knowledge, true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Diablo have not been examined by the IRS or applicable state Authority, and Diablo has not been notified of any proposed examination, except as shown in Section 3.11(b) of the Diablo Disclosure Schedule.

(c) Diablo is not a party to any tax sharing agreement or arrangement, other than those contained in certain of its leases.

3.12 Employee Retirement Income Security Act of 1974.

(a) Diablo (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement, except as set forth in Section 3.12(a) of the Diablo Disclosure Schedule. As to all Plans and Benefit Arrangements listed in Section 3.12(a) of the Diablo Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation with all Applicable Laws in all material respects, and Diablo has not received any notice from any Authority questioning or challenging such compliance;

(ii) all such Plans maintained or previously maintained by Diablo that are or were intended to comply with Sections 401 and 501 of the Code comply and complied in form and in operation with all applicable requirements of such sections, and no event has occurred which will or could give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any such Plan and Diablo has not otherwise engaged in any prohibited transaction;

(v) there have been no acts or omissions by Diablo which have given rise to or may give rise to any material fines, penalties, taxes or related charges under Sections 502(c), 502(i) or 4071 or ERISA or Chapter 43 of the Code for which Diablo may be liable;

(vi) there are no Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders) pending or threatened involving such Plans or the assets of such Plans, and, to Diablo's knowledge, no facts exist which could give rise to any such Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders);

(vii) no such Plan is subject to Title IV of ERISA, or, if subject, there have been no "report able events" (as described in Section 4043 of ERISA), and no steps have been taken to terminate any such Plan;

(viii) all group health Plans of Diablo have been operated in compliance in all material respects with the group health plan continuation coverage requirements of COBRA;

(ix) actuarially adequate accruals for all obligations under the Plans are reflected in the most recent balance sheet forming part of the Diablo Financial Statements and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the Plan years which include the Closing Date;

(x) neither Diablo nor any of its respective directors, officers, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject Diablo or any of its respective directors, officers or employees to material liability under ERISA or any similar Applicable Law;

(xi) no such Plan which is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code had an accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied, nor would have had an accumulated funding deficiency on such date if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied;

(xii) no material liability to the PBGC has been or is expected by Diablo to be incurred by Diablo with respect to any Plan, and there has been no event or condition which presents a material risk of termination of any Plan by the PBGC;

(xiii) except as set forth in Section 3.12(xiii) of the Diablo Disclosure Schedule, Diablo is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(xiv) except as set forth in Section 3.12(a)(xiv) of the Diablo Disclosure Schedule (which entry, if applicable, shall indicate the present value of accumulated plan liabilities calculated in a manner consistent with FAS 106 and actual annual expense for such benefits for each of the last two (2) years) and pursuant to the provisions of COBRA, Diablo does not maintain any Plan that provides benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of Diablo; and

(xv) Diablo has made available to ATS a copy of the two most recently filed Federal Form 5500 series and accountant's opinion, if applicable, for each Plan (and the two most recent actuarial valuation reports for each Plan, if any, that is subject to Title IV of ERISA), and all information provided by Diablo to any actuary in connection with the preparation of any such actuarial valuation report was true, accurate and complete in all material respects.

(b) The execution, delivery and performance by Diablo of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

3.13 Absence of Sensitive Payments. Neither Diablo nor, to Diablo's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the Diablo Assets or the Diablo Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. Diablo is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the Diablo Disclosure Schedule contains a true, accurate and complete list of all Diablo employees involved in the ownership or operation of the Diablo Assets or the conduct of the Diablo Business (the "Diablo Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. Diablo has no obligation or liability, contingent or other, under any Employment Arrangement with any Diablo Employee, other than those listed or described in Section 3.15 of the Diablo Disclosure Schedule. Except as described in Section 3.15 of the Diablo Disclosure Schedule, (i) none of the Diablo Employees is now, or, to Diablo's knowledge, since January 1, 1993, has been, represented by any labor union or other employee collective bargaining organization, and Diablo is not, and has never been, a party to any labor or other collective bargaining agreement with respect to any of the Diablo Employees, (ii) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (iii) neither Diablo nor any of such employees is now, or, to Diablo's knowledge, has since January 1, 1993 been, subject to or involved in or, to Diablo's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the Diablo Employees and (iv) none of the Diablo Employees has notified Diablo in writing that he or she does not intend to continue employment with Diablo until the

Closing or with ATS following the Closing. Diablo has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the Diablo Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Diablo Assets or the conduct of the business of the Diablo Business or to which Diablo is a party or to which it is bound or which any of the Diablo Assets is subject. True, accurate and complete copies of each of such Material Agreements have been provided by Diablo to ATS to the extent requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.16 of the Diablo Disclosure Schedule, with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Diablo and, to Diablo's knowledge, all other parties thereto, 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. Diablo has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Diablo, Claim threatened in writing that Diablo has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Diablo under any of such Material Agreements in any material respect.

3.17 Ordinary Course of Business. From the end of its most recent fiscal quarter to the date hereof, except (i) as may be described on Section 3.17 of the Diablo Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement or the Letter of Intent, Diablo has operated the Diablo Business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice, and, except in each case in the ordinary course of business, consistent with prior practice,

(a) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(b) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000;

(c) has not entered into any individual commitment having a value in excess of $20,000;

(d) has not canceled any debts or claims;

(e) has not created or permitted to be created any Lien on any of its property;

(f) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(g) has not increased the compensation payable or to become payable to any of the Diablo Employees other than in the ordinary course of business or otherwise materially altered, modified or changed the terms of their employment;

(h) has not suffered any material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(i) has not waived any rights of material value without fair and adequate consideration;

(j) has not experienced any work stoppage;

(k) has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Diablo, except for Diablo Nonassumed Obligations; and

(l) has not entered into any other transaction or series of related transactions which individually or in the aggregate is material to the Diablo Assets or the Diablo Business.

3.18 Material and Adverse Restrictions. To Diablo's knowledge, Diablo is not a party to or subject to, nor are any of the Diablo Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which now has or, as far as Diablo can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material adverse effect on Diablo, except as set forth in Section 3.18 of the Diablo Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Diablo.

3.20 Solvency. As of the execution and delivery of this Agreement, Diablo is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the Diablo Disclosure Schedule, with respect to the Diablo Assets, Diablo:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to Diablo's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any final order issued pursuant to any Environmental Law;

(d) is, to the knowledge of Diablo, in compliance in all material respects with all Environmental Laws, has, to Diablo's knowledge, obtained all Environmental Permits required under Environmental Laws, and is not the subject of or, to Diablo's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to material violations or material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the Diablo Business or the Diablo Assets which Event, individually or in the aggregate, will interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, will

form the basis of any material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Diablo as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would not have any material adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Diablo shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Diablo's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Diablo Assets and the Diablo Business and, during such period, shall furnish promptly upon request (i) a list (and copies to the extent requested by ATS) of each report, schedule and other document filed or received by Diablo pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have a material adverse effect on the Diablo Assets or the Diablo Business or the businesses, operations, properties, prospects, personnel, condition (financial or other), or results of operations thereof, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed and controlled by Diablo or its accountants reasonably deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the Diablo Assets and the Diablo Business and certifying financial statements and financial information, and (iii) such other information in the possession or control of Diablo or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Diablo shall not be required to permit any such access to the extent same would unreasonably interfere with Diablo's normal business operations. All non-public information relating to the Diablo Assets or the Diablo Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of Diablo, be disclosed by ATS in any manner whatsoever, in whole or in part, and shall not be used for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Diablo. ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, Diablo shall not, without the prior written consent of ATS, disclose any information remaining in its possession with respect to the Diablo Assets or the Diablo Business, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Diablo, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for ATS (which independent counsel shall be subject to the provisions of Section 5.1(a)), and ATS shall so certify to such effect.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, either party may disclose information received or retained by it in accordance with the provisions of this Agreement if it can demonstrate (i) such information is generally available to or known by the public from a source other than the party seeking to disclose such information or (ii) was obtained by the party seeking to disclose such information from a source other than the other party, provided that such source was not bound by a duty of confidentiality to the other party or another party with respect to such information.

5.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), without payment of any material amount of compensation, (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the Diablo Assets and conduct the Diablo Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Diablo shall, at ATS' expense, cooperate and use its reasonable business efforts to (i) prepare its financial statements for the period ended December 31, 1996 and thereafter in accordance with GAAP and (ii) cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Diablo Business described in Section 6.2(g). Without limiting the generality of the foregoing, Diablo agrees that after the Closing Date it will (x) if required by the Securities Act or the Exchange Act, consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under the Securities Act or the Exchange Act and (y) if reasonably requested by ATS' independent accountants, execute and deliver, and cause its officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits under comparable circumstances.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, Diablo and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Diablo and ATS may, without the other's prior consent, issue such press

releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement. In addition, subject to the terms and conditions hereof, ATS may disclose the subject matter of this Agreement to Persons with whom Diablo has a business or contractual relationship in connection with ATS' due diligence investigation of Diablo; provided, however, that prior to (i) ATS sending any written communication to any such Person, ATS shall secure the written approval of the form and content of such communication, such approval not to be unreasonably withheld, delayed or conditioned, and (ii) any verbal or in person communication with any such Person, ATS shall provide Diablo with the opportunity to participate with ATS in any such conversation or meeting.

5.4 Notification of Certain Matters. Diablo and ATS shall, prior to the Closing, give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any material respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Diablo Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. So long as this Agreement remains in effect, Diablo shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Diablo is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Diablo Assets or the Diablo Business. The provisions of this Section shall apply to each of Diablo's Subsidiaries. If Diablo or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect, Diablo shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

5.6 Conduct of Business by Diablo Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Diablo shall, to the extent relating to the Diablo Business or the Diablo Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Diablo Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) to the extent permitted under Applicable Law, confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Diablo Business in conformity in all material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Diablo Assets or the Diablo Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Diablo Business;

(f) except as set forth in Section 5.6(f) of the Diablo Disclosure Schedule, not (i) dispose of any of the Diablo Assets owned by Diablo or used in the operation of the Diablo Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Diablo Business) or (ii) modify or change in any material respect, or enter into, any Material Agreement relating to the Diablo Business; and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the Diablo Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Diablo which, pursuant to this Section 5.6, requires the prior approval of ATS, ATS shall be deemed to have approved the same unless written notice of disapproval is received by Diablo within five (5) business days after receipt by ATS of a written request for approval made by Diablo.

5.7 Preliminary Title Reports. As promptly as practicable after the execution of this Agreement, Diablo shall, at its sole cost and expense, deliver or cause to be delivered to ATS a standard preliminary title report dated on or after the date of this Agreement issued by such title company as Diablo and ATS shall mutually reasonably agree (the "Title Company") with respect to those Diablo Assets comprised of the parcels of real property described in Section 5.7 of the Diablo Disclosure Schedule (the "Insured Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional title matters, are referred to herein as the "Title Reports". The rights and obligations of the parties shall thereafter be as follows:

(a) On or before fifteen (15) business days after ATS' receipt of the last of the Title Reports, ATS shall give to Diablo written notice ("ATS' Title Notice") of ATS' disapproval of any matters shown in the Title Reports. ATS' failure to give ATS' Title Notice within such fifteen (15) business days shall be deemed to constitute ATS' approval of all matters disclosed by the Title Reports;

(b) If ATS disapproves any title matters pursuant to ATS' Title Notice, Diablo shall deliver written notice ("Diablo's Title Notice") to ATS within ten (10) business days after Diablo's

receipt of ATS' Title Notice, stating whether Diablo agrees to eliminate such disapproved title matters from title to the Insured Real Property prior to the Closing or, if such elimination is not feasible prior to the Closing, to effect such elimination thereafter and to indemnify and hold harmless ATS with respect to such remedy. If Diablo fails to timely deliver Diablo's Title Notice, or if Diablo delivers Diablo's Title Notice but states therein that Diablo is unwilling or unable to eliminate such disapproved title matters, ATS and Diablo shall negotiate in good faith in an attempt to resolve such matters (the "Disapproved Title Sites" and, collectively with the "Disapproved Environmental Sites", the "Disapproved Sites") from the Diablo Assets, a reduction of the Purchase Price or an indemnification (and escrow) from Diablo (not subject to the limitations as to time or amount specified in Article 8). If within twenty (20) business days of the commencement of such negotiations (or such longer period as ATS and Diablo shall agree), the parties have been unable to resolve such matters, either party can terminate this Agreement pursuant to the provisions of Section 7.1(f) within ten (10) business days of the end of such negotiation period; and

(c) If, at any time following ATS' approval of the Title Reports, Diablo or the Title Company notifies ATS of any additional matter affecting title to the Insured Real Property, the parties shall have substantially the same rights and obligations as are set forth in paragraphs (a) and (b) above.

5.8 Environmental Site Assessments. As promptly as practicable after the execution of this Agreement, ATS may at its own cost and expense obtain, and deliver to Diablo full and complete copies of, Phase I environmental site assessment reports (the "Environmental Reports") on any or all of those certain parcels of real property described on Section 5.8 of the Diablo Disclosure Schedule. Site assessments shall be conducted by such consultants and professionals as ATS and Diablo shall mutually agree (collectively, the "Environmental Company"), shall be arranged at times mutually convenient to the parties, and shall be conducted in a manner which does not interfere with or inconvenience in any material manner any of the landlords or tenants at any of Diablo's sites. Each of Diablo and ATS shall be entitled to have representatives present at the time such site assessments are conducted, and to have copies of all correspondence with the Environmental Company:

(a) On or before fifteen (15) business days after ATS' receipt of the last of the Environmental Reports, ATS shall give to Diablo written notice ("ATS' Environmental Notice") of ATS' disapproval of any matters shown in the Environmental Reports. ATS' failure to give ATS' Environmental Notice within such fifteen (15) business days shall be deemed to constitute ATS' approval of all matters disclosed by the Environmental Reports;

(b) If ATS disapproves any environmental matters pursuant to ATS' Environmental Notice, Diablo shall deliver written notice ("Diablo's Environmental Notice") to ATS within ten (10) business days after Diablo's receipt of ATS' Environmental Notice, stating whether Diablo agrees to eliminate and remedy such matter prior to the Closing or, if such elimination or remedy is not feasible prior to the Closing, to effect such elimination and remedy thereafter and to indemnify and hold harmless ATS with respect to such remedy. If Diablo fails to timely deliver Diablo's Environmental Notice, or if Diablo delivers Diablo's Environmental Notice but states therein that Diablo is unwilling or unable to eliminate and remedy such environmental matters, ATS and Diablo shall negotiate in good faith in an attempt to resolve such matters (the "Disapproved Environmental Sites") from the Diablo Assets, a reduction of the Purchase Price or an indemnification (and escrow) from Diablo (not subject to the limitations as to time or amount specified in Article 8). If within twenty (20) business days of the commencement of such negotiations (or such longer period as ATS and Diablo shall agree), the parties have been unable to resolve such matters, either party can

terminate this Agreement pursuant to the provisions of Section 7.1(f) within ten (10) business days of the end of such negotiation period; and

(c) If, at any time following ATS' approval of the Environmental Reports, ATS or the Environmental Company notifies Diablo of any additional environmental matter, the parties shall have substantially the same rights and obligations as are set forth in paragraphs (a) and (b) above.

5.9 Post-Closing Covenants and Agreements of the Parties. From and after the consummation of the Transactions, ATS and Diablo covenant and agree as follows:

(a) Diablo shall have the right, if it shall have so notified ATS not later than five (5) business days prior to the Closing, to retain (or to cause any of its Affiliates to retain) the services of each of the individuals named in Section 5.9(a) of the Diablo Disclosure Schedule;

(b) ATS shall afford to Diablo, and Diablo shall afford to ATS, access to their respective employees who were (or in the case of Diablo who remain) employees of Diablo on the Closing Date to the end that such employees are available to provide assistance, consultation and historical background to the requesting party; provided, however, that neither ATS nor Diablo shall have any such obligation after the expiration of five (5) years from the Closing Date or to the extent that it would exceed an average of four (4) hours per week over such period; and

(c) ATS shall afford to Diablo, and Diablo shall afford to ATS, access to all books and records delivered to ATS or retained by Diablo, as the case may be, relating to periods prior to the Closing Date, in order to enable Diablo or ATS, as the case may be, to prepare all necessary Tax Returns, deal with Legal Actions or other Claims (including without limitation those of the Internal Revenue Service) or personnel matters or for any other reasonable purposes, subject, however, in all events, to the provisions of Section 5.1 with respect to confidentiality. Anything in this Section to the contrary notwithstanding, Diablo and ATS shall cooperate fully in the event of an Internal Revenue Service audit or investigation related to this Agreement, including without limitation providing each other with full and complete access to each other's records and employees to the extent necessary to respond to any such audit or investigation.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party to effect the Transactions. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Diablo with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 6.1(a) of the Diablo Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the Diablo Assets and the Diablo Business;

(b) The transactions contemplated by the Other Agreement shall have been consummated prior to or simultaneously with the consummation of the Transactions; and

(c) The parties shall have entered into an escrow agreement in form, scope and substance reasonably satisfactory to the parties with the Title Company or any other Person reasonably acceptable to the parties, pursuant to which, among other things, ATS shall have deposited the portion of the Purchase Price not being delivered to the Indemnity Escrow Agent or to a "qualified intermediary" pursuant to the provisions of Section 2.3, and Diablo shall have delivered deeds in customary form with respect to all of the real property to be conveyed to ATS as part of the Diablo Assets and the parties, to the extent required by Section 9.3, shall have deposited an amount sufficient to pay all recording fees, transfer taxes and other fees and expenses which must be paid as a condition of consummation of the transactions contemplated by this Agreement.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) Diablo shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Cooper, White & Cooper, counsel for Diablo, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(b) and 3.14, and such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of Diablo contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Diablo or ATS, except as otherwise specifically provided herein); each and all of the covenants and agreements and conditions to be performed or satisfied by Diablo hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and Diablo shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 6.2(d) of the Diablo Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Diablo

Assets and the Diablo Business (including without limitation all Private Authorizations, Leases and Material Agreements of Diablo), and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could materially adversely affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in Diablo from that reflected in the most recent Diablo Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business shall not have been materially and adversely affected by any act, or failure to act, of Diablo;

(f) Diablo shall have delivered or caused to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Diablo to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from its independent accountants (i) an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets for each of the fiscal years ended December 31, 1995 and 1996 and statements of operations and cash flow for each of the three years in the period ended December 31, 1996) of the Diablo Business, which financial statements shall have been prepared in conformity with GAAP and Regulation S-X under the Securities Act, or (ii) such other documentation as shall be reasonably satisfactory to ATS indicating that such an unqualified report could be issued if requested by ATS;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Diablo Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, or which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material adverse effect on the Diablo Assets and the Diablo Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) All Environmental Reports obtained by the parties prior to the Closing Date pursuant to the provisions of Section 5.8 hereof shall be approved or deemed approved by ATS in the manner described in Section 5.8;

(j) Richard D. Spight ("Spight"), the chairman and principal shareholder of Diablo, shall have executed and delivered to ATS an agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Spight Noncompetition Agreement");

(k) Diablo and Spight shall have executed and delivered to ATS and the escrow agent named therein (the "Indemnity Escrow Agent") an escrow agreement (the "Indemnity Escrow Agreement") substantially in the form of Exhibit B attached hereto and made a part hereof;

(l) ATS shall have received standard CLTA title insurance policies insuring ATS' fee interests in all Insured Real Property, subject only to Approved Title Conditions;

(m) Diablo shall have delivered to ATS all use permits, consents or other Governmental Authorizations of and all Leases from the United States Forest Service set forth in Section 6.2(m) of the Diablo Disclosure Schedule;

(n) Diablo shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) Diablo will hold (but will have no obligation to perform services thereunder) for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse Diablo for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Diablo with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by Diablo pursuant thereto other than those relating to the bad faith, negligence or willful misconduct of Diablo or its officers, directors, stockholders or employees;

(o) Diablo and Spight shall have delivered to ATS, an agreement, in form, scope and substance reasonably satisfactory to ATS and Diablo, pursuant to which (i) Diablo and Spight would, for a period of three years, agree to offer only to ATS (and not to any other Person regardless of whether ATS shall have accepted any such offer) all property in California which is suitable for development as a communication site and with respect to which they have, as broker or otherwise, any rights, and (ii) if ATS accepts such property, it would agree to pay Spight a percentage of net income on other compensation as set forth in such agreement (the "Acquisition Participation Agreement");

(p) Diablo, Spight and any other Person having any interest in the property on Black Mountain which is contiguous to Black Mountain Communications Site shall have executed and delivered to ATS an agreement, in recordable form, (i) granting permanent mutual access and permanent utility easements, without the payment of any consideration, and (ii) agreeing not to construct any communication towers on any portion of such property, all on terms and conditions as are reasonably satisfactory to ATS and Diablo (the "Black Mountain Easement Agreement");

(q) Spight (as the owner of the Drake Industrial Park) shall have executed and delivered to ATS a lease, in form, scope and substance reasonably satisfactory to ATS and Diablo, pursuant to which ATS shall lease approximately 2,400 square feet, for a term of five (5) years and at a rent of $1,200 per month (the "Drake Lease");

(r) Spight shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS and Diablo, pursuant to which (i) ATS shall have a right, for a period of three years, of first refusal on any communication facility to be constructed on any building in California owned or managed by Spight or any Affiliate of Spight, (ii) in the event ATS exercises such right of first refusal, gross revenues (after deduction for installation and electrical expenses) from such development will be shared equally by ATS and Spight, and (iii) in the event ATS does not exercise its right of first refusal, Spight shall have the right to lease the facility to any Person who is not an Affiliate of Spight (the "Exclusivity Agreement"); and

(s) In the event an agreement or agreements have been entered into between Diablo (or ATS) and TeleCommunications, Inc. relating to the management of its towers, Diablo shall have executed and delivered to ATS and agreement, in form, scope and substance reasonably satisfactory

to ATS, pursuant to which Diablo shall receive the initial $65,000 of revenue (in reimbursement of its expenses) and thereafter revenue will be shared two-thirds to ATS and one-third to Diablo (the "TCI Agreement").

6.3 Conditions to Obligations of Diablo. The obligation of Diablo to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Diablo and its counsel, and Diablo and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) ATS shall have furnished Diablo and, at Diablo's request, any bank of other financial institution providing credit to Diablo, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 4.1 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Diablo or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Diablo or ATS, except as otherwise specifically provided herein); each and all of the covenants and agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS shall have furnished Diablo with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Diablo or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Diablo all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Diablo at or prior to the Closing pursuant to the terms of this Agreement;

(e) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(f) ATS shall have executed and delivered to Diablo, Spight and the Indemnity Escrow Agent a counterpart of the Indemnity Escrow Agreement;

(g) ATS shall have executed and delivered to Diablo the Nonassignable Contracts Agreement;

(h) ATS shall have executed and delivered to Diablo the Black Mountain Easement Agreement and the Exclusivity Agreement; and

(i) ATS shall, if applicable, have executed and delivered to Diablo the TCI Agreement.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Diablo and ATS;

(b) by either ATS or Diablo if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Diablo in the event (i) Diablo is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) ATS is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) Diablo is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 6.2(i) or 6.2(l); or

(f) by ATS or Diablo pursuant to the provisions of Section 5.7(b) or 5.8(b).

The term "Termination Date" shall mean September 30, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Diablo to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1 (with respect to confidentiality), 5.3, 9.3 and 9.15 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the

Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Diablo pursuant to the provisions of Section 7.1(c), then Diablo shall be entitled to liquidated damages of (i) an amount equal to the Escrow Deposit, together with interest and other earnings thereon, and (ii) delivery and cancellation of the Interim Financing Notes, including all accrued and unpaid interest thereon, and any Additional Compensation Certificates; the parties agree that such amounts shall collectively constitute full payment for any and all damages suffered by Diablo by reason of ATS' failure to consummate the Transactions. ATS and Diablo agree in advance that actual damages would be difficult to ascertain and that such liquidated damages is a fair and equitable amount to reimburse Diablo for damages sustained due to ATS' failure to consummate the Transactions for the above-stated reasons. In the event this Agreement is terminated by ATS pursuant to the provisions of Section 7.1(d), then ATS shall be entitled to the amount of the Escrow Deposit, together with interest and other earnings thereon, without prejudice to ATS' right to pursue damages or other remedies hereunder. Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Section 7.1(a), 7.1(b), 7.1(e), 7.1(f) or 7.1(g), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies, except that ATS shall be entitled to the Escrow Deposit, together with interest and earnings thereon.

(d) Anything in this Article or elsewhere in this Agreement to the contrary notwithstanding, in no event shall Diablo be required to refund to ATS the nonrefundable deposits made by ATS subsequent to March 31, 1997 pursuant to the Amendment to Letter of Intent dated March 19, 1997.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations, warranties, covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document (except as otherwise provided in any Collateral Document) shall survive the Closing and shall remain operative and in full force and effect for a period of (a) two (2) years after the Closing Date or (b) in the case of matters of a nature referred to in Section 3.21, three (3) years after the Closing Date, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud, may be asserted after the expiration of the Indemnity Period. ATS shall promptly advise Diablo in the event it shall discover any fraud or alleged fraud, it being understood that, in the event that ATS discovers such fraud or alleged fraud prior to the expiration of the Indemnity Period and fails to so notify Diablo thereof, it shall not thereafter be entitled to assert any Claim with respect thereto. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof or the expiration of the applicable statute of limitation unless arbitration or litigation has been pursued.

8.2 Indemnification.

(a) During the Indemnity Period, each of Diablo and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(i) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(ii) any Legal Action or other Claim by any third party relating to the indemnifying party or, in the case of ATS, the ownership or operations of the Diablo Assets or the conduct of the business of the Diablo Business to the extent such Legal Action or other Claim has also resulted in a breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it; or

(iii) in the case of Diablo as the indemnifying party, the failure of Diablo to comply with Bulk Sales law of the State of California.

(b) Diablo agrees that on or after the Closing it shall indemnify and hold harmless ATS from and against any and all Loss and Expense suffered, directly or indirectly, by ATS by reason of, or arising out of, (i) Diablo Nonassumed Obligations or (ii) the ownership and operation of the Diablo Assets and the Diablo Business prior to the Closing Date.

(c) ATS agrees that on or after the Closing it shall indemnify and hold harmless Diablo from and against any and all Loss and Expense suffered, directly of indirectly, by Diablo by reason of, or arising out of, (i) (A) Diablo Assumed Obligations or (B) the ownership and operation of the Diablo Assets and the Diablo Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the Diablo Assumed Obligations, and (ii) any Hart-Scott-Rodino Act or other federal or state antitrust Law filings or any Legal Action or other Claim of any Authority relating to the Transactions based upon any of the foregoing, except, in all cases, to the extent such filing, Legal Action or other Claim relates to or is based upon information furnished or omitted by Diablo.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnified party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims (together with Claims (as defined therein) under the Other Agreement ("Other Agreement Claims")) exceeds, in the aggregate, $100,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $100,000), and (ii) in no event shall the aggregate amount required to be paid by each indemnifying party pursuant to the provisions of this Article (and the comparable provision of the Other Agreement) exceed $1,000,000, except for any Loss or Expense arising out of matters of a nature referred

to in Sections 3.1 and 4.1 (and the comparable provision of the Other Agreement) as to which the dollar limitations set forth in this clause (ii) shall not apply.

(b) Anything in this Agreement, including without limitation the provisions of Sections 8.2 or 8.3(a), to the contrary notwithstanding, except as provided in Sections 8.3(d) and 8.6, (i) the exclusive recourse of ATS after the Closing with respect to the liability of Diablo pursuant to Section 8.2 or any other provision of this Agreement or Applicable Law which requires Diablo to defend, indemnify or hold harmless ATS from or against any Claim, Loss or Expense shall be the Escrow Indemnity Funds; and (ii) ATS' remedies for any such liability of Diablo, or for any Claim arising under this Agreement, shall be limited to its right to recover from the Escrow Indemnity Funds in accordance with the provisions of the Escrow Indemnity Agreement, and neither ATS nor any of its officers, directors, shareholders, agents or Affiliated Entities shall have any right of recovery against Diablo or any of its officers, directors, shareholders, agents or Affiliated Entities or against the assets of any of them for any such liability.

(c) In the event there shall be no Claims pending pursuant to the provisions of this Agreement (or Other Agreement Claims) with respect to the Escrow Indemnity Funds, if any, existing at the expiration of one (1) year after the Closing, the excess of (x) the Escrow Indemnity Funds then remaining over (y) $500,000 shall be distributed to Diablo. In the event one or more such Claims (and/or Other Agreement Claims) with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of one (1) year after the Closing, funds in an amount equal to the sum of (i) $500,000, (ii) the aggregate amount of such Claims (and/or Other Agreement Claims), and (iii) the amount reasonably necessary to cover the fees, expense and other costs (including reasonable counsel fees and expenses) which will be required to resolve such Claims (and/or Other Agreement Claims) shall be shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to Diablo. Upon the resolution of all such Claims (and/or Other Agreement Claims) existing upon the expiration of one (1) year after the Closing and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the excess, if any, of (x) the Escrow Indemnity Funds then remaining over (y) $500,000 shall be distributed to Diablo.

(d) In the event there shall be no Claims (or Other Agreement Claims) pending pursuant to the provisions of this Agreement with respect to the Escrow Indemnity Funds, if any, existing at the expiration of two (2) years after the Closing, the Escrow Indemnity Funds then remaining shall be distributed to Diablo and DCSC (in such proportion as they shall agree in writing). In the event one or more such Claims (and/or Other Agreement Claims) with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of the Indemnity Period, funds in an amount equal to the sum of (i) the aggregate amount of such Claims (and/or Other Agreement Claims) and (ii) the amount reasonably necessary to cover the fees, expense and other costs (including reasonable counsel fees and expenses) which will be required to resolve such Claims (and/or Other Agreement Claims) shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to Diablo and DCSC (in such proportion as they shall agree in writing). Upon the resolution of all such Claims (and/or Other Agreement Claims) and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the remainder of the Escrow Indemnity Funds, if any, shall be distributed to Diablo and DCSC (in such proportion as they shall agree in writing).

(e) If, following the distribution to Diablo, DCSC or any other Person of any remaining Escrow Indemnity Funds, ATS becomes entitled to indemnification for Loss and Expense suffered by ATS arising from breach of the warranties and misrepresentations set forth in Section 3.21, or breach by Diablo of any covenants or agreement by Diablo under this Agreement or any Collateral Document to which it is a party, then ATS may pursue such Claim directly against Diablo, its successors and assigns and Spight (but only to the extent he received any such funds); provided, however, that the maximum amount of liability in the aggregate of Diablo (and such successors and assigns and Spight) for any and all such Claims shall be the amount of Escrow Indemnity Funds that were distributed to Diablo, DCSC or any other Person (other than

a claimant whose Claim was paid out of the Indemnity Escrow Fund) claiming by, through or in the name of Diablo (including without limitation Spight (but only to the extent he received any such funds) or Diablo's or his successors, assigns, trustees, beneficiaries, heirs or executors) upon the expiration of the Indemnity Period or thereafter.

(f) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto. No indemnifying party shall be liable under this Article for a loss resulting from any event relating to a misrepresentation or breach of warranty, covenant or agreement if the indemnifying party can establish that the indemnified party had actual knowledge on or before the Closing Date of such event and did not, on or before the Closing Date, reserve its rights with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' written notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party; provided, however, that if the indemnified party fails or refuses to consent in writing to any compromise of settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") within ten (10) business days after receipt of written notice of all of the material terms and conditions of the Settlement Proposal, and such terms and conditions (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the Diablo Assets or the conduct of the Diablo Business in substantially the manner then being theretofore owned, operated and conducted by ATS, then, unless the indemnifying party forthwith withdraws the Settlement Proposal, the indemnified party (i) shall have the right but not the obligation to undertake the conduct of the defense of such Legal Action or other Claim, and (ii) whether or not it shall so undertake the defense of such Legal Action or other Claim, shall bear, and shall indemnify and hold the indemnifying party harmless from, all Loss and Expense arising from such Legal Action or other Claim (to the extent not theretofore (x) accrued with respect to the costs and expenses of the defense of such Legal Action or other Claim or (y) paid with respect to such Legal Action or other Claim) in excess of the amount contained in the Settlement Proposal, it being understood, in such event, that the indemnifying party shall bear all Loss and Expense, including subsequently incurred Loss and Expense (including without limitation those attributable to legal fees and

expenses) up to the amount contained in the Settlement Proposal, even if the ultimate disposition of such Legal Action or other Claim results in payments to the claimant of less than those contained in the Settlement Proposal.

8.6 Exclusive Remedy. Except for fraud, willful or intentional misrepresentation or willful or intentional breach of warranty, covenant or agreement or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. Except to the extent not permitted by Applicable Law, ATS or Diablo may, at any time, extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All costs and expenses, incurred in connection with any transfer taxes, recording or documentary taxes, stamps or other comparable charges levied by any Authority in connection with this Agreement and the consummation of the Transactions, title insurance for Diablo's fee-owned Real Property shall be borne equally by Diablo and ATS. All Hart-Scott-Rodino filing fees for both this Agreement and the Other Agreement shall be borne equally by Diablo and ATS up to the amount of $20,000 for each of Diablo and ATS, with the balance to be borne by ATS. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to Diablo:

1220 Brickyard Cove Road, Suite 200
Point Richmond, California 94801
Attention: Richard D. Spight, Chairman
Telecopier No.: (510) 236-3799

with a copy to:

Cooper, White & Cooper
1333 North California Boulevard, Suite 450
Walnut Creek, California 94596
Attention: Keith Howard, Esq.
Telecopier No.: (510) 256-9428

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.

9.5 Specific Performance; Other Rights and Remedies. Anything in this Agreement to the contrary notwithstanding, each party recognizes and agrees that in the event the 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 not in material breach of this Agreement or any Collateral Document shall, in addition to such other remedies as may be available to it at law or in equity or as provided in Article 7, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, after the Closing Date ATS shall not be entitled to specific performance or any other remedy to the extent that the cost to Diablo arising from the enforcement or exercise of such remedy would exceed the amount then on deposit in the Escrow Indemnity Funds, in accordance with the provisions of the Escrow Indemnity Agreement, for all costs and expenses incurred in connection with its performance of or compliance with the remedy exercised or enforced.

9.6 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 Governing Law; Venue. 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 California 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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. In the event of any Legal Action between the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate municipal, state or federal court sitting in San Francisco County, California, and the parties agree to submit to the jurisdiction of such courts.

9.10 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 any 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.

9.11 Entire Agreement. This Agreement (together with the Diablo Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated December 19, 1996, between the parties, as amended by the letter dated March 19, 1997 (the "Letter of Intent").

9.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, and nothing in this Agreement, express or implied, including without limitation Section 2.2(c), 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of Diablo and ATS, 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.

9.15 Arbitration. If there is any dispute between the parties to this Agreement which remains unresolved for thirty (30) days or more, either party may, upon written notice to the other, submit such dispute to binding arbitration in San Francisco, California in accordance with the commercial rules of the American Arbitration Association (the "AAA") before a panel of three (3) arbitrators knowledgeable in the tower communications industry, one arbitrator chosen by ATS, one by Diablo, and the third as mutually agreed upon by the two arbitrators so appointed or, in the absence of such agreement, by the President of the San Francisco Chapter of the AAA, and the decision of such panel shall, in the absence of fraud, be conclusively binding on the parties.

9.16 Disclosure Schedule. Diablo has delivered to ATS prior to execution and delivery of this Agreement the Diablo Disclosure Schedule and all related documents required to be delivered by Diablo pursuant to Article 3 of this Agreement. Without limiting the generality of the foregoing, the Diablo Disclosure Schedule sets forth: (i) which authorizations, consents, waivers, orders or approvals are a condition of Closing pursuant to the provisions of Section 6.1(a); (ii) which Private Authorizations, Leases and Material Agreements and other Contractual Obligations are a condition to Closing pursuant to the provisions of Section 6.2(d); and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are a condition to Closing pursuant to the provisions of Section 6.2(m). ATS has received and hereby accepts the Diablo Disclosure Schedule and agrees to consummate the transactions contemplated by this Agreement, subject to the satisfaction of the conditions set forth in Sections 6.1 and 6.2 and subject to the matters disclosed in the Diablo Disclosure Schedule.

IN WITNESS WHEREOF, ATS and Diablo have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name: James S. Eisenstein
Title: Chief Operating Officer

Diablo Communications, Inc.

By:

Name:
Title:

The undersigned, Richard D. Spight, the principal shareholder of Diablo, hereby acknowledges and agrees to be bound by the provisions of Article 8, including without limitation Section 8.3(d).

Richard D. Spight

APPENDIX A

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Diablo Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Diablo and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Diablo attributable to the ownership or operation of the Diablo Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Diablo's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Acquisition Participation Agreement shall have the meaning given to it in Section 6.2(o).

adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Diablo Business, or (c) impair Diablo's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event (i) generally affecting the economy or the tower communications business or (ii) of a nature described in the "Definition" section of the Diablo Disclosure Schedule shall not be deemed to constitute an adverse change, have an adverse effect or to adversely affect or effect.

Additional Title Matter shall have the meaning given to it in Section 5.7.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person,

(e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Diablo Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Approved Title Conditions shall mean any one or more of the following: (a) Liens for real property taxes and assessments not then delinquent; (b) the Lien of supplemental Taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code, to the extent that such supplemental Taxes are attributable to the transactions contemplated by this Agreement; (c) matters of title approved by ATS or deemed approved in accordance with the provisions of Section 5.7; and (d) matters of title created following the date of this Agreement by or with the written consent of ATS.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the business or operations of the Diablo Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations;

(d) the Private Authorizations;

(e) the Contracts (other than the Diablo Nonassumed Obligations);

(f) the corporate name of Diablo and all variations thereof;

(g) all Intellectual Property and other proprietary information, which relate to the Diablo Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Diablo Business;

(h) all claims, chosen in action and rights under warranties relating to the Diablo Business or any of the Diablo Assets;

(i) all books and records relating to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate

business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Diablo; and

(j) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS Accrued Sick Time Liability shall have the meaning given to it in Section 2.2(c).

ATS Assumed Vacation Liability shall have the meaning given to it in Section 2.2(c).

ATS' Environmental Notice shall have the meaning given to it in Section 5.8.

ATS' Title Notice shall have the meaning given to it in Section 5.7.

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Diablo Business.

Black Mountain Communications Site shall have the meaning given to it in Section 3.5(a).

Black Mountain Easement Agreement shall have the meaning given to it in Section 6.2(p).

CAAP shall mean the accounting principles used by the Company in the preparation of the Financial Statements and described in general terms in the Disclosure Schedule, such principles applied on a consistent basis, except as otherwise heretofore disclosed in the Disclosure Schedule. The requirement that such principles be consistently applied means that the accounting principles in a current period are comparable in all material respect to those applied in preceding period. All accounting and financial terms used in this Agreement and the compliance with each covenant contained in this Agreement that relates to financial matters shall be determined in accordance with the accounting principles referred to in this paragraph (except as otherwise specifically noted in certain of the definitions where the term GAAP is used).

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Escrow Agreement, the Indemnity Escrow Agreement, the Acquisition Participation Agreement, the Nonassignable Contracts Agreement, the Black Mountain Easement Agreement, the Drake Lease, the Exclusivity Agreement, the TCI Agreement, special warranty deeds, bills of sale, assignments of intangibles, assumption agreements with respect to the Diablo Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Diablo Assets and the Diablo Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Construction Adjustment shall have the meaning given to it in Section 2.3.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Diablo Assets or the conduct of the Diablo Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

DCSC shall have the meaning given to it in the fourth Whereas paragraph.

Diablo shall have the meaning given to it in the Preamble.

Diablo Assumable Agreements shall mean all obligations and liabilities of Diablo under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations and other Contractual Obligations not required to be listed on Section 3.16 of the Diablo Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the Diablo Assets or the conduct of the Diablo Business.

Diablo Assets shall have the meaning given to it in Section 2.1.

Diablo Assumed Liabilities shall have the meaning given to it in Section 2.2(b).

Diablo Business shall have the meaning given them in the first Whereas paragraph.

Diablo Disclosure Schedule shall mean the Diablo Disclosure Schedule dated as of the date of this Agreement delivered by Diablo to ATS.

Diablo Employees shall have the meaning given it in the Section 3.15(a).

Diablo Financial Statements shall have the meaning given to it in Section 3.2(b).

Diablo Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Diablo Personal Property shall have the meaning given to it in Section 3.5(c).

Diablo's Environmental Notice shall have the meaning given to it in Section 5.8.

Diablo's knowledge means the actual knowledge of any Diablo officer or senior manager, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Diablo records.

Diablo's Title Notice shall have the meaning given to it in Section 5.7.

Drake Lease shall have the meaning given to it in Section 6.2(q).

Employment Arrangement shall mean, with respect to Diablo, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Diablo or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Diablo Assets or the conduct of the Diablo Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Company shall have the meaning given to it in Section 5.8.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or

industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Reports shall have the meaning given to it in Section 5.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Diablo under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

Escrow Agent shall have the meaning given to it in the third Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the third Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the third Whereas paragraph.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

Exclusivity Agreement shall have the meaning given to it in Section 6.2(r).

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the Diablo Assets or the conduct of the Diablo Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Improvement Act of 1976, as from time to time in effect, or any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation

secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Diablo, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agent shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Agreement shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Fund shall have the meaning given to it in Section 2.3.

Insured Real Property shall have the meaning given to it in Section 5.7.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Interim Adjustment shall have the meaning given to it in Section 2.3.

Interim Financing Note shall have the meaning given to it in the fifth Whereas paragraph.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or

request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Letter of Intent shall have the meaning given to it in Section 9.11.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Like-Kind Notice shall have the meaning given to it in Section 2.5.

Loss and Expense shall have the meaning given to it in Section 8.2.

material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Diablo, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) is with the United States Forest Service or any other Authority, or (f) involves the management by Diablo of any communication tower of any other Person.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Nonassignable Contracts shall have the meaning given to it in Section 2.2(c).

Nonassignable Contracts Agreement shall have the meaning given to it in Section 6.2(n).

Note Agreement shall have the meaning given to it in the fifth Whereas paragraph.

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Other Agreement shall have the meaning given to it in the fourth Whereas paragraph.

Other Agreement Claims shall have the meaning given to it in Section 8.3(a).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the Diablo Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Diablo and used or useful as of the date hereof in the conduct of the business or operations of the Diablo Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Diablo Business.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by Diablo prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by Diablo prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Retained Accounts Receivable shall have the meaning given to it in Section 2.4.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned or used by Diablo as of the date hereof, in the operations of the Diablo Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 5.1(a).

SEC shall mean the United States Securities and Exchange Commission, or any successor Authority.

Securities Act shall mean the Securities Act of 1933, and the rules and regulations of the SEC 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.

Spight shall have the meaning given to it in Section 6.2(j).

Spight Noncompetition Agreement shall have the meaning given to it in Section 6.2(j).

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.3.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

TCI Agreement shall have the meaning given to it in Section 6.2(s).

Title Company shall have the meaning given to it in Section 5.7.

Title Reports shall have the meaning given to it in Section 5.7.

Termination Date shall have the meaning given to it in Section 7.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Diablo Assets and the Diablo Business and the execution, delivery and performance of the Collateral Documents.

U.S. Navy Claim means all obligations, liabilities and other Claims with respect to the T.V. Hill Site and the U.S. Navy, including those of Watson Communications Systems, Inc., a former partner of Diablo and/or Spight with respect thereto and of Diablo to the U.S. Navy with respect to its guaranty of the obligations and liabilities of Watson Communications Systems, Inc.

EXHIBIT 10.21

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

Dated as of

July 8, 1997

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of July 8, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Diablo Communications of Southern California, Inc., a California corporation ("Diablo").

WHEREAS, Diablo owns and leases and operates communication towers and is engaged in the business of managing communication sites for third parties (the "Diablo Business");

WHEREAS, ATS desires to purchase and Diablo desire to sell the Diablo Assets and the Diablo Business on the terms and conditions hereinafter set forth;

WHEREAS, simultaneously with the execution and delivery of this Agreement, ATS and Diablo have entered into an escrow agreement (the "Escrow Agreement") with Bank of San Francisco (the "Escrow Agent"), pursuant to which ATS has made a deposit of $200,000 (the "Escrow Deposit");

WHEREAS, ATS is party to an asset purchase agreement with Diablo Communications, Inc., a California corporation ("DCI"), dated as of the date of this Agreement (the "Other Agreement"), relating to the purchase and sale of the communication towers and the business of managing communication sites for third parties of DCI; and

WHEREAS, ATS and Diablo have heretofore executed and delivered a Note Purchase Agreement, dated as of March 20, 1997 (the "Note Agreement"), pursuant to which Diablo has issued an unsecured note in the aggregate principal amount of up to Seven Hundred Fifty Thousand Dollars ($750,000) (the "Interim Financing Note");

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the Diablo Disclosure Schedule and each Collateral Document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. The term "either party" shall, unless the context otherwise requires, refer to Diablo and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Diablo hereby agrees to sell, assign, transfer and deliver to ATS at the Closing, and ATS agrees to purchase at the Closing, the Diablo Assets and the Diablo Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Diablo Assets" shall mean all of the Assets of Diablo, other than the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(a) all cash;

(b) all cash equivalents;

(c) all Accounts Receivable;

(d) all books and records (including without limitation, if retained by Diablo, any financial records necessary or desirable to enable the condition specified in Section 6.2(g) to be satisfied) which Diablo is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of three (3) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Diablo;

(e) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts;

(f) the miscellaneous assets of Diablo and the personal assets of the officers, directors, shareholders and employees of Diablo, all as more specifically described in Section 2.1(f) of the Diablo Disclosure Schedule;

(g) any of the real property specifically described in Section 2.1(g) of the Diablo Disclosure Schedule which is covered by any agreement executed and delivered pursuant to the provisions of Section 6.2(p); and

(h) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities of Diablo (collectively, the "Diablo Assumed Obligations"): (i) all of the obligations and liabilities of Diablo under the Diablo Assumable Agreements, and (ii) all obligations and liabilities of Diablo with respect to the ownership and operation of the Diablo Assets and the conduct of the Diablo Business, on and after the Closing Date; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not, except as provided in Section 2.2(c), be obligated with respect to, the Diablo Nonassumed Obligations.

(b) Except as otherwise specifically set forth in this Agreement or in the Diablo Disclosure Schedule to the contrary, ATS shall not assume or become obligated to perform any debt, liability or

obligation of Diablo relating to any of the following matters (collectively, the "Diablo Nonassumed Obligations"):

(i) the ownership or operation of the Diablo Assets or the conduct of the Diablo Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement of Diablo (including without limitation any obligation to any Diablo Employee for severance benefits or, except as provided in Section 2.2(c), vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing on the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the Diablo Assumable Agreements relating to the period prior to the Closing;

(iii) any insurance policies of Diablo;

(iv) those required to be disclosed in the Diablo Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iv) of the Diablo Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Diablo under this Agreement or any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Diablo's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to capitalized lease obligations or Indebtedness for Money Borrowed;

(ix) any Taxes, fees, expenses or other amounts required to be paid by Diablo pursuant to the provisions of this Agreement or any Collateral Document; and

(x) any Contract with any Affiliate of Diablo, other than those set forth in Section 2(b)(x) of the Diablo Disclosure Schedule.

All Diablo Nonassumed Obligations shall remain and be the obligations and liabilities solely of Diablo.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the term "Diablo Nonassumed Obligations" shall not include, and the term "Diablo Assumed Obligations" shall include, (i) the ATS Assumed Vacation Liability and the ATS Accrued Sick Time Liability and (ii) any liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(c) of the Diablo Disclosure Schedule or according to the terms of such Government Authorization or Private Authorization) requires or may require the consent of any Authority or other third party (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Diablo in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Diablo to obtain the approval or consent

of an Authority or other Person whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or receives the benefits of such Nonassignable Contract, in either of which events, if the approval or consent of an Authority or other Person applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS' obligations at Closing pursuant to the provisions of Section 6.1(a), 6.2(d) or 6.2(m), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of any Authority or other Person is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, Diablo and ATS shall enter into an agreement reasonably acceptable to each party which agreement shall to the maximum extent feasible provide ATS with the rights, benefits and obligations under such Nonassignable Contracts. The term "ATS Assumed Vacation Liability" shall mean the liability for Diablo employees with respect to accrued vacation (or payment in lieu thereof), whether accrued before or after the Closing subject to the following limitations and/or qualifications: (i) accrued vacation for all Diablo Employees who are retained by Diablo after the Closing will be the sole responsibility of Diablo; (ii) accrued vacation for any Diablo Employee who elects to resign prior to close, for reasons other than the sale to ATS, or whom Diablo chooses to terminate with or without cause, other than by reason of the sale to ATS, will be the sole responsibility of Diablo; (iii) accrued vacation for Diablo Employees who terminate at Closing and who are either not rehired by ATS or who choose not to be employed by ATS will be the sole responsibility of ATS; (iv) accrued vacation, to the time of close, for employees who are terminated by Diablo but rehired by ATS who terminate their employment with ATS but who ATS wishes to remain as an employee, will be the responsibility of Diablo; any accrued vacation after Closing for such employees will be the responsibility of ATS; and (v) accrued vacation for any employee terminated by Diablo, rehired by ATS and subsequently terminated by ATS, as well as accrued vacation for any employee who is terminated by Diablo prior to close at the request of ATS, will be the sole responsibility of ATS. The term "ATS Accrued Sick Time Liability" shall mean the liability with respect to accrued sick time (as provided in the applicable Diablo Benefit Arrangement or Plan), accrued on or before the Closing of Diablo Employees who become employees of ATS after the Closing. Although ATS has not had an opportunity to complete its evaluation of the Diablo employees, except for the employees being retained by Diablo, it is the current intention of ATS to hire initially all of the current Diablo employees at positions and compensation generally comparable to those currently in effect, subject, however, to the right of ATS, upon completion of its evaluation and to its determination of the overall needs of ATS, particularly in light of its general staffing patterns and of other pending or prospective acquisitions of comparable businesses in the state of California, not to offer such employment to certain of the Diablo employees or to alter the terms of such employment, including the positions and compensation. In no event shall the expression of ATS' current intention be deemed to be a covenant or agreement of ATS to so employ any particular current Diablo employee and no rights to employment by any particular current Diablo employee shall be created hereby.

(d) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(d) of the Diablo Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages and salaries) arising from the ownership or operation of the Diablo Assets or the conduct of the Diablo Business shall be prorated as of 12:01 a.m., Pacific time, on the Closing Date, with Diablo entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to

agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Diablo Disclosure Schedule, within sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Diablo and ATS shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Diablo and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Diablo or ATS, as the case may be, shall promptly reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, ATS shall be solely responsible for the payment of, and shall defend, indemnify and hold harmless Diablo, its officers, directors and shareholders from, any and all supplemental or additional real property or personal property taxes assessed on or in connection with the Diablo Assets or any part thereof, which arise from the transactions contemplated by this Agreement, with respect to California or other sales and/or use taxes, and documentary or governmental transfer or stamp taxes arising from the purchase and sale of the Diablo Assets and the Diablo Business contemplated hereby.

Nothing contained in this Section 2.2(d) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Cooper, White & Cooper, 1333 North California Boulevard, Suite 450, Walnut Creek, CA 94596, at 10:00 a.m., local time, on or before September 30, 1997, (the "Closing Date"). At the Closing, each of the parties shall deliver such bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Diablo Assets and the Diablo Business (the "Purchase Price") shall be an amount equal to $4,500,000, plus an amount equal to the sum of the Interim Adjustment and Prepaid Expenses and deposits and minus an amount equal to the sum of (i) the Diablo Nonassumed Obligations, if any, which ATS agrees to assume at the request of Diablo and (ii) Prepaid Revenues. The term "Interim Adjustment" shall mean an amount equal to the aggregate amount actually incurred by Diablo from and after November 1, 1996 and prior to the Closing Date with respect to the completion of construction projects and site development projections (a) described in Section 2.3 of the Diablo Disclosure Schedule or (b) acquired after the date of this Agreement in accordance with the provisions of this Agreement, including without limitation Section 5.6, and capital improvements to, but not personnel costs, maintenance or other expenses items of, existing communication sites, in all cases, which ATS shall have approved in writing prior to their incurrence or commitment by Diablo. Section 2.3(a) of the Diablo Disclosure Schedule sets forth a description of the items constituting a part of the Interim Adjustment for the period ended as of a date not more than five (5) days prior to the date of this Agreement. The Purchase Price shall be payable by (a) delivery and cancellation of the Interim Financing Note and the Additional Compensation Certificates (as defined in the Note Agreement) (valued for such purposes at an amount equal to the unpaid principal amount of the Interim Financing Notes, plus accrued and unpaid interest to the Closing Date), (b) ATS instructing the Escrow Agent to deliver the Escrow Deposit (together with interest and other increments thereto) to Diablo, (c) crediting against the Purchase Price amounts paid by ATS pursuant to the amendment included as part of the Letter of Intent, and, the balance, (d) wire transfer of immediately available funds (i) to the Indemnity Escrow Agent (or as it may designate) pursuant to the provisions of the Indemnity Escrow Agreement in the amount of $100,000 (together with interest and earnings thereon, the "Indemnity Escrow Fund") and (ii) to Diablo or, to the extent provided in Section 2.5, the "qualified intermediary" designated pursuant to the provisions of Section 2.5, for the balance of the Purchase Price to such account (or accounts)

as Diablo shall designate in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

Although the parties believe that the value of the tangible personal property (other than goodwill, Governmental Authorizations, Private Authorizations and Contracts) constituting a part of the Diablo Assets approximate their depreciated book value, ATS shall have the right, at its sole discretion, to engage BIA Consulting, Inc. to promptly after the execution of this Agreement conduct and use its reasonable best efforts to complete, within forty-five (45) days, an appraisal of the Diablo Assets which shall be the basis for an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price shall be allocated among the Diablo Assets. Such appraisal shall be conducted in a manner which does not interfere with or inconvenience in any material matter any of the landlords or tenants at any of Diablo's sites and shall not, in any event, affect the Purchase Price. The cost of such appraisal, if undertaken, shall be borne by ATS. Each of Diablo and ATS shall report the purchase and sale of the Diablo Assets and the Diablo Business and the other Transactions in accordance with the Tax Allocation Schedule for purposes of all federal, state and local Tax Returns and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or report, inconsistent with such reporting position. Each of Diablo and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority. Notwithstanding the provisions of this Section, the parties to this Agreement will rely solely on their own advisors in determining the tax consequences of the transactions contemplated by this Agreement and each party is not relying, and will not rely, on any representations or assurances of any other party regarding such consequences other than the representations, warranties, covenants and agreements set forth in writing in this Agreement or furnished pursuant to the provisions hereof.

2.4 Accounts Receivable. At the closing, Diablo shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the Diablo Business. Diablo shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable of the Diablo Business. Subject to and limited by the following, revenues relating to the Accounts Receivable relating to the Diablo Business will be for the account of Diablo. ATS shall use its reasonable business efforts to collect the Accounts Receivable with respect to the Diablo Business for a period of one hundred eighty (180) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is an Accounts Receivable with respect to the Diablo Business shall first be applied in reduction of the Accounts Receivable, unless the customer contests in writing the validity of such application. During the Collection Period, ATS shall furnish Diablo with a list of, and pay over to Diablo, the amounts collected with respect to the Accounts Receivable with respect to the Diablo Business on a monthly basis and forward to Diablo, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to Accounts Receivable. ATS shall provide Diablo with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Accounts Receivable. As to each such Accounts Receivable, the parties shall negotiate a good faith value of such Accounts Receivable, which ATS shall pay to Diablo if ATS, in its sole discretion, chooses to retain such Accounts Receivable. Diablo shall retain the right to collect any of its Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to Diablo any payments received against any such Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Accounts Receivable, except with the approval of Diablo. ATS shall not incur any liability to Diablo for any uncollected account unless ATS shall have

engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Diablo nor its agents shall make any direct solicitation of the Accounts Receivable for collection purposes, except for Accounts Receivable retained by Diablo after the Collection Period. The provisions of this Section shall not apply to those certain Accounts Receivable set forth in Section 2.4 of the Diablo Disclosure Schedule or to any other Accounts Receivable which Diablo, in its sole business judgment, determines will require extraordinary collection efforts or referrals to a collection agency or attorney for collection (collectively, the "Retained Accounts Receivable"), provided the Retained Accounts Receivable are set forth in a written notice delivered to ATS by Diablo on or prior to the Closing Date. Diablo shall retain the sole and exclusive right to collect, whether during or after the Collection Period, all Retained Accounts Receivable, as Diablo in its sole discretion may determine.

2.5 Like-Kind Exchanges. Diablo shall have the right, but not the obligation, to effect the transfer and conveyance of the Diablo Assets, in whole or in part, as part of one or more exchanges under Section 1031 of the Code, including the delay in Closing of escrow for those Assets subject to the exchange. If Diablo so elects, it shall provide notice to ATS of its election (the "Like-Kind Notice"), setting forth in reasonable detail which portion or portions of the Diablo Assets are to be so treated. In such event, Diablo (i) may at any time at or prior to Closing assign its rights, in whole or in part, under this Agreement with respect to such Diablo Assets to a "qualified intermediary" as defined in Treas. Reg. ss.1.1031(k)-1(g)(4), subject to all of the rights and obligations hereunder of ATS, and (ii) shall promptly provide written notice of such assignment to ATS. No such assignment shall, however, relieve Diablo of its obligations under this Agreement. If Diablo shall have given a Like-Kind Notice, ATS shall (i) promptly provide Diablo with written acknowledgment of such notice, (ii) at the Closing, convey the Purchase Price for the Diablo Assets (or such portion of them as shall have been designated in writing by Diablo) to the "qualified intermediary" rather than to Diablo (which conveyance shall, to such extent, discharge the obligation of ATS to deliver such Purchase Price (or portion thereof), and (iii) at the request of Diablo extend the closing of escrow for all or a portion of those assets subject to the Like-Kind Notice for a period not to exceed one year. Should the closing for any Like-Kind Notice properties be so extended, Diablo and ATS shall enter into an agreement reasonably acceptable to each party which agreement shall, to the maximum extent feasible, provide ATS with the rights, benefits, and obligations for any Like-Kind Notice property for which the closing is so extended. Without limiting the generality of the foregoing, Diablo and ATS shall promptly after receipt by ATS of the Like-Kind Notice, negotiate in good faith in order to determine the portion of the Purchase Price attributable to the Diablo Assets which are to be the subject of like-kind exchange and, in the event they are unable to so agree on such amount, it shall be determined by arbitration in accordance with the provisions of Section 9.15 and not materially inconsistent with the appraisal undertaken pursuant to Section 2.3. If such determination has not been made on or prior to the Closing, ATS shall transfer to the "qualified intermediary" the amount proposed by Diablo in the Like-Kind Notice, subject to an agreement by the "qualified intermediary" to remit to Diablo the excess, if any, of the amount so transferred over the amount as finally determined by the arbitrator.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF DIABLO

Diablo hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Diablo is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Diablo has all requisite corporate power and corporate authority and has in full force and effect all Governmental Authorizations (which, for purposes of this Section 3.1(b), relate only to the sale of the Diablo Assets and Diablo Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) and Private Authorizations, except for those set forth in Section 3.1(b) of the Diablo Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material adverse effect on ATS, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of Diablo. This Agreement has been duly executed and delivered by Diablo and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Diablo will constitute, legal, valid and binding obligations of Diablo, 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) Except as set forth in Section 3.1(c) of the Diablo Disclosure Schedule, and except for matters which would have no material adverse effect on ATS, neither the execution and delivery by Diablo of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Diablo of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Diablo:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Diablo or any Applicable Law (which, for purposes of this Section 3.1(c)(i), relates only to the sale of the Diablo Assets and the Diablo Business generally and not to local Applicable Law) on the part of Diablo, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Diablo, other than those constituting Diablo Nonassumed Obligations; or

(ii) will require Diablo to make or obtain any Governmental Authorization, Governmental Filing (which, for purposes of this Section 3.1(c)(ii)), relate only to the sale of the Diablo Assets and Diablo Business generally and not to "site-specific" Governmental Authorizations or those required by local Applicable Law) or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

(d) Diablo does not have any Subsidiaries except as set forth in Section 3.1(d) of the Diablo Disclosure Schedule.

3.2 Financial and Other Information. Diablo has heretofore furnished to ATS copies of the financial statements of the Diablo Business listed in Section 3.2 of the Diablo Disclosure Schedule (the "Diablo Financial Statements"). The Diablo Financial Statements, including in each case the notes thereto,

have been prepared in accordance with CAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Diablo Disclosure Schedule, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by CAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the financial position and the results of operations and cash flow of the Diablo Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals.

3.3 Changes in Condition. Since the date of the most recent financial statements constituting a part of the Diablo Financial Statements, except to the extent specifically described in Section 3.3 of the Diablo Disclosure Schedule, there has been no material adverse change in Diablo. There is no Event known to Diablo which materially adversely affects, or (so far as Diablo can now reasonably foresee) is likely to materially adversely affect, Diablo, except to the extent specifically described in Section 3.3 of the Diablo Disclosure Schedule.

3.4 Materiality. Other than those set forth in the Diablo Disclosure Schedule, the representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein. Other than those set forth in the Diablo Disclosure Schedule, in the aggregate all such exceptions and qualifications to the representations and warranties are not and could not reasonably be expected to be materially adverse to Diablo.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Diablo Disclosure Schedule contains a true, accurate and complete description of all real property owned or leased by Diablo that is part of the Diablo Assets. Except as set forth in Section 3.5(a) of the Diablo Disclosure Schedule, Diablo has good indefeasible, marketable and insurable title to all real property (other than leasehold and managed real property) and good indefeasible and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Diablo Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Diablo Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the Diablo Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names Diablo as debtor or which covers or purports to cover any of the Diablo Assets is on file in any state or other jurisdiction, and Diablo has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as disclosed in Section 3.5(a) of the Diablo Disclosure Schedule, to Diablo's knowledge, all improvements on the real property owned or leased by Diablo are in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a material adverse effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 3.5(a) of the Diablo Disclosure Statement, all such improvements, to Diablo's knowledge, comply in all material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the Diablo Disclosure Statement, to Diablo's knowledge, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Diablo are located entirely on such real property. Diablo has no knowledge of any pending, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Diablo. Except as set forth in Section 3.5(a) of the Diablo Disclosure Schedule, such real property (other than land),

fixtures, fixed assets and other material items of personal property, including equipment, have, in Diablo's reasonable business judgment, been maintained in a manner consistent with generally accepted standards of sound engineering practice and currently permit the Diablo Business to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, Governmental Authorizations and Private Authorizations.

(b) Section 3.5(b) of the Diablo Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the Diablo Business is leased. Except as otherwise set forth in Schedule 3.5(b) of the Diablo Disclosure Schedule, each Lease or other occupancy or other agreement under which Diablo holds real or personal property constituting a part of the Diablo Assets has been duly authorized, executed and delivered by Diablo or its predecessors in interest, as the case may be, and, to Diablo's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Diablo, and, to Diablo's knowledge, each of the other parties thereto, enforceable in accordance with its 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. Diablo has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. All of such Leases are valid and subsisting and in full force and effect; neither Diablo nor, to Diablo's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the Diablo Assets is subject to contracts of sale, and none is held by Diablo as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Diablo Disclosure Schedule.

(c) Section 3.5(c) of the Diablo Disclosure Schedule contains a true, accurate and complete description of all material items of Diablo Personal Property. Diablo owns and has good and merchantable title to all of the Diablo Personal Property relating to the Diablo Business (the "Diablo Personal Property"), in each case, free and clear of all Liens, except (i) Permitted Liens and (ii) Liens set forth on Section 3.5(c) of the Diablo Disclosure Schedule (which Liens shall be released prior to Closing). Except as set forth in Section 3.5(c) of the Diablo Disclosure Schedule, all of the Diablo Personal Property is in a state of good repair and maintenance and is in good operating condition, normal wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice and currently permits the Diablo Business to be operated in accordance with the terms and conditions of all Applicable Laws. Except for financing statements listed in Section 3.5(c) of the Diablo Disclosure Schedule, no financing statements under the Uniform Commercial Code and no other filing which names Diablo as debtor or which covers or purports to cover any of the Diablo Assets is on file in any state or other jurisdiction, and Diablo has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing.

3.6 Compliance with Private Authorizations. Section 3.6 of the Diablo Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the Diablo Assets or the Diablo Business. To Diablo's knowledge, and as set forth in Section 3.6 of the Diablo Disclosure Schedule, Diablo has obtained all Private Authorizations which are necessary for the ownership or operation of the Diablo Assets or the conduct of the Diablo Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect Diablo. All of such Private Authorizations are valid and in good standing and are in full force and effect. Diablo is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate

any material adverse effect on Diablo. No such Private Authorization is the subject of any pending or, to Diablo's knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) To Diablo's knowledge, Section 3.7(a) of the Diablo Disclosure Schedule contains a true, complete and accurate description of each Governmental Authorization required under Applicable Laws (i) to own and operate the Diablo Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, all of which are in full force and effect or (ii) that is necessary to permit Diablo to execute and deliver this Agreement and to perform its obligations hereunder. To Diablo's knowledge, except as otherwise set forth in Section 3.7(a) of the Diablo Disclosure Schedule, Diablo has obtained all Governmental Authorizations which are necessary for the ownership or operation of the Diablo Assets or the conduct of the Diablo Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material adverse effect on Diablo. None of the Governmental Authorizations listed in Section 3.7(a) of the Diablo Disclosure Schedule is subject to any restriction or condition which would limit in any material respect the ownership or operations of the Diablo Assets or the conduct of the Diablo Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. The Governmental Authorizations listed in Section 3.7(a) of the Diablo Disclosure Schedule are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of Diablo or its officers, directors, employees or agents, and the ownership or operation of the Diablo Assets or the conduct of the Diablo Business are in accordance in all material respects with the Governmental Authorizations. To Diablo's knowledge, all material reports, forms and statements required to be filed by Diablo with all Authorities with respect to the Diablo Business have been filed and are true, complete and accurate in all material respects. No such Governmental Authorization is the subject of any pending or, to Diablo's knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. Diablo has no reason to believe that any such Governmental Authorization would not be renewed in the name of Diablo by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 3.7(b) of the Diablo Disclosure Schedule, neither Diablo nor any director or officer thereof (in connection with ownership or operation of the Diablo Assets or the conduct of the Diablo Business) is in or is charged by any Authority with or, to Diablo's knowledge, at any time since January 1, 1993 has been in or has been charged by any Authority with, or, to Diablo's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Diablo Assets or the conduct of the Diablo Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Diablo's knowledge, threatened before or by any Authority (x) relating to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would adversely affect the ownership or operations of the Diablo Business; (y) involving charges of illegal discrimination by Diablo under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the Diablo Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the Diablo Disclosure Schedule, no Event exists or has occurred, which, to Diablo's knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect

on Diablo or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the Diablo Assets or the conduct of the Diablo Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Diablo Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Diablo Disclosure Schedule, all such information and matters set forth in Sections 3.7(a), 3.7(b) and 3.7(c) of the Diablo Disclosure Schedule, if adversely determined against Diablo, will not, individually or in the aggregate, have a materially adversely effect on Diablo.

3.8 Intangible Assets. Section 3.8 of the Diablo Disclosure Schedule sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the Diablo Assets or the conduct of the Diablo Business held or used by Diablo, including without limitation the nature of Diablo's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 3.8 of the Diablo Disclosure Schedule, to Diablo's knowledge, no Intangible Assets (except Governmental Authorizations, Private Authorizations, and the Intangible Assets so set forth) are required for the ownership or operation of the Diablo Assets or the conduct of the Diablo Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. To Diablo's knowledge, Diablo does not wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and Diablo has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. Diablo is not a party or subject to any Contractual Obligation relating to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business between Diablo and any of its officers, directors, shareholders, employees or, to the knowledge of Diablo, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the Diablo Disclosure Schedule, (ii) Contractual Obligations between Diablo and any of its directors, shareholders, officers, employees or Affiliates of Diablo or any of the foregoing, which constitute Excluded Assets or Diablo Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Diablo Disclosure Schedule.

3.10 Insurance. Diablo maintains, with respect to the Diablo Assets and the Diablo Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Diablo Disclosure Schedule.

3.11 Tax Matters.

(a) Except as set forth in Section 3.11(a) of the Diablo Disclosure Schedule, Diablo has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, except with respect to failures to file which in the aggregate would not have a material adverse effect on Diablo and, to Diablo's knowledge, has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Diablo Financial Statements. The Tax Returns of Diablo have, to Diablo's knowledge, been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Diablo is required by law to withhold and collect have, to Diablo's knowledge, been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Diablo has not

executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of Diablo for the fiscal years prior to and including the most recent fiscal year. Adequate provision has, to Diablo's knowledge, been made on the most recent balance sheet forming part of Diablo Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Diablo's knowledge, no past transactions or matters which could result in additional Taxes of a material nature to Diablo for which an adequate reserve has not been provided on such balance sheet. Diablo is not a "consenting corporation" within the meaning of Section 341(f) of the Code. Diablo has at all times been taxable as a Subchapter S corporation under the Code, and has never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the Diablo Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of Diablo for each of the most recent five tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by Diablo to ATS) is, to Diablo's knowledge, true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Diablo have not been examined by the IRS or applicable state Authority, and Diablo has not been notified of any proposed examination, except as shown in Section 3.11(b) of the Diablo Disclosure Schedule.

(c) Diablo is not a party to any tax sharing agreement or arrangement, other than those contained in certain of its leases.

3.12 Employee Retirement Income Security Act of 1974.

(a) Diablo (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement, except as set forth in Section 3.12(a) of the Diablo Disclosure Schedule. As to all Plans and Benefit Arrangements listed in Section 3.12(a) of the Diablo Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation with all Applicable Laws in all material respects, and Diablo has not received any notice from any Authority questioning or challenging such compliance;

(ii) all such Plans maintained or previously maintained by Diablo that are or were intended to comply with Sections 401 and 501 of the Code comply and complied in form and in operation with all applicable requirements of such sections, and no event has occurred which will or could give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any such Plan and Diablo has not otherwise engaged in any prohibited transaction;

(v) there have been no acts or omissions by Diablo which have given rise to or may give rise to any material fines, penalties, taxes or related charges under Sections 502(c), 502(i) or 4071 or ERISA or Chapter 43 of the Code for which Diablo may be liable;

(vi) there are no Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders) pending or threatened involving such Plans or the assets of such Plans, and, to Diablo's knowledge, no facts exist which could give rise to any such Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders);

(vii) no such Plan is subject to Title IV of ERISA, or, if subject, there have been no "report able events" (as described in Section 4043 of ERISA), and no steps have been taken to terminate any such Plan;

(viii) all group health Plans of Diablo have been operated in compliance in all material respects with the group health plan continuation coverage requirements of COBRA;

(ix) actuarially adequate accruals for all obligations under the Plans are reflected in the most recent balance sheet forming part of the Diablo Financial Statements and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the Plan years which include the Closing Date;

(x) neither Diablo nor any of its respective directors, officers, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject Diablo or any of its respective directors, officers or employees to material liability under ERISA or any similar Applicable Law;

(xi) no such Plan which is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code had an accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied, nor would have had an accumulated funding deficiency on such date if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied;

(xii) no material liability to the PBGC has been or is expected by Diablo to be incurred by Diablo with respect to any Plan, and there has been no event or condition which presents a material risk of termination of any Plan by the PBGC;

(xiii) except as set forth in Section 3.12(xiii) of the Diablo Disclosure Schedule, Diablo is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(xiv) except as set forth in Section 3.12(a)(xiv) of the Diablo Disclosure Schedule (which entry, if applicable, shall indicate the present value of accumulated plan liabilities calculated in a manner consistent with FAS 106 and actual annual expense for such benefits for each of the last two (2) years) and pursuant to the provisions of COBRA, Diablo does not maintain any Plan that provides benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of Diablo; and

(xv) Diablo has made available to ATS a copy of the two most recently filed Federal Form 5500 series and accountant's opinion, if applicable, for each Plan (and the two most recent actuarial valuation reports for each Plan, if any, that is subject to Title IV of ERISA), and all information provided by Diablo to any actuary in connection with the preparation of any such actuarial valuation report was true, accurate and complete in all material respects.

(b) The execution, delivery and performance by Diablo of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

3.13 Absence of Sensitive Payments. Neither Diablo nor, to Diablo's knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the Diablo Assets or the Diablo Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. Diablo is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the Diablo Disclosure Schedule contains a true, accurate and complete list of all Diablo employees involved in the ownership or operation of the Diablo Assets or the conduct of the Diablo Business (the "Diablo Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. Diablo has no obligation or liability, contingent or other, under any Employment Arrangement with any Diablo Employee, other than those listed or described in Section 3.15 of the Diablo Disclosure Schedule. Except as described in Section 3.15 of the Diablo Disclosure Schedule, (i) none of the Diablo Employees is now, or, to Diablo's knowledge, since January 1, 1993, has been, represented by any labor union or other employee collective bargaining organization, and Diablo is not, and has never been, a party to any labor or other collective bargaining agreement with respect to any of the Diablo Employees, (ii) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (iii) neither Diablo nor any of such employees is now, or, to Diablo's knowledge, has since January 1, 1993 been, subject to or involved in or, to Diablo's knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the Diablo Employees and (iv) none of the Diablo Employees has notified Diablo in writing that he or she does not intend to continue employment with Diablo until the Closing or with ATS following the Closing. Diablo has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the Diablo Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Diablo Assets or the conduct of the business of the Diablo Business or to which Diablo is a party or to which it is bound or which any of the Diablo Assets is subject. True, accurate and complete copies of each of such Material Agreements have been provided by Diablo to ATS to the extent requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.16 of the Diablo Disclosure Schedule, with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Diablo and, to Diablo's knowledge, all other parties thereto, 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. Diablo has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of Diablo, Claim threatened in writing

that Diablo has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Diablo under any of such Material Agreements in any material respect.

3.17 Ordinary Course of Business. From the end of its most recent fiscal quarter to the date hereof, except (i) as may be described on Section 3.17 of the Diablo Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement or the Letter of Intent, Diablo has operated the Diablo Business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice, and, except in each case in the ordinary course of business, consistent with prior practice,

(a) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(b) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000;

(c) has not entered into any individual commitment having a value in excess of $20,000;

(d) has not canceled any debts or claims;

(e) has not created or permitted to be created any Lien on any of its property;

(f) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(g) has not increased the compensation payable or to become payable to any of the Diablo Employees other than in the ordinary course of business or otherwise materially altered, modified or changed the terms of their employment;

(h) has not suffered any material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(i) has not waived any rights of material value without fair and adequate consideration;

(j) has not experienced any work stoppage;

(k) has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Diablo, except for Diablo Nonassumed Obligations; and

(l) has not entered into any other transaction or series of related transactions which individually or in the aggregate is material to the Diablo Assets or the Diablo Business.

3.18 Material and Adverse Restrictions. To Diablo's knowledge, Diablo is not a party to or subject to, nor are any of the Diablo Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any

other obligation or restriction of any kind or character, which now has or, as far as Diablo can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material adverse effect on Diablo, except as set forth in Section 3.18 of the Diablo Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Diablo.

3.20 Solvency. As of the execution and delivery of this Agreement, Diablo is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the Diablo Disclosure Schedule, with respect to the Diablo Assets, Diablo:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to Diablo's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any final order issued pursuant to any Environmental Law;

(d) is, to the knowledge of Diablo, in compliance in all material respects with all Environmental Laws, has, to Diablo's knowledge, obtained all Environmental Permits required under Environmental Laws, and is not the subject of or, to Diablo's knowledge, threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to material violations or material breaches of any Environmental Law; and

(e) has no knowledge of any past or present Event related to the Diablo Business or the Diablo Assets which Event, individually or in the aggregate, will interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any material Claim for the release or threatened release into the environment, of any Hazardous Material.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Diablo as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would not have any material adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 Solvency. As of the execution and delivery of this Agreement, ATS is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

4.4 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right of ATS to consummate the transactions contemplated hereunder.

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Diablo shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Diablo's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Diablo Assets and the Diablo Business and, during such period, shall furnish promptly upon request (i) a list (and copies to the extent requested by ATS) of each

report, schedule and other document filed or received by Diablo pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have a material adverse effect on the Diablo Assets or the Diablo Business or the businesses, operations, properties, prospects, personnel, condition (financial or other), or results of operations thereof, (ii) to the extent not provided for pursuant to the preceding clause, all financial records, ledgers, work papers and other sources of financial information possessed and controlled by Diablo or its accountants reasonably deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the Diablo Assets and the Diablo Business and certifying financial statements and financial information, and (iii) such other information in the possession or control of Diablo or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Diablo shall not be required to permit any such access to the extent same would unreasonably interfere with Diablo's normal business operations. All non-public information relating to the Diablo Assets or the Diablo Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of Diablo, be disclosed by ATS in any manner whatsoever, in whole or in part, and shall not be used for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Diablo. ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, Diablo shall not, without the prior written consent of ATS, disclose any information remaining in its possession with respect to the Diablo Assets or the Diablo Business, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Diablo, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for ATS (which independent counsel shall be subject to the provisions of Section 5.1(a)), and ATS shall so certify to such effect.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, either party may disclose information received or retained by it in accordance with the provisions of this Agreement if it can demonstrate (i) such information is generally available to or known by the public from a source other than the party seeking to disclose such information or (ii) was obtained by the party seeking to disclose such information from a source other than the other party, provided that such source was not bound by a duty of confidentiality to the other party or another party with respect to such information.

5.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which

must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), without payment of any material amount of compensation, (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the Diablo Assets and conduct the Diablo Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Diablo shall, at ATS' expense, cooperate and use its reasonable business efforts to (i) prepare its financial statements for the period ended December 31, 1996 and thereafter in accordance with GAAP and (ii) cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Diablo Business described in Section 6.2(g). Without limiting the generality of the foregoing, Diablo agrees that after the Closing Date it will (x) if required by the Securities Act or the Exchange Act, consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under the Securities Act or the Exchange Act and (y) if reasonably requested by ATS' independent accountants, execute and deliver, and cause its officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits under comparable circumstances.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, Diablo and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Diablo and ATS may, without the other's prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement. In addition, subject to the terms and conditions hereof, ATS may disclose the subject matter of this Agreement to Persons with whom Diablo has a business or contractual relationship in connection with ATS' due diligence investigation of Diablo; provided, however, that prior to (i) ATS sending any written communication to any such Person, ATS shall secure the written approval of the form and content of such communication, such approval not to be unreasonably withheld, delayed or conditioned, and (ii) any verbal or in person communication with any such Person, ATS shall provide Diablo with the opportunity to participate with ATS in any such conversation or meeting.

5.4 Notification of Certain Matters. Diablo and ATS shall, prior to the Closing, give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any material respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Diablo Disclosure Schedule in any respect

such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. So long as this Agreement remains in effect, Diablo shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Diablo is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Diablo Assets or the Diablo Business. The provisions of this Section shall apply to each of Diablo's Subsidiaries. If Diablo or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect, Diablo shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

5.6 Conduct of Business by Diablo Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Diablo shall, to the extent relating to the Diablo Business or the Diablo Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Diablo Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) to the extent permitted under Applicable Law, confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Diablo Business in conformity in all material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Diablo Assets or the Diablo Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Diablo Business;

(f) except as set forth in Section 5.6(f) of the Diablo Disclosure Schedule, not (i) dispose of any of the Diablo Assets owned by Diablo or used in the operation of the Diablo Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Diablo Business) or (ii) modify or change in any material respect, or enter into, any Material Agreement relating to the Diablo Business; and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the Diablo Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Diablo which, pursuant to this Section 5.6, requires the prior approval of ATS, ATS shall be deemed to have approved the same unless written notice of disapproval is received by Diablo within five (5) business days after receipt by ATS of a written request for approval made by Diablo.

5.7 Preliminary Title Reports. As promptly as practicable after the execution of this Agreement, Diablo shall, at its sole cost and expense, deliver or cause to be delivered to ATS a standard preliminary title report dated on or after the date of this Agreement issued by such title company as Diablo and ATS shall mutually reasonably agree (the "Title Company") with respect to those Diablo Assets comprised of the parcels of real property described in Section 5.7 of the Diablo Disclosure Schedule (the "Insured Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional title matters, are referred to herein as the "Title Reports". The rights and obligations of the parties shall thereafter be as follows:

(a) On or before fifteen (15) business days after ATS' receipt of the last of the Title Reports, ATS shall give to Diablo written notice ("ATS' Title Notice") of ATS' disapproval of any matters shown in the Title Reports. ATS' failure to give ATS' Title Notice within such fifteen (15) business days shall be deemed to constitute ATS' approval of all matters disclosed by the Title Reports;

(b) If ATS disapproves any title matters pursuant to ATS' Title Notice, Diablo shall deliver written notice ("Diablo's Title Notice") to ATS within ten (10) business days after Diablo's receipt of ATS' Title Notice, stating whether Diablo agrees to eliminate such disapproved title matters from title to the Insured Real Property prior to the Closing or, if such elimination is not feasible prior to the Closing, to effect such elimination thereafter and to indemnify and hold harmless ATS with respect to such remedy. If Diablo fails to timely deliver Diablo's Title Notice, or if Diablo delivers Diablo's Title Notice but states therein that Diablo is unwilling or unable to eliminate such disapproved title matters, ATS and Diablo shall negotiate in good faith in an attempt to resolve such matters (the "Disapproved Title Sites" and, collectively with the "Disapproved Environmental Sites", the "Disapproved Sites") from the Diablo Assets, a reduction of the Purchase Price or an indemnification (and escrow) from Diablo (not subject to the limitations as to time or amount specified in Article 8). If within twenty (20) business days of the commencement of such negotiations (or such longer period as ATS and Diablo shall agree), the parties have been unable to resolve such matters, either party can terminate this Agreement pursuant to the provisions of Section 7.1(f) within ten (10) business days of the end of such negotiation period; and

(c) If, at any time following ATS' approval of the Title Reports, Diablo or the Title Company notifies ATS of any additional matter affecting title to the Insured Real Property, the

parties shall have substantially the same rights and obligations as are set forth in paragraphs (a) and (b) above.

5.8 Environmental Site Assessments. As promptly as practicable after the execution of this Agreement, ATS may at its own cost and expense obtain, and deliver to Diablo full and complete copies of, Phase I environmental site assessment reports (the "Environmental Reports") on any or all of those certain parcels of real property described on Section 5.8 of the Diablo Disclosure Schedule. Site assessments shall be conducted by such consultants and professionals as ATS and Diablo shall mutually agree (collectively, the "Environmental Company"), shall be arranged at times mutually convenient to the parties, and shall be conducted in a manner which does not interfere with or inconvenience in any material manner any of the landlords or tenants at any of Diablo's sites. Each of Diablo and ATS shall be entitled to have representatives present at the time such site assessments are conducted, and to have copies of all correspondence with the Environmental Company:

(a) On or before fifteen (15) business days after ATS' receipt of the last of the Environmental Reports, ATS shall give to Diablo written notice ("ATS' Environmental Notice") of ATS' disapproval of any matters shown in the Environmental Reports. ATS' failure to give ATS' Environmental Notice within such fifteen (15) business days shall be deemed to constitute ATS' approval of all matters disclosed by the Environmental Reports;

(b) If ATS disapproves any environmental matters pursuant to ATS' Environmental Notice, Diablo shall deliver written notice ("Diablo's Environmental Notice") to ATS within ten (10) business days after Diablo's receipt of ATS' Environmental Notice, stating whether Diablo agrees to eliminate and remedy such matter prior to the Closing or, if such elimination or remedy is not feasible prior to the Closing, to effect such elimination and remedy thereafter and to indemnify and hold harmless ATS with respect to such remedy. If Diablo fails to timely deliver Diablo's Environmental Notice, or if Diablo delivers Diablo's Environmental Notice but states therein that Diablo is unwilling or unable to eliminate and remedy such environmental matters, ATS and Diablo shall negotiate in good faith in an attempt to resolve such matters (the "Disapproved Environmental Sites") from the Diablo Assets, a reduction of the Purchase Price or an indemnification (and escrow) from Diablo (not subject to the limitations as to time or amount specified in Article 8). If within twenty (20) business days of the commencement of such negotiations (or such longer period as ATS and Diablo shall agree), the parties have been unable to resolve such matters, either party can terminate this Agreement pursuant to the provisions of Section 7.1(f) within ten (10) business days of the end of such negotiation period; and

(c) If, at any time following ATS' approval of the Environmental Reports, ATS or the Environmental Company notifies Diablo of any additional environmental matter, the parties shall have substantially the same rights and obligations as are set forth in paragraphs (a) and (b) above.

5.9 Post-Closing Covenants and Agreements of the Parties. From and after the consummation of the Transactions, ATS and Diablo covenant and agree as follows:

(a) Diablo shall have the right, if it shall have so notified ATS not later than five (5) business days prior to the Closing, to retain (or to cause any of its Affiliates to retain) the services of each of the individuals named in Section 5.9(a) of the Diablo Disclosure Schedule;

(b) ATS shall afford to Diablo, and Diablo shall afford to ATS, access to their respective employees who were (or in the case of Diablo who remain) employees of Diablo on the Closing Date to the end that such employees are available to provide assistance, consultation and historical

background to the requesting party; provided, however, that neither ATS nor Diablo shall have any such obligation after the expiration of five (5) years from the Closing Date or to the extent that it would exceed an average of four (4) hours per week over such period; and

(c) ATS shall afford to Diablo, and Diablo shall afford to ATS, access to all books and records delivered to ATS or retained by Diablo, as the case may be, relating to periods prior to the Closing Date, in order to enable Diablo or ATS, as the case may be, to prepare all necessary Tax Returns, deal with Legal Actions or other Claims (including without limitation those of the Internal Revenue Service) or personnel matters or for any other reasonable purposes, subject, however, in all events, to the provisions of Section 5.1 with respect to confidentiality. Anything in this Section to the contrary notwithstanding, Diablo and ATS shall cooperate fully in the event of an Internal Revenue Service audit or investigation related to this Agreement, including without limitation providing each other with full and complete access to each other's records and employees to the extent necessary to respond to any such audit or investigation.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party to effect the Transactions. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Diablo with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 6.1(a) of the Diablo Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the Diablo Assets and the Diablo Business;

(b) The transactions contemplated by the Other Agreement shall have been consummated prior to or simultaneously with the consummation of the Transactions; and

(c) The parties shall have entered into an escrow agreement in form, scope and substance reasonably satisfactory to the parties with the Title Company or any other Person reasonably acceptable to the parties, pursuant to which, among other things, ATS shall have deposited the portion of the Purchase Price not being delivered to the Indemnity Escrow Agent or to a "qualified intermediary" pursuant to the provisions of Section 2.3, and Diablo shall have delivered deeds in customary form with respect to all of the real property to be conveyed to ATS as part of the Diablo Assets and the parties, to the extent required by Section 9.3, shall have deposited an amount sufficient to pay all recording fees, transfer taxes and other fees and expenses which must be paid as a condition of consummation of the transactions contemplated by this Agreement.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) Diablo shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Cooper, White & Cooper, counsel for Diablo, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(b) and 3.14, and such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of Diablo contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Diablo or ATS, except as otherwise specifically provided herein); each and all of the covenants and agreements and conditions to be performed or satisfied by Diablo hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and Diablo shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 6.2(d) of the Diablo Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Diablo Assets and the Diablo Business (including without limitation all Private Authorizations, Leases and Material Agreements of Diablo), and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could materially adversely affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in Diablo from that reflected in the most recent Diablo Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business shall not have been materially and adversely affected by any act, or failure to act, of Diablo;

(f) Diablo shall have delivered or caused to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Diablo to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from its independent accountants (i) an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on

the financial statements (consisting of balance sheets for each of the fiscal years ended December 31, 1995 and 1996 and statements of operations and cash flow for each of the three years in the period ended December 31, 1996 or such shorter period since its organization) of the Diablo Business, which financial statements shall have been prepared in conformity with GAAP and Regulation S-X under the Securities Act, or (ii) such other documentation as shall be reasonably satisfactory to ATS indicating that such an unqualified report could be issued if requested by ATS;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Diablo Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, or which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material adverse effect on the Diablo Assets and the Diablo Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) All Environmental Reports obtained by the parties prior to the Closing Date pursuant to the provisions of Section 5.8 hereof shall be approved or deemed approved by ATS in the manner described in Section 5.8;

(j) Richard D. Spight ("Spight"), the chairman and principal shareholder of Diablo, shall have executed and delivered to ATS an agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Spight Noncompetition Agreement");

(k) Diablo and Spight shall have executed and delivered to ATS and the escrow agent named therein (the "Indemnity Escrow Agent") an escrow agreement (the "Indemnity Escrow Agreement") substantially in the form of Exhibit B attached hereto and made a part hereof;

(l) ATS shall have received standard CLTA title insurance policies insuring ATS' fee interests in all Insured Real Property, subject only to Approved Title Conditions;

(m) Diablo shall have delivered to ATS all use permits, consents or other Governmental Authorizations of and all Leases from the United States Forest Service set forth in Section 6.2(m) of the Diablo Disclosure Schedule; and

(n) Diablo shall have executed and delivered to ATS an agreement, in form, scope and substance reasonably satisfactory to ATS (the "Nonassignable Contracts Agreement"), pursuant to which (i) Diablo will hold (but will have no obligation to perform services thereunder) for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform all services required to be performed under such Nonassignable Contracts, (B) reimburse Diablo for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Diablo with respect to all actions taken by ATS pursuant thereto and all actions, if any, taken by Diablo pursuant thereto other than those relating to the bad faith, negligence or willful misconduct of Diablo or its officers, directors, stockholders or employees.

6.3 Conditions to Obligations of Diablo. The obligation of Diablo to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Diablo and its counsel, and Diablo and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper corporate officers;

(b) ATS shall have furnished Diablo and, at Diablo's request, any bank of other financial institution providing credit to Diablo, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 4.1 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Diablo or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Diablo or ATS, except as otherwise specifically provided herein); each and all of the covenants and agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS shall have furnished Diablo with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Diablo or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Diablo all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Diablo at or prior to the Closing pursuant to the terms of this Agreement;

(e) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(f) ATS shall have executed and delivered to Diablo, Spight and the Indemnity Escrow Agent a counterpart of the Indemnity Escrow Agreement;

(g) ATS shall have executed and delivered to Diablo the Nonassignable Contracts Agreement; and

(h) ATS shall have executed and delivered to Diablo the Exclusivity Agreement.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Diablo and ATS;

(b) by either ATS or Diablo if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Diablo in the event (i) Diablo is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) ATS is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) Diablo is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 6.2(i) or 6.2(l); or

(f) by ATS or Diablo pursuant to the provisions of Section 5.7(b) or 5.8(b).

The term "Termination Date" shall mean September 30, 1997 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Diablo to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1 (with respect to confidentiality), 5.3, 9.3 and 9.15 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated by Diablo pursuant to the provisions of Section 7.1(c), then Diablo shall be entitled to liquidated damages of (i) an amount equal to the Escrow Deposit, together with interest and other earnings thereon, and (ii) delivery and cancellation of the Interim Financing Notes, including all accrued and unpaid interest thereon, and any Additional Compensation Certificates; the parties agree that such amounts shall collectively constitute full payment for any and all damages suffered by Diablo by reason of ATS' failure to consummate the Transactions. ATS and Diablo agree in advance that actual damages would be difficult to ascertain and that such liquidated damages is a fair and equitable amount to reimburse Diablo for damages sustained due to ATS' failure to consummate the Transactions for the above-stated reasons. In the event this Agreement is terminated by ATS pursuant to the provisions of Section 7.1(d), then ATS shall be entitled to the amount of the Escrow Deposit, together with interest and other earnings thereon, without prejudice to ATS' right to pursue damages or other remedies hereunder. Notwithstanding the foregoing, each party shall have the right to seek specific performance pursuant to the provisions of Section 9.5.

(c) In the event this Agreement is terminated pursuant to the provisions of Section 7.1(a), 7.1(b), 7.1(e), 7.1(f) or 7.1(g), except as provided in Section 7.2(a), neither of the parties shall have any further rights or remedies, except that ATS shall be entitled to the Escrow Deposit, together with interest and earnings thereon.

(d) Anything in this Article or elsewhere in this Agreement to the contrary notwithstanding, in no event shall Diablo be required to refund to ATS the nonrefundable deposits made by ATS subsequent to March 31, 1997 pursuant to the Amendment to Letter of Intent dated March 19, 1997.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations, warranties, covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document (except as otherwise provided in any Collateral Document) shall survive the Closing and shall remain operative and in full force and effect for a period of (a) two (2) years after the Closing Date or (b) in the case of matters of a nature referred to in Section 3.21, three (3) years after the Closing Date, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud, may be asserted after the expiration of the Indemnity Period. ATS shall promptly advise Diablo in the event it shall discover any fraud or alleged fraud, it being understood that, in the event that ATS discovers such fraud or alleged fraud prior to the expiration of the Indemnity Period and fails to so notify Diablo thereof, it shall not thereafter be entitled to assert any Claim with respect thereto. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof or the expiration of the applicable statute of limitation unless arbitration or litigation has been pursued.

8.2 Indemnification.

(a) During the Indemnity Period, each of Diablo and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without

limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(i) any breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(ii) any Legal Action or other Claim by any third party relating to the indemnifying party or, in the case of ATS, the ownership or operations of the Diablo Assets or the conduct of the business of the Diablo Business to the extent such Legal Action or other Claim has also resulted in a breach of representation or warranty by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it; or

(iii) in the case of Diablo as the indemnifying party, the failure of Diablo to comply with Bulk Sales law of the State of California.

(b) Diablo agrees that on or after the Closing it shall indemnify and hold harmless ATS from and against any and all Loss and Expense suffered, directly or indirectly, by ATS by reason of, or arising out of, (i) Diablo Nonassumed Obligations or (ii) the ownership and operation of the Diablo Assets and the Diablo Business prior to the Closing Date.

(c) ATS agrees that on or after the Closing it shall indemnify and hold harmless Diablo from and against any and all Loss and Expense suffered, directly of indirectly, by Diablo by reason of, or arising out of, (i) (A) Diablo Assumed Obligations or (B) the ownership and operation of the Diablo Assets and the Diablo Business from and after the Closing Date, except for Events arising prior to or existing on the Closing Date, unless they are part of the Diablo Assumed Obligations, and (ii) any Hart-Scott-Rodino Act or other federal or state antitrust Law filings or any Legal Action or other Claim of any Authority relating to the Transactions based upon any of the foregoing, except, in all cases, to the extent such filing, Legal Action or other Claim relates to or is based upon information furnished or omitted by Diablo.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnified party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims (together with Claims (as defined therein) under the Other Agreement ("Other Agreement Claims")) exceeds, in the aggregate, $100,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $100,000), and (ii) in no event shall the aggregate amount required to be paid by each indemnifying party pursuant to the provisions of this Article (and the comparable provision of the Other Agreement) exceed $1,000,000, except for any Loss or Expense arising out of matters of a nature referred to in Sections 3.1 and 4.1 (and the comparable provision of the Other Agreement) as to which the dollar limitations set forth in this clause (ii) shall not apply.

(b) Anything in this Agreement, including without limitation the provisions of Sections 8.2 or 8.3(a), to the contrary notwithstanding, except as provided in Sections 8.3(c) and 8.6, (i) the exclusive recourse of ATS after the Closing with respect to the liability of Diablo pursuant to Section 8.2 or any other provision of this Agreement or Applicable Law which requires Diablo to defend, indemnify or hold harmless

ATS from or against any Claim, Loss or Expense shall be the Escrow Indemnity Funds; and (ii) ATS' remedies for any such liability of Diablo, or for any Claim arising under this Agreement, shall be limited to its right to recover from the Escrow Indemnity Funds in accordance with the provisions of the Escrow Indemnity Agreement, and neither ATS nor any of its officers, directors, shareholders, agents or Affiliated Entities shall have any right of recovery against Diablo or any of its officers, directors, shareholders, agents or Affiliated Entities or against the assets of any of them for any such liability.

(c) In the event there shall be no Claims pending pursuant to the provisions of this Agreement (and/or Other Agreement Claims) with respect to the Escrow Indemnity Funds, if any, existing at the expiration of two (2) years after the Closing, the Escrow Indemnity Funds then remaining shall be distributed to Diablo and DCI (in such proportion as they shall agree in writing). In the event one or more such Claims (and/or Other Agreement Claims) with respect to the Escrow Indemnity Funds, if any, shall exist upon the expiration of the Indemnity Period, funds in an amount equal to the sum of (i) the aggregate amount of such Claims (and/or Other Agreement Claims) and (ii) the amount reasonably necessary to cover the fees, expense and other costs (including reasonable counsel fees and expenses) which will be required to resolve such Claims (and/or Other Agreement Claims) shall be retained as part of the Escrow Indemnity Funds and the balance thereof, if any, shall be distributed to Diablo and DCI (in such proportion as they shall agree in writing). Upon the resolution of all such Claims (and/or Other Agreement Claims) and the payment of all such fees, expenses and costs out of the Escrow Indemnity Funds, the remainder of the Escrow Indemnity Funds, if any, shall be distributed to Diablo and DCI (in such proportion as they shall agree in writing).

(d) If, following the distribution to Diablo, DCI or any other Person of any remaining Escrow Indemnity Funds, ATS becomes entitled to indemnification for Loss and Expense suffered by ATS arising from breach of the warranties and misrepresentations set forth in Section 3.21, or breach by Diablo of any covenants or agreement by Diablo under this Agreement or any Collateral Document to which it is a party, then ATS may pursue such Claim directly against Diablo, its successors and assigns and Spight (but only to the extent he received any such funds); provided, however, that the maximum amount of liability in the aggregate of Diablo (and such successors and assigns and Spight) for any and all such Claims shall be the amount of Escrow Indemnity Funds that were distributed to Diablo, DCI or any other Person (other than a claimant whose Claim was paid out of the Indemnity Escrow Fund) claiming by, through or in the name of Diablo (including without limitation Spight (but only to the extent he received any such funds) or Diablo's or his successors, assigns, trustees, beneficiaries, heirs or executors) upon the expiration of the Indemnity Period or thereafter.

(e) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto. No indemnifying party shall be liable under this Article for a loss resulting from any event relating to a misrepresentation or breach of warranty, covenant or agreement if the indemnifying party can establish that the indemnified party had actual knowledge on or before the Closing Date of such event and did not, on or before the Closing Date, reserve its rights with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying

party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' written notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party; provided, however, that if the indemnified party fails or refuses to consent in writing to any compromise of settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") within ten (10) business days after receipt of written notice of all of the material terms and conditions of the Settlement Proposal, and such terms and conditions (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the Diablo Assets or the conduct of the Diablo Business in substantially the manner then being theretofore owned, operated and conducted by ATS, then, unless the indemnifying party forthwith withdraws the Settlement Proposal, the indemnified party (i) shall have the right but not the obligation to undertake the conduct of the defense of such Legal Action or other Claim, and (ii) whether or not it shall so undertake the defense of such Legal Action or other Claim, shall bear, and shall indemnify and hold the indemnifying party harmless from, all Loss and Expense arising from such Legal Action or other Claim (to the extent not theretofore (x) accrued with respect to the costs and expenses of the defense of such Legal Action or other Claim or (y) paid with respect to such Legal Action or other Claim) in excess of the amount contained in the Settlement Proposal, it being understood, in such event, that the indemnifying party shall bear all Loss and Expense, including subsequently incurred Loss and Expense (including without limitation those attributable to legal fees and expenses) up to the amount contained in the Settlement Proposal, even if the ultimate disposition of such Legal Action or other Claim results in payments to the claimant of less than those contained in the Settlement Proposal.

8.6 Exclusive Remedy. Except for fraud or willful or intentional misrepresentation or breach of warranty, covenant or agreement or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. Except to the extent not permitted by Applicable Law, ATS or Diablo may, at any time, extend the time for the performance of any of the obligations or other acts of the other, subject,

however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All costs and expenses, incurred in connection with any transfer taxes, recording or documentary taxes, stamps or other comparable charges levied by any Authority in connection with this Agreement and the consummation of the Transactions, title insurance for Diablo's fee-owned Real Property shall be borne equally by Diablo and ATS. All Hart-Scott-Rodino filing fees for both this Agreement and the Other Agreement shall be borne equally by Diablo and ATS up to the amount of $20,000 for each of Diablo and ATS, with the balance to be borne by ATS. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to Diablo:

1220 Brickyard Cove Road, Suite 200
Point Richmond, California 94801
Attention: Richard D. Spight, Chairman
Telecopier No.: (510) 236-3799

with a copy to:

Cooper, White & Cooper
1333 North California Boulevard, Suite 450
Walnut Creek, California 94596
Attention: Keith Howard, Esq.
Telecopier No.: (510) 256-9428

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.

9.5 Specific Performance; Other Rights and Remedies. Anything in this Agreement to the contrary notwithstanding, each party recognizes and agrees that in the event the 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 not in material breach of this Agreement or any Collateral Document shall, in addition to such other remedies as may be available to it at law or in equity or as provided in Article 7, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach. Notwithstanding the foregoing or any provision of this Agreement to the contrary, after the Closing Date ATS shall not be entitled to specific performance or any other remedy to the extent that the cost to Diablo arising from the enforcement or exercise of such remedy would exceed the amount then on deposit in the Escrow Indemnity Funds, in accordance with the provisions of the Escrow Indemnity Agreement, for all costs and expenses incurred in connection with its performance of or compliance with the remedy exercised or enforced.

9.6 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 effect of which is to affect materially and adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 Governing Law; Venue. 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 California 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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. In the event of any Legal Action between the parties arising out of this Agreement, the parties agree to submit the matter to the appropriate municipal, state or federal court sitting in San Francisco County, California, and the parties agree to submit to the jurisdiction of such courts.

9.10 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 any 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.

9.11 Entire Agreement. This Agreement (together with the Diablo Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated December 19, 1996, between the parties, as amended by the letter dated March 19, 1997 (the "Letter of Intent").

9.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, and nothing in this Agreement, express or implied, including without limitation Section 2.2(c), 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of Diablo and ATS, 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.

9.15 Arbitration. If there is any dispute between the parties to this Agreement which remains unresolved for thirty (30) days or more, either party may, upon written notice to the other, submit such dispute to binding arbitration in San Francisco, California in accordance with the commercial rules of the American Arbitration Association (the "AAA") before a panel of three (3) arbitrators knowledgeable in the tower communications industry, one arbitrator chosen by ATS, one by Diablo, and the third as mutually agreed upon by the two arbitrators so appointed or, in the absence of such agreement, by the President of the San Francisco Chapter of the AAA, and the decision of such panel shall, in the absence of fraud, be conclusively binding on the parties.

9.16 Disclosure Schedule. Diablo has delivered to ATS prior to execution and delivery of this Agreement the Diablo Disclosure Schedule and all related documents required to be delivered by Diablo pursuant to Article 3 of this Agreement. Without limiting the generality of the foregoing, the Diablo Disclosure Schedule sets forth: (i) which authorizations, consents, waivers, orders or approvals are a condition of Closing pursuant to the provisions of Section 6.1(a); (ii) which Private Authorizations, Leases and Material Agreements and other Contractual Obligations are a condition to Closing pursuant to the provisions of Section 6.2(d); and (iii) which permits, consents or other Governmental Authorizations of the United States Forest Service are a condition to Closing pursuant to the provisions of Section 6.2(m). ATS has received and hereby accepts the Diablo Disclosure Schedule and agrees to consummate the transactions contemplated by this Agreement, subject to the satisfaction of the conditions set forth in Sections 6.1 and 6.2 and subject to the matters disclosed in the Diablo Disclosure Schedule.

IN WITNESS WHEREOF, ATS and Diablo have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name: James S. Eisenstein
Title: Chief Operating Officer

Diablo Communications of Southern California, Inc.

By:

Name:
Title:

The undersigned, Richard D. Spight, the principal shareholder of Diablo, hereby acknowledges and agrees to be bound by the provisions of Article 8, including without limitation Section 8.3(d).

Richard D. Spight

DEFINITIONS

As used in this Agreement, 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Diablo Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Diablo and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Diablo attributable to the ownership or operation of the Diablo Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Diablo's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the Diablo Business, or (c) impair Diablo's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event (i) generally affecting the economy or the tower communications business or (ii) of a nature described in the "Definition" section of the Diablo Disclosure Schedule shall not be deemed to constitute an adverse change, have an adverse effect or to adversely affect or effect.

Additional Title Matter shall have the meaning given to it in Section 5.7.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when

used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Diablo Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Approved Title Conditions shall mean any one or more of the following: (a) Liens for real property taxes and assessments not then delinquent; (b) the Lien of supplemental Taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code, to the extent that such supplemental Taxes are attributable to the transactions contemplated by this Agreement; (c) matters of title approved by ATS or deemed approved in accordance with the provisions of Section 5.7; and (d) matters of title created following the date of this Agreement by or with the written consent of ATS.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the business or operations of the Diablo Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations;

(d) the Private Authorizations;

(e) the Contracts (other than the Diablo Nonassumed Obligations);

(f) the corporate name of Diablo and all variations thereof;

(g) all Intellectual Property and other proprietary information, which relate to the Diablo Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Diablo Business;

(h) all claims, choses in action and rights under warranties relating to the Diablo Business or any of the Diablo Assets;

(i) all books and records relating to the ownership or operation of the Diablo Assets or the conduct of the Diablo Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of

incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Diablo; and

(j) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS Accrued Sick Time Liability shall have the meaning given to it in Section 2.2(c).

ATS Assumed Vacation Liability shall have the meaning given to it in Section 2.2(c).

ATS' Environmental Notice shall have the meaning given to it in Section 5.8.

ATS' Title Notice shall have the meaning given to it in Section 5.7.

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, including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Diablo Business.

CAAP shall mean the accounting principles used by the Company in the preparation of the Financial Statements and described in general terms in the Disclosure Schedule, such principles applied on a consistent basis, except as otherwise heretofore disclosed in the Disclosure Schedule. The requirement that such principles be consistently applied means that the accounting principles in a current period are comparable in all material respect to those applied in preceding period. All accounting and financial terms used in this Agreement and the compliance with each covenant contained in this Agreement that relates to financial matters shall be determined in accordance with the accounting principles referred to in this paragraph (except as otherwise specifically noted in certain of the definitions where the term GAAP is used).

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Document shall mean the Escrow Agreement, the Indemnity Escrow Agreement, the Nonassignable Contracts Agreement, special warranty deeds, bills of sale, assignments of intangibles, assumption agreements with respect to the Diablo Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Diablo Assets and the Diablo Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collection Period shall have the meaning given to it in Section 2.4.

Construction Adjustment shall have the meaning given to it in Section 2.3.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Diablo Assets or the conduct of the Diablo Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

DCI shall have the meaning given to it in the fourth Whereas paragraph.

Diablo shall have the meaning given to it in the Preamble.

Diablo Assumable Agreements shall mean all obligations and liabilities of Diablo under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations and other Contractual Obligations not required to be listed on Section 3.16 of the Diablo Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the Diablo Assets or the conduct of the Diablo Business.

Diablo Assets shall have the meaning given to it in Section 2.1.

Diablo Assumed Liabilities shall have the meaning given to it in Section 2.2(b).

Diablo Business shall have the meaning given them in the first Whereas paragraph.

Diablo Disclosure Schedule shall mean the Diablo Disclosure Schedule dated as of the date of this Agreement delivered by Diablo to ATS.

Diablo Employees shall have the meaning given it in the Section 3.15(a).

Diablo Financial Statements shall have the meaning given to it in Section 3.2(b).

Diablo Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Diablo Personal Property shall have the meaning given to it in Section 3.5(c).

Diablo's Environmental Notice shall have the meaning given to it in Section 5.8.

Diablo's knowledge means the actual knowledge of any Diablo officer or senior manager, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Diablo records.

Diablo's Title Notice shall have the meaning given to it in Section 5.7.

Employment Arrangement shall mean, with respect to Diablo, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Diablo or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Diablo Assets or the conduct of the Diablo Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority.

Environmental Company shall have the meaning given to it in Section 5.8.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining

Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Reports shall have the meaning given to it in Section 5.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Diablo under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

Escrow Agent shall have the meaning given to it in the third Whereas paragraph.

Escrow Agreement shall have the meaning given to it in the third Whereas paragraph.

Escrow Deposit shall have the meaning given to it in the third Whereas paragraph.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

Exclusivity Agreement shall have the meaning given to it in Section 6.2(r).

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the Diablo Assets or the conduct of the Diablo Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Improvement Act of 1976, as from time to time in effect, or any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Diablo, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person,

and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Indemnity Escrow Agent shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Agreement shall have the meaning given to it in Section 6.2(k).

Indemnity Escrow Fund shall have the meaning given to it in Section 2.3.

Insured Real Property shall have the meaning given to it in Section 5.7.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Interim Adjustment shall have the meaning given to it in Section 2.3.

Interim Financing Note shall have the meaning given to it in the fifth Whereas paragraph.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to

be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Letter of Intent shall have the meaning given to it in Section 9.11. Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Like-Kind Notice shall have the meaning given to it in Section 2.5.

Loss and Expense shall have the meaning given to it in Section 8.2.

material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to Diablo, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) is with the United States Forest Service or any other Authority, or (f) involves the management by Diablo of any communication tower of any other Person.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Nonassignable Contracts shall have the meaning given to it in Section 2.2(c).

Nonassignable Contracts Agreement shall have the meaning given to it in Section 6.2(n).

Note Agreement shall have the meaning given to it in the fifth Whereas paragraph.

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Other Agreement shall have the meaning given to it in the fourth Whereas paragraph.

Other Agreement Claims shall have the meaning given to it in Section 8.3(a).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the Diablo Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Diablo and used or useful as of the date hereof in the conduct of the business or operations of the Diablo Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Diablo Business.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by Diablo prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by Diablo prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Retained Accounts Receivable shall have the meaning given to it in Section 2.4.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of-way, and other real property interest which are owned or used by Diablo as of the date hereof, in the operations of the Diablo Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 5.1(a).

SEC shall mean the United States Securities and Exchange Commission, or any successor Authority.

Securities Act shall mean the Securities Act of 1933, and the rules and regulations of the SEC 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.

Spight shall have the meaning given to it in Section 6.2(j).

Spight Noncompetition Agreement shall have the meaning given to it in Section 6.2(j).

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.3.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Title Company shall have the meaning given to it in Section 5.7.

Title Reports shall have the meaning given to it in Section 5.7.

Termination Date shall have the meaning given to it in Section 7.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Diablo Assets and the Diablo Business and the execution, delivery and performance of the Collateral Documents.

U.S. Navy Claim means all obligations, liabilities and other Claims with respect to the T.V. Hill Site and the U.S. Navy, including those of Watson Communications Systems, Inc., a former partner of Diablo and/or Spight with respect thereto and of Diablo to the U.S. Navy with respect to its guaranty of the obligations and liabilities of Watson Communications Systems, Inc.

EXHIBIT 10.22

ASSET PURCHASE AGREEMENT

By and Between

AMERICAN TOWER SYSTEMS, INC.

and

SUBURBAN CABLE TV CO. INC.

Dated as of

July 8, 1997

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EXHIBITS:

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of July 8, 1997 by and between American Tower Systems, Inc., a Delaware corporation ("ATS"), and Suburban Cable TV Co. Inc., a Pennsylvania corporation ("Seller").

WHEREAS, Seller, through its Seller Subsidiaries, owns and leases and operates communication towers and is engaged in the businesses of managing communication sites for third parties, domestic and international satellite transmission, and transmitting non-residential third party point-to-point microwave video and data signals (collectively, the "Seller Business"); and

WHEREAS, ATS desires to purchase and Seller desires to sell, and to cause the Seller Subsidiaries to sell, the Seller Assets and the Seller Business on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the capitalized terms defined in Appendix A 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 shall have such meanings when used in the Seller Disclosure Schedule and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Seller and ATS.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, assign, transfer and deliver, and to cause the Seller Subsidiaries to sell, assign, transfer and deliver, to ATS at the Closing, and ATS agrees to purchase at the Closing, the Seller Assets and the Seller Business, free and clear of any Liens of any nature whatsoever except for Permitted Liens. For purposes of this Agreement, the term "Seller Assets" shall mean all of the Assets of Seller and the Seller Subsidiaries, other than the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" shall mean the following Assets:

(i) all cash and cash equivalents;

(ii) all Accounts Receivable;

(iii) all books and records which Seller or any Seller Subsidiary is required by Applicable Law to retain, subject to the right of ATS to have access and to copy for a period of three (3) years from the Closing Date; the records described herein shall further include without limitation all corporate seals, certificates of incorporation, minute books, stock books, Tax Returns or other records having to do with the corporate organization of Seller and the Seller Subsidiaries;

(iv) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts;

(v) the personal assets of the officers, directors, shareholders and employees of Seller and the Seller Subsidiaries described in Section 2.1 of the Seller Disclosure Schedule;

(vi) the assets set forth in Section 2.1 of the Seller Disclosure Schedule; and

(vii) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing.

2.2 Assumption of Liabilities and Obligations.

(a) At the Closing, ATS shall assume and agree to pay, discharge and perform the following obligations and liabilities (collectively, the "Seller Assumed Obligations"): (i) all of the obligations and liabilities of Seller and the Seller Subsidiaries under the Seller Assumable Agreements, and (ii) all obligations and liabilities of Seller and the Seller Subsidiaries with respect to the ownership and operation of the Seller Assets and the conduct of the Seller Business, on and after the Closing Date; provided, however, that notwithstanding the foregoing, ATS shall not assume and agree to pay, and shall not be obligated with respect to, the Seller Nonassumed Obligations.

(b) ATS shall not assume or become obligated to perform any debt, liability or obligation of Seller or any of its Subsidiaries relating to any of the following matters (collectively, the "Seller Nonassumed Obligations"):

(i) the ownership or operation of the Seller Assets or the conduct of the Seller Business prior to the Closing Date, including without limitation Taxes, unfunded pension costs, any Employment Arrangement (including without limitation any obligation to any Seller Employee for severance benefits, vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to the Closing Date: products liability, Legal Actions or other Claims, and obligations and liabilities relating to Environmental Law;

(ii) any obligations or liabilities under the Seller Assumable Agreements relating to the period prior to the Closing Date;

(iii) any insurance policies of Seller or any of the Seller Subsidiaries;

(iv) those required to be disclosed in the Seller Disclosure Schedule which are not so disclosed or which, if disclosed, Section 2.2(b)(iv) of the Seller Disclosure Schedule indicates that such obligation or liability will not be assumed;

(v) any liability or obligation from or relating to breach of any warranty or any misrepresentation by Seller under this Agreement or of Seller or any of the Seller Subsidiaries under any Collateral Document;

(vi) any liability or obligation from or relating to breach or violation of, or failure to perform, any of the obligations, covenants, agreements or undertakings of Seller set forth in this Agreement or of Seller or any of the Seller Subsidiaries set forth in any Collateral Document, including without limitation Article 5 of this Agreement;

(vii) any obligation or liability relating to any Excluded Asset;

(viii) any obligation or liability with respect to capitalized lease obligations (except as otherwise provided in this Agreement) or Indebtedness for Money Borrowed;

(ix) any Taxes, fees, expenses or other amounts required to be paid pursuant to the provisions of this Agreement or any Collateral Document by Seller or any of the Seller Subsidiaries; and

(x) any Contract between or among Seller and any Affiliate of Seller, other than those, if any, set forth in Section 2(b)(x) of the Seller Disclosure Schedule.

All Seller Nonassumed Obligations shall remain and be the obligations and liabilities solely of Seller.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the term "Seller Nonassumed Obligations" shall not include, and the term "Seller Assumed Obligations" shall include, any liability arising out of the transfer or assignment to ATS of, or the use or enjoyment of the benefits by ATS under, any Contract, Governmental Authorization or Private Authorization the transfer or assignment of which (according to Section 2.2(c) of the Seller Disclosure Schedule) requires the consent of any Authority or other Person (collectively, the "Nonassignable Contracts"), if ATS has, on or prior to the Closing Date, notified Seller in writing (an "Acceptance Notice") that ATS consents to the transfer or assignment of such Nonassignable Contract despite the failure or inability of ATS and Seller to obtain the approval or consent of an Authority or other Person whose approval or consent is required pursuant to the terms of such Nonassignable Contract, or elects to receive the benefits of such Nonassumable Contract, in either of which events, if the approval or consent of an Authority or other Person applicable to transfer of such Nonassignable Contract is required to be obtained as a condition to ATS' obligations at Closing pursuant to the provisions of Section 6.1(a) or 6.2(d), ATS shall be deemed to have waived such condition with respect to such Nonassignable Contract. With respect to any Nonassignable Contract for which the applicable consent of any Authority or other Person is not obtained prior to the Termination Date and for which ATS does not timely deliver an Acceptance Notice as described in the preceding sentence, Seller and ATS shall enter into an agreement (the "Nonassignable Contracts Agreement"), pursuant to which (i) Seller or the applicable Seller Subsidiary will hold and, to the extent hereinafter provided, perform services thereunder for the account of ATS, and remit promptly to ATS all amounts received pursuant to the provisions of, all of the Nonassignable Contracts as to which the required approval or consent to the assignment or transfer of which was not obtained and as to which ATS has not delivered an Acceptance Notice, and (ii) ATS will agree to (A) perform, to the extent the same would not constitute a breach thereof or a constructive assignment thereof without consent (in which event Seller and the applicable Seller Subsidiary shall continue to perform), all services required to be performed under such Nonassignable Contracts, (B) reimburse Seller or the applicable Seller Subsidiary for all costs and expenses reasonably incurred pursuant to the Nonassignable Contracts Agreement and (C) indemnify and hold harmless Seller and the applicable Seller Subsidiary with respect to all actions taken by ATS thereto and all actions, if any, taken by Seller or the applicable Seller

Subsidiary pursuant thereto other than those relating to the bad faith, gross negligence or willful misconduct of Seller or the applicable Seller Subsidiary or its officers, directors, stockholders or employees.

(d) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 2.2(d) of the Seller Disclosure Schedule, all items of income and expense (including without limitation with respect to rent, utility charges, Pro Ratable Taxes and wages, salaries and accrued but unused vacation of Seller employees) arising from the ownership or operation of the Seller Assets or the conduct of the Seller Business shall be prorated as of 12:01 a.m., Eastern time, on the Closing Date, with Seller entitled to and responsible for any such items on or prior to the Closing Date and ATS entitled to and responsible for any such items relating to any subsequent period. For these purposes, Pro Ratable Taxes attributable to a period that begins before and ends after the Closing Date shall be treated on a "closing of the books" basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Pro Ratable Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis. If either party shall have received any such revenues or paid any such expenses or charges which, pursuant to the terms hereof, the other party is entitled to or responsible for, it shall furnish the other party with a detailed statement of any such items as soon as practicable after receipt or payment thereof. The parties shall use their best efforts to agree upon such items and other adjustments prior to the Closing Date and, in any event, except as set forth in Section 2.2(c) of the Seller Disclosure Schedule, within sixty (60) days thereafter. If the parties are unable within such period to agree upon such items and other adjustments, Seller and ATS shall, within the following ten (10) days, jointly designate an independent public accounting firm to be retained to review such items and other adjustments. The fees and other expenses of retaining such independent public accounting firm shall be borne equally by Seller and ATS. Such firm shall report its conclusions as to such items and other adjustments pursuant to this Section and such report shall be conclusive on all parties to this Agreement and not subject to dispute or review. Upon such agreement or determination by such independent accounting firm, Seller or ATS, as the case may be, shall promptly and, in any event, within five (5) business days reimburse the other party for any income received or expenses paid by the other party and not previously reimbursed or any other adjustment required by this Section.

Nothing contained in this Section 2.2(d) is intended or shall be deemed to amend or modify the indemnification provisions of Article 8 nor to reallocate responsibility for the matters set forth therein.

2.3 Closing; Purchase Price. The closing of the Transactions (the "Closing") shall take place at Saul, Ewing, Remick & Saul, 3800 Central Square West, Philadelphia, Pennsylvania 19102, at 10:00 a.m., local time, on the later of (a) October 31, 1997 and (b) the first business day after ten (10) days following the date all authorizations, consents, waivers, orders and approvals (and, in the case of Section 6.2(d), modifications) required to be obtained pursuant to the provisions of Section 6.1(a) and 6.2(d) have been obtained, or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, each of the parties shall deliver such warranty deeds, bills of sale, assignments, assumptions of liabilities, opinions and other instruments and documents as are described in this Agreement or as may be otherwise reasonably requested by the parties and their respective counsel. The purchase price for the Seller Assets and the Seller Business (the "Purchase Price") shall be an amount equal to $70,250,000, subject to adjustment as provided in Section 2.2(d) plus an amount equal to the Prepaid Expenses and minus an amount equal to the sum of (a) the Seller Nonassumed Obligations, if any, which ATS agrees to assume, and (b) Prepaid Revenues. The Purchase Price shall be payable by wire transfer of immediately available funds to Seller for the balance of the Purchase Price to such account (or accounts) as Seller shall designate in written instructions to ATS delivered not later than two (2) business days prior to the Closing.

The parties agree that BIA Consulting, Inc. shall promptly conduct and prior to the Closing complete an appraisal of the Seller Assets which shall be the basis for an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price shall be allocated among the Seller Assets. Each of Seller

and ATS shall report the purchase and sale of the Seller Assets and the Seller Business and the other Transactions in accordance with the Tax Allocation Schedule for purposes of all federal, state and local Tax Returns and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or report, inconsistent with such reporting position. Each of Seller and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority. Notwithstanding the provisions of this Section, the parties to this Agreement will rely solely on their own advisors in determining the tax consequences of the transactions contemplated by this Agreement and each party is not relying, and will not rely, on any representations or assurances of any other party regarding such consequences other than the representations, warranties, covenants and agreements set forth in writing in this Agreement or furnished pursuant to the provisions hereof.

2.4 Accounts Receivable. At the closing, Seller and its Subsidiaries shall appoint ATS its agent for the purpose of collecting all Accounts Receivable relating to the Seller Business (the "Seller Accounts Receivable"). Seller shall deliver to ATS on or as soon as practicable after the Closing Date a complete and detailed statement showing the name, amount and age of each Accounts Receivable. Subject to and limited by the following, revenues relating to the Seller Accounts Receivable will be for the account of Seller and the Seller Subsidiaries. ATS shall use the same procedures and efforts which it uses with respect to its own accounts receivable to collect the Seller Accounts Receivable for a period of one hundred twenty (120) days after the Closing Date (the "Collection Period"). Any payment received by ATS during the Collection Period from any customer with an account which is a Seller Accounts Receivable shall first be applied in reduction of the Seller Accounts Receivable, unless the customer contests the validity of such application. During the Collection Period, ATS shall furnish Seller with a list of, and pay over to Seller, the amounts collected with respect to the Seller Accounts Receivable on a monthly basis and forward to Seller, promptly upon receipt or delivery, as the case may be, copies of all correspondence relating to the Seller Accounts Receivable. ATS shall provide Seller with a final accounting on or before the fifteenth (15th) day following the end of the Collection Period. Upon the request of either party at and after such time, the parties shall meet to mutually and in good faith analyze any uncollected Seller Accounts Receivable to determine if the same, in their reasonable business judgment, are deemed to be collectable and if ATS desires to retain such Seller Accounts Receivable. As to each such Seller Accounts Receivable, the parties shall negotiate a good faith value of such Seller Accounts Receivable, which ATS shall pay to Seller if ATS, in its sole discretion, chooses to retain such Seller Accounts Receivable. Seller shall retain the right to collect any of the Seller Accounts Receivable as to which the parties are unable to reach agreement as to a good faith value, and ATS agrees to turn over to Seller any payments received against any such Seller Accounts Receivable. ATS shall not be obligated to use any extraordinary efforts to collect any of the Seller Accounts Receivable assigned to it for collection hereunder or to refer any of such Seller Accounts Receivable to a collection agency or to any attorney for collection, and ATS shall not make any such referral or compromise, nor settle or adjust the amount of any such Seller Accounts Receivable, except with the approval of Seller. ATS shall not incur any liability to Seller or any of the Seller Subsidiaries for any uncollected account unless ATS shall have engaged in willful misconduct or gross negligence in the performance of its obligations set forth in this Section. During and after the Collection Period, without specific agreement with ATS to the contrary, neither Seller nor any of its Subsidiaries nor any of its or their agents shall make any direct solicitation of the Seller Accounts Receivable for collection purposes, except for the Seller Accounts Receivable retained by Seller or any of the Seller Subsidiaries after the Collection Period.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) Seller and each Seller Subsidiary is a corporation or partnership duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate, partnership and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) Seller and each Seller Subsidiary has all requisite corporate or partnership, power and authority and has in full force and effect all Governmental Authorizations and Private Authorizations, except for those set forth in Section 3.1(b) of the Seller Disclosure Schedule or those the failure of which to obtain do not and will not have, individually or in the aggregate, any material Adverse effect on Seller or any Seller Subsidiary, necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it and each Seller Subsidiary pursuant hereto or thereto have been duly authorized by all requisite corporate, partnership or other action on the part of Seller and each Seller Subsidiary. This Agreement has been duly executed and delivered by Seller and each Seller Subsidiary and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by Seller and each Seller Subsidiary will constitute, legal, valid and binding obligations of Seller and each Seller Subsidiary, 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) Except as set forth in Section 3.1(c) of the Seller Disclosure Schedule, and except for matters which would have no material Adverse effect on Seller or any Seller Subsidiary, neither the execution and delivery by Seller and each Seller Subsidiary of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by Seller and each Seller Subsidiary of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by Seller and each Seller Subsidiary:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of Seller or any Seller Subsidiary or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of Seller or any Seller Subsidiary, other than those constituting Seller Nonassumed Obligations; or

(ii) will require Seller to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act and the filings described in Section 3.1(c) of the Seller Disclosure Schedule.

(d) Seller and the Seller Subsidiaries are the only Persons which own or have owned any interest in any of the Seller Assets or any aspect of the Seller Business other than those set forth on Section 3.1(d) of the Seller Disclosure Schedule.

3.2 Financial and Other Information.. Seller has heretofore furnished to ATS copies of the financial statements of the Seller Business listed in Section 3.2 of the Seller Disclosure Schedule (the "Seller Financial Statements"). The Seller Financial Statements, including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the Seller Disclosure Schedule, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by GAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the financial condition and the results of operations and cash flow of the Seller Business, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

3.3 Changes in Condition. Since the date of the most recent financial statements constituting a part of the Seller Financial Statements, except to the extent specifically described in Section 3.3 of the Seller Disclosure Schedule, there has been no material Adverse change in Seller or any Seller Subsidiary. There is no Event known to Seller which materially Adversely affects, or (so far as Seller can now reasonably foresee) is likely to materially Adversely affect, Seller or any Seller Subsidiary, except to the extent specifically described in Section 3.3 of the Seller Disclosure Schedule.

3.4 Materiality. The individual materiality exceptions and qualifications contained herein or in the Seller Disclosure Schedules do not in the aggregate, in the reasonable business judgment of Seller, prevent the Seller Business from operating in the ordinary course or, in the aggregate, Materially Adversely Affect the value of Seller Assets or the Seller Business in the hands of ATS.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the Seller Disclosure Schedule contains a true, accurate and complete list of all real property owned by Seller or any Seller Subsidiary that is part of the Seller Assets. Seller or the applicable Seller Subsidiary, as the case may be, has good indefeasible, marketable and insurable title to all real property (other than leasehold real property) and good and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the Seller Assets, in each case free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the Seller Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list of which is set forth in Section 3.5(a) of the Seller Disclosure Schedule), to Seller's knowledge, no financing statements under the Uniform Commercial Code and no other filing which names Seller or any Seller Subsidiary as debtor or which covers or purports to cover any of the Seller Assets is on file in any state or other jurisdiction, and neither Seller nor any Seller Subsidiary has signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. To Seller's knowledge, except as disclosed in Section 3.5(a) of the Seller Disclosure Schedule, all improvements on the real property owned or leased by Seller and the Seller Subsidiaries and constituting a part of the Seller Assets are in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a material Adverse effect on the owner or lessee, as the case may be, of such real property. To Seller's

knowledge, except as disclosed in Section 3.5(a) of the Seller Disclosure Statement, all such improvements comply in all material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. To Seller's knowledge, except as disclosed in Section 3.5(a) of the Seller Disclosure Statement, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by Seller and the Seller Subsidiaries and constituting a part of the Seller Assets are located entirely on such real property. To Seller's knowledge, there is no pending, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by Seller and the Seller Subsidiaries and constituting a part of the Seller Assets. Except as set forth in Section 3.5(a) of the Seller Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in Seller's reasonable business judgment, been maintained in a manner consistent with sound engineering practice and currently permit the Seller Business to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, Governmental Authorizations and Private Authorizations.

(b) Section 3.5(b) of the Seller Disclosure Schedule contains a true, accurate and complete list of all Leases under which any real property used in the Seller Business is leased. Except as otherwise set forth in Schedule 3.5(b) of the Seller Disclosure Schedule, each Lease or other occupancy or other agreement under which Seller and each Seller Subsidiary holds real or personal property constituting a part of the Seller Assets has been duly authorized, executed and delivered by Seller and each Seller Subsidiary and, to Seller's knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of Seller and each Seller Subsidiary, and, to Seller's knowledge, each of the other parties thereto, enforceable in accordance with its 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. To Seller's knowledge, Seller or the applicable Seller Subsidiary, as the case may be, has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. To Seller's knowledge, all of such Leases are valid and subsisting and in full force and effect; neither Seller or the applicable Seller Subsidiary, as the case may be, nor, to Seller's knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the Seller Assets is subject to contracts of sale, and none is held by Seller or any Seller Subsidiary as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the Seller Disclosure Schedule.

(c) Section 3.5(c) of the Seller Disclosure Schedule contains a true, accurate and complete list of all material items of Seller Personal Property. Seller or the applicable Seller Subsidiary, as the case may be, owns and has good and merchantable title to all of the Personal Property relating to the Seller Business (the "Seller Personal Property"), in each case, free and clear of all Liens, except (i) Permitted Liens and (ii) Liens set forth on Section 3.5(c) of the Seller Disclosure Schedule (which Liens shall be released prior to Closing). Except as set forth in Section 3.5(c) of the Seller Disclosure Schedule, all of the Seller Personal Property is in operating condition, has been maintained in a manner consistent with good engineering practice, does not, to Seller's knowledge, require any material amount of repair, maintenance or replacement and currently permits the Seller Business to be operated in accordance with the terms and conditions of all Applicable Laws. The Seller Personal Property is being sold in "as is" condition.

3.6 Compliance with Private Authorizations. Section 3.6 of the Seller Disclosure Schedule sets forth a true, accurate and complete list of each Private Authorization which individually is material to the Seller Assets or the Seller Business. To Seller's knowledge, Seller and each Seller Subsidiary has obtained all Private Authorizations which are necessary for the ownership or operation of the Seller Assets or the conduct of the Seller Business which, if not obtained and maintained, could, individually or in the aggregate,

materially Adversely affect Seller or any Seller Subsidiary. To Seller's knowledge, All of such Private Authorizations are valid and in good standing and are in full force and effect. None of Seller or any Seller Subsidiary is in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material Adverse effect on Seller or any Seller Subsidiary. To Seller's knowledge, no such Private Authorization is the subject of any pending or threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.7(a) of the Seller Disclosure Schedule contains a true, complete and accurate list of each Governmental Authorization required, to Seller's knowledge, under Applicable Laws (i) to own and operate the Seller Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, all of which are in full force and effect or (ii) that is necessary to permit Seller to execute and deliver this Agreement and to perform its obligations hereunder. Except as set forth in Section 3.7(a) of the Seller Disclosure Schedule, to Seller's knowledge, Seller and each Seller Subsidiary has obtained all Governmental Authorizations which are necessary for the ownership or operation of the Seller Assets or the conduct of the Seller Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material Adverse effect on Seller or any Seller Subsidiary. To Seller's knowledge, none of the Governmental Authorizations listed in Section 3.7(a) of the Seller Disclosure Schedule is subject to any restriction or condition which would limit in any material respect the ownership or operations of the Seller Assets or the conduct of the Seller Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. To Seller's knowledge, except as set forth in Section 3.7(a) of the Seller Disclosure Schedule, the Governmental Authorizations listed in Section 3.7(a) of the Seller Disclosure Schedule are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of Seller, the Seller Subsidiaries or any of their respective officers, directors, employees or agents, and the ownership or operation of the Seller Assets or the conduct of the Seller Business are in accordance in all material respects with the Governmental Authorizations. To Seller's knowledge, all material reports, forms and statements required to be filed by Seller and each Seller Subsidiary with all Authorities with respect to the Seller Business have been filed and are true, complete and accurate in all material respects. To Seller's knowledge, no such Governmental Authorization is the subject of any pending or threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. Seller has no reason to believe that any such Governmental Authorization would not be renewed in the name of Seller or the applicable Seller Subsidiary by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 3.7(b) of the Seller Disclosure Schedule, none of Seller, any Seller Subsidiary nor any director or officer thereof (in connection with ownership or operation of the Seller Assets or the conduct of the Seller Business) is in or is charged by any Authority with or, to Seller's knowledge, at any time since January 1, 1996 has been in or has been charged by any Authority with, or, to Seller's knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the Seller Assets or the conduct of the Seller Business. In particular, but without limiting the generality of the foregoing, to Seller's knowledge, there are no applications, complaints or Legal Actions pending or threatened before or by any Authority (x) relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would Adversely affect the ownership or operation of the Seller Assets or the conduct of the Seller

Business; (y) involving charges of illegal discrimination by Seller or any Seller Subsidiary under any federal or state employment Laws with respect to any of the Seller Employees, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the Seller Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the Seller Disclosure Schedule, to Seller's knowledge, no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material Adverse effect on Seller or any Seller Subsidiary or (ii) any material requirement of any property or liability insurance carrier, applicable to the ownership or operations of the Seller Assets or the conduct of the Seller Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the Seller Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the Seller Disclosure Schedule, all such information and matters set forth in the Seller Disclosure Schedule, if Adversely determined against Seller or the applicable Seller Subsidiary, will not, individually or in the aggregate, have a materially Adversely effect on Seller or any Seller Subsidiary.

3.8 Intangible Assets. Section 3.8 of the Seller Disclosure Schedule sets forth a true, accurate and complete list of all Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the Seller Assets or the conduct of the Seller Business held or used by Seller and each Seller Subsidiary, including without limitation the nature of Seller's and each Seller Subsidiary's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. To Seller's knowledge, except as set forth in Section 3.8 of the Seller Disclosure Schedule, no Intangible Assets (except Governmental Authorizations, Private Authorizations, and the Intangible Assets so set forth) are required for the ownership or operation of the Seller Assets or the conduct of the Seller Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. Seller does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and none of Seller or any Seller Subsidiary has received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. None of Seller or any Seller Subsidiary is a party or subject to any Contractual Obligation relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business between Seller or the applicable Seller Subsidiary and any of its officers, directors, shareholders, employees or, to the knowledge of Seller, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.13 of the Seller Disclosure Schedule, (ii) Contractual Obligations between Seller or any Seller Subsidiary and any of its directors, shareholders, officers, employees or Affiliates of Seller or any of the foregoing, which constitute Excluded Assets or Seller Nonassumed Obligations, or (iii) as specifically set forth in Section 3.9 of the Seller Disclosure Schedule.

3.10 Insurance. Seller and each Seller Subsidiary maintains, with respect to the Seller Assets and the Seller Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the Seller Disclosure Schedule.

3.11 Tax Matters.

(a) Except as set forth in Section 3.11(a) of the Seller Disclosure Schedule, Seller has in accordance with all Applicable Laws filed all Tax Returns and/or extensions which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of Seller Financial Statements. The Tax Returns of Seller and each Seller Subsidiary have been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which Seller and each Seller Subsidiary is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. Except as set forth in Section 3.11(a) of the Seller Disclosure Schedule, adequate provision has been made on the most recent balance sheet forming part of Seller Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and, except as set forth in Section 3.11(a) of the Seller Disclosure Schedule, there are, to Seller's knowledge, no past transactions or matters which could result in additional Taxes of a material nature to Seller and each Seller Subsidiary for which an adequate reserve has not been provided on such balance sheet.

(b) The information shown on the federal income Tax Returns of Seller and each Seller Subsidiary for each of the most recent three (3) tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by Seller to ATS) is true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of Seller and each Seller Subsidiary have not been examined by the IRS or applicable state Authority, and none of Seller or any Seller Subsidiary has been notified of any proposed examination, except as shown in Section 3.11(b) of the Seller Disclosure Schedule.

(c) None of Seller or any Seller Subsidiary is a party to any tax sharing agreement or arrangement.

3.12 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of Seller other than Communications Equity Associates, Inc. ("CEA").

3.13 Employment Arrangements. Section 3.13 of the Seller Disclosure Schedule contains a true, accurate and complete list of all employees of Seller and each Seller Subsidiary involved in the operation of the Seller Assets or the conduct of the Seller Business (the "Seller Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. None of Seller or any Seller Subsidiary has any obligation or liability, contingent or other, under any Employment Arrangement with any Seller Employee, other than those listed or described in Section 3.13 of the Seller Disclosure Schedule. Except as described in Section 3.13 of the Seller Disclosure Schedule, (a) none of the Seller Employees is now, or since January 1, 1996 has been, represented by any labor union or other employee collective bargaining organization, and none of Seller or any Seller Subsidiary is, or ever has been, a party to any labor or other collective bargaining agreement with respect to any of the Seller Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) none of Seller, any Seller Subsidiary or any of such employees is now, or has since January 1, 1996 been, subject to or involved in or, to Seller's knowledge, threatened with, any union elections, petitions therefore

or other organizational or recruiting activities, in each case with respect to the Seller Employees, and (d) none of the Seller Employees has given written notice to Seller or any Seller Subsidiary that he or she does not intend to continue employment with Seller until the Closing or with ATS following the Closing. Seller and each Seller Subsidiary has performed in all material respects all obligations required to be performed under all Plans and Benefit Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.14 Material Agreements. Listed on Section 3.14 of the Seller Disclosure Schedule are all Material Agreements relating to the ownership or operation of the Seller Assets or the conduct of the business of the Seller Business or to which Seller and each Seller Subsidiary is a party or to which it is bound or which any of the Seller Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available by Seller to ATS and Seller has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.14 of the Seller Disclosure Schedule, with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of Seller or the applicable Seller Subsidiary and, to Seller's knowledge, all other parties thereto, 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. Seller and each Seller Subsidiary has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and, to Seller's knowledge, there is no pending or threatened Claim that Seller or any Seller Subsidiary has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of Seller or any Seller Subsidiary under any of such Material Agreements in any material respect.

3.15 Ordinary Course of Business. Seller and each Seller Subsidiary, from the end of its most recent fiscal year to the date hereof, except (i) as may be described on Section 3.15 of the Seller Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the Seller Assets and the Seller Business:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice;

(b) except in each case in the ordinary course of business, consistent with prior practice, has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $50,000;

(c) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(d) has not increased the compensation payable or to become payable to any of the Seller Employees other than in the ordinary course of business or otherwise materially altered, modified or changed the terms of their employment;

(e) has not suffered any material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(f) has not waived any rights of material value without fair and adequate consideration;

(g) has not experienced any work stoppage;

(h) except in the ordinary course of business, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of Seller, except for Seller Nonassumed Obligations; and

(i) has not entered into any other transaction or series of related transactions which individually or in the aggregate is material to the Seller Assets or the Seller Business.

3.16 Material and Adverse Restrictions. None of Seller or any Seller Subsidiary is a party to or subject to, nor is any of the Seller Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which now has or, as far as Seller can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material Adverse effect on the ability of Seller or any Seller Subsidiary to perform its obligations under this Agreement, except as set forth in Section 3.16 of the Seller Disclosure Schedule.

3.17 Solvency. As of the execution and delivery of this Agreement, Seller and each Seller Subsidiary is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.18 Environmental Matters. Except as set forth in Section 3.18 of the Seller Disclosure Schedule, with respect to the Seller Assets, Seller and each Seller Subsidiary:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to Seller's knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) to Seller's knowledge, is in compliance in all material respects with all Environmental Laws, has obtained all Environmental Permits required under Environmental Laws, and, to Seller's knowledge, is not the subject of or threatened with any Legal Action involving a demand for damages or other potential liability including any Lien with respect to material violations or material breaches of any Environmental Law;

(e) has no knowledge of any past or present Event related to the Seller Business or the Seller Assets which Event, individually or in the aggregate, will interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, will form the basis of any material Claim for the release or threatened release into the environment, of any Hazardous Material; and

(f) does not own or use any underground storage tank.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, Seller as follows:

4.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have not material Adverse effect on ATS, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act and filings listed in Section 3.1(c) of the Seller Disclosure Schedule which will be made jointly with Seller.

4.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

4.3 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliates, officers or directors, that question or may affect the validity of this Agreement or the right or obligation of ATS to consummate the transactions contemplated hereunder.

ARTICLE 5

COVENANTS

5.1 Access to Information; Confidentiality.

(a) Seller shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of Seller's and each Seller Subsidiary's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the Seller Assets and the Seller Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an Adverse effect on the Seller Assets or the Seller Business or the businesses, operations, properties, prospects, personnel, condition (financial or other), or results of operations thereof, (ii) all financial records, ledgers, work papers and other sources of financial information possessed and controlled by Seller or its accountants reasonably deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the Seller Assets and the Seller Business and certifying financial statements and financial information, and (iii) such other information in the possession or control of Seller or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that Seller shall not be required to permit any such access to the extent same would unreasonably interfere with Seller's normal business operations. All non-public information relating to the Seller Assets or the Seller Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of Seller, be disclosed by ATS in any manner whatsoever, in whole or in part, and shall not be used for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of Seller. ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing for a period of five (5) years, Seller shall not, without the prior written consent of ATS, disclose any information with respect to the Seller Assets or the Seller Business, other than in connection with the Transactions or to the extent required by Applicable Law.

(b) Subject to the terms and conditions of Section 5.1(a), ATS may, subject to prior consultation with Seller, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than, in the event mutual releases are not exchanged upon such termination, one copy thereof which shall be delivered to independent counsel for ATS.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, either party may disclose information received or retained by it in accordance with the provisions of this Agreement if it can demonstrate (i) such information is generally available to or known by the public from a source other than the party seeking to disclose such information or (ii) was obtained by the party seeking to disclose such information from a source other than the other party, provided that such source was not bound by a duty of confidentiality to the other party or another party with respect to such information.

(d) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either party or any condition to the obligations of the parties hereto, except as set forth in Section 8.3(d).

(e) The provisions of this Section shall apply to each Seller Subsidiary.

5.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or causing to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation, using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 6.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 6.2(d), (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the Seller Assets and conduct the Seller Business) (the parties agreeing to use commercially reasonable efforts to make all required filings under the Hart-Scott-Rodino Act within sixty (60) days after the date hereof, each such filing to request early termination), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) Seller shall cooperate and use its reasonable business efforts to cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the Seller Business described in Section 6.2(g). Seller represents and warrants that any such financial statements will be true, accurate and complete in all material respects, and will fairly present the financial condition and results of operation of the Company on the basis therein stated, as of the respective dates thereof and for the respective periods covered thereby. Without limiting the generality of the foregoing, Seller agrees that after the Closing Date it will (x) consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under any applicable federal or state securities Law the Securities Act or the Exchange Act and (y) execute and deliver, and cause its directors and officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS' independent accountants may reasonably request under the circumstances.

5.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, Seller and ATS shall consult with the other before issuing any press release or otherwise making any public

statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior written consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that Seller and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement. In addition, subject to the terms and conditions hereof, ATS may disclose, with Seller's prior consent, not to be unreasonably withheld, delayed or conditioned, the subject matter of this Agreement to Persons with whom Seller has a business or contractual relationship in connection with ATS' due diligence investigation of Seller.

5.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any material respect such that one or more of the conditions of Closing might not be satisfied, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the Seller Disclosure Schedule in any respect such that one or more of the conditions of Closing might not be satisfied, and any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.5 No Solicitation. During the term of this Agreement, none of Seller or any Seller Subsidiary shall, nor shall it knowingly permit any of its Representatives to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (i) any merger or consolidation, regardless of whether Seller or any Seller Subsidiary is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, or (ii) any sale or other disposition of all or any substantial part of the Seller Assets or the Seller Business. The provisions of this Section shall apply to each Seller Subsidiary. If Seller or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect, Seller shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

5.6 Conduct of Business by Seller Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, Seller shall, and shall cause each Seller Subsidiary, to the extent relating to the Seller Business or the Seller Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the Seller Assets as is consistent with past practice (except that the foregoing shall not be construed to require Seller or any Seller Subsidiary to make capital expenditures other than those set forth in Section 5.6(a) of the Seller Disclosure Schedule unless ATS shall first agree in writing to reimburse

Seller the cost therefor in which event Seller or the applicable Seller Subsidiary shall be obligated to make such capital expenditure);

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the Seller Business in conformity in all material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the Seller Assets or the Seller Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the Seller Business;

(f) not (i) dispose of any of the Seller Assets owned by Seller or any Seller Subsidiary or used in the operation of the Seller Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the Seller Business) or (ii) modify or change in any material respect, or enter into, any Material Agreement relating to the Seller Business; and

(g) not voluntarily take any action which if taken between the end of its most recent fiscal year and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.15 of the Seller Disclosure Schedule.

With respect to any transaction or act proposed to be entered into or performed by Seller which, pursuant to paragraphs (a) through (g) of this section, requires the prior approval of ATS, ATS shall be deemed to have approved same unless written notice of disapproval is received by Seller within ten (10) business days after receipt by ATS of a written request for approval made by Seller.

5.7 Preliminary Title Reports. As promptly as practicable after the execution of this Agreement, Seller shall, at its sole cost and expense, deliver or cause to be delivered to ATS a standard preliminary title report dated on or after the date of this Agreement issued by such title company or companies as Seller and ATS shall mutually reasonably agree (collectively, the "Title Company") with respect to those Seller Assets comprised of the parcels of real property described in Section 5.7 of the Seller Disclosure Schedule (the "Insured Real Property"). Such reports, as same may be amended or supplemented from time to time to reflect additional title matters, are referred to herein as the "Title Reports". The rights and obligations of the parties shall thereafter be as follows:

(a) On or before fifteen (15) business days after ATS' receipt of each of the Title Reports, ATS shall give to Seller written notice ("ATS' Title Notice") of ATS' disapproval of any matters shown in the Title Reports. ATS' failure to give ATS' Title Notice shall be deemed to constitute ATS' approval of all matters disclosed by the Title Reports.

(b) If ATS disapproves any title matters pursuant to ATS' Title Notice, Seller shall deliver written notice ("Seller's Title Notice") to ATS within fifteen (15) business days after Seller's receipt of ATS' Title Notice, stating whether Seller agrees to eliminate or cause the Title Company to insure over such disapproved title matters from title to the Insured Real Property prior to the Closing or, if elimination is not feasible prior to the Closing, to effect such elimination thereafter and to indemnify and hold harmless ATS with respect to such remedy. If Seller fails to timely deliver Seller's Title Notice, or if Seller delivers Seller's Title Notice but states therein that Seller is unwilling or unable to eliminate such disapproved title matters, ATS and Seller shall negotiate in good faith in an attempt to resolve such matters which resolution may, without limitation, take the form of eliminating one or more of the sites with disapproved title matters (the "Disapproved Title Sites" and, collectively with the "Disapproved Environmental Sites", the "Disapproved Sites") from the Seller Assets, a reduction of the Purchase Price or an indemnification (or escrow) from Seller (subject to the limitations as to time or amount specified in Section 5.9 and Article 8). If within twenty (20) business days of such negotiations (or such longer period as ATS and Seller shall agree), the parties have been unable to resolve such matters, the provisions of Section 5.9 shall govern.

(c) If, at any time following ATS' approval of the Title Reports, Seller or the Title Company notifies ATS of any additional matter affecting title to the Insured Real Property, the parties shall have substantially the same rights and obligations as are set forth in paragraphs (a) and (b) above with respect to the affected parcel.

5.8 Environmental Site Assessments. Not later than sixty (60) days after the execution of this Agreement, ATS may obtain, and deliver to Seller full and complete copies of, Phase I environmental site assessment reports (the "Environmental Reports") on any or all of those certain parcels of real property described on Section 5.8 of the Seller Disclosure Schedule. Site assessments shall be conducted by such consultants and professionals as ATS and Seller shall mutually agree (collectively, the "Environmental Company"), and shall be arranged at times mutually convenient to the parties. Each of Seller and ATS shall be entitled to have representatives present at the time such site assessments are conducted, and to have copies of all correspondence with the Environmental Company.

(a) On or before fifteen (15) business days after ATS' receipt of each of the Environmental Reports, ATS shall give to Seller written notice ("ATS' Environmental Notice") of ATS' disapproval of any matters shown in the Environmental Reports. ATS' failure to give ATS' Environmental Notice shall be deemed to constitute ATS' approval of all matters disclosed by the Environmental Reports.

(b) If ATS disapproves any environmental matters pursuant to ATS' Environmental Notice, Seller shall deliver written notice ("Seller's Environmental Notice") to ATS within fifteen (15) business days after Seller's receipt of ATS' Environmental Notice, stating whether Seller agrees to eliminate and remedy such matter prior to the Closing or, if such elimination or remedy is not feasible prior to the Closing, to effect such elimination and remedy thereafter and to indemnify and hold harmless ATS with respect to such remedy. If Seller fails to timely deliver Seller's Environmental Notice, or if Seller delivers Seller's Environmental Notice but states therein that Seller is unwilling or unable to eliminate and remedy such environmental matters, ATS and Seller shall negotiate in good faith in an attempt to resolve such matters which resolution may, without limitation, take the form of eliminating one or more of the sites with disapproved environmental matters (the "Disapproved Environmental Sites") from the Seller Assets, a reduction of the Purchase Price or an indemnification (or escrow) from Seller (subject to the limitations as to time or amount specified in Section 5.9 and Article 8). If within twenty (20) business days of such negotiations (or

such longer period as ATS and Seller shall agree), the parties have been unable to resolve such matters, the provisions of Section 5.9 shall govern.

(c) If, at any time following ATS' approval of the Environmental Reports, ATS or the Environmental Company notifies Seller of any additional environmental matter, the parties shall have substantially the same rights and obligations as are set forth in paragraphs (a) and (b) above with respect to the affected site.

5.9 Resolution of Title and Environmental Disapproved Matters. In the event ATS and Seller are unable to resolve matters with respect to disapproved title matters pursuant to the provisions of Section 5.7 and/or with respect to disapproved environmental matters pursuant to the provisions of Section 5.8, the rights and obligations of the parties with respect to such matters shall thereafter be as follows:

(a) In the event that the aggregate cost reasonably estimated by the parties (or, in the event they are unable to agree, the Title Company and the Environmental Company) to eliminate the disapproved title matters and eliminate and remedy the disapproved environmental matters with respect to the Disapproved Sites (the "Disapproved Cost Amount") is not greater than $500,000 with respect to any particular Disapproved Site (the "Maximum Site Disapproved Cost Amount") and not greater than $2,000,000 for all Disapproved Sites (the "Maximum Disapproved Cost Amount"), then ATS shall have the right to require Seller to remedy all such matters (including, at ATS' election, after the Closing in which event Seller shall indemnify and hold harmless ATS with respect to such remedy and shall place in escrow with the Title Company a sum sufficient to effect such remedy but not in excess of the limitations set forth in this paragraph) and to proceed with the Closing;

(b) In the event that the Disapproved Cost Amount is greater than the Maximum Disapproved Cost Amount, then ATS shall have the right to require Seller to remedy all such matters (including, at ATS' election, after the Closing in which event Seller shall indemnify and hold harmless ATS with respect to such remedy and shall place in escrow with the Title Company a sum sufficient to effect such remedy but not in excess of the limitations set forth in paragraph (a) of this Section) and to proceed with the Closing; provided, however, that under such circumstances, Seller shall have the right to elect not to effect such remedy with respect to (i) any particular Disapproved Site if the Disapproved Cost Amount for such Disapproved Site exceeds the Maximum Site Disapproved Cost Amount and (ii) one or more of the Disapproved Sites (to the extent there is a choice, selected by Seller with the approval of ATS, such approval not to be unreasonably withheld), the aggregate Disapproved Cost Amount of which is not greater than the excess of the Disapproved Cost Amount over the Maximum Disapproved Cost Amount, in which event, unless Seller or ATS shall, in its sole and absolute discretion, have agreed to bear the excess determined pursuant to clause (i) and/or (ii) of this paragraph or the parties shall have otherwise agreed in writing, such Disapproved Site or Sites shall be eliminated from the Seller Assets and the Purchase Price shall be reduced in accordance with the provisions of paragraph (c) below; and

(c) In the event one or more Disapproved Sites is eliminated from the Seller Assets, the parties shall negotiate in good faith in an attempt to agree upon the fair market value of such Disapproved Sites, which value shall be based on the Purchase Price and shall assume that there were no disapproved title and/or environmental matters with respect to such Disapproved Sites. In the event the parties are unable within twenty (20) business days to agree upon such fair market value, the matter shall be submitted to binding, nonappealable arbitration in accordance with the federal commercial arbitration rules of the American Arbitration Association before the Philadelphia chapter, with each party paying its own legal and other expenses.

Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the costs required to be expended by Seller pursuant to the provisions of this Section (whether prior or subsequent to the Closing) shall not affect the obligations of Seller pursuant to the provisions of Article 8.

5.10 Post-Closing Covenants and Agreements of the Parties. From and after the consummation of the Transactions, ATS and Seller covenant and agree as follows:

(a) ATS shall afford to Seller, and Seller shall afford to ATS, access to each of their (and, in the case of Seller, any of the Seller Subsidiaries) respective employees who were (or in the case of Seller who remain) employees of Seller (or any of the Seller Subsidiaries) on the Closing Date to the end that such employees are available to provide assistance, consultation and historical background to the requesting party; provided, however, that neither ATS nor Seller shall have any such obligation after the expiration of one (1) year from the Closing Date or to the extent that it would unduly interfere with the continuing conduct by ATS or Seller of their respective businesses; and

(b) ATS shall afford to Seller, and Seller shall afford to ATS, access to all books and records delivered to ATS or retained by Seller (or any of the Seller Subsidiaries), as the case may be, relating to periods prior to the Closing Date, in order to enable Seller or ATS, as the case may be, to prepare all necessary Tax Returns, deal with Legal Actions or other Claims (including without limitation those of the Internal Revenue Service) or personnel matters or for any other reasonable purposes, subject, however, in all events, to the provisions of Section 5.1 with respect to confidentiality.

ARTICLE 6

CLOSING CONDITIONS

6.1 Conditions to Obligations of Each Party. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the Closing Date of the following conditions, any or all of which may be waived in writing, in whole or in part, to the extent permitted by Applicable Law:

(a) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially Adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a threat of any such Legal Action; and

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by ATS and Seller with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations, if any, as are set forth in Section 6.1(b) of the Seller Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material Adverse effect on the Seller Assets or the Seller Business.

6.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions shall be subject to the satisfaction of the following conditions, any or all of which may be waived in writing, in whole or in part, to the extent permitted by Applicable Law:

(a) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) Seller shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date of Saul, Ewing, Remick & Saul, counsel for Seller and the Seller Subsidiaries, with respect to the matters set forth in Sections 3.1 and 3.7, and such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Seller or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by Seller hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and Seller shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except for such authorizations, consents, waivers, orders or approvals the failure of which to obtain would not, in the reasonable business judgment of ATS, have a material Adverse effect on the Seller Assets or the Seller Business, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Seller Assets and the Seller Business (including without limitation all Private Authorizations, Leases and Material Agreements of Seller and, at the cost and expense of Seller, all modifications of Leases and other Contractual Obligations which ATS shall within ten (10) business days of the date hereof advise Seller in writing are a requirement of Closing) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could materially Adversely affect ATS;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material Adverse change in Seller from that reflected in the most recent Seller Financial Statements which Materially and Adversely effects the transactions contemplated hereby except for events affecting the tower rental and video transmission industry generally; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the Seller Assets or the conduct of the Seller Business shall not have been materially and Adversely affected by any act, or failure to act, of Seller;

(f) Seller and each Seller Subsidiary shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by Seller and each Seller Subsidiary to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from its independent accountants (i) an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets for each of the fiscal years ended December 31, 1995 and 1996 and statements of operations and cash flow for each of the three years in the period ended December 31, 1996) of the Seller Business, which financial statements shall have been prepared in conformity with GAAP and Regulation S-X under the Securities Act, or (ii) such other documentation as shall be reasonably satisfactory to ATS indicating that such an unqualified report could be issued if requested by ATS;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the Seller Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material Adverse effect on the Seller Assets and the Seller Business, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) All Environmental Reports obtained by the parties prior to the Closing Date pursuant to the provisions of Section 5.8 hereof shall be approved or deemed approved by ATS in the manner described in Section 5.8;

(j) Seller and each of the individuals named therein shall have executed and delivered to ATS an agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "ATS Noncompetition Agreements");

(k) ATS shall have received standard CLTA title insurance policies insuring ATS' fee or leasehold interests in all Insured Real Property, subject only to Approved Title Conditions; and

(l) Seller or the applicable Seller Subsidiary shall have delivered to ATS leases, subleases and license agreements with respect to certain of the Seller towers or tower sites as indicated in Section 6.2(l) of the Seller Disclosure Schedule, all on the terms and conditions set forth in the applicable document included as part of Exhibit B attached hereto and made a part hereof (collectively, the "Collateral Real Estate Documents").

6.3 Conditions to Obligations of Seller. The obligation of Seller to effect the Transactions shall be subject to the satisfaction of the following conditions, any or all of which may be waived in writing, in whole or in part, to the extent permitted by Applicable Law:

(a) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to Seller and its counsel, and Seller and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished Seller and, at Seller's request, any bank or other financial institution providing credit to Seller, with favorable opinions, dated the Closing Date of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 4.1 and 4.3 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as Seller or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel;

(c) The representations and warranties of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct in all material respects as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of Seller or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS shall have furnished Seller with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as Seller or its counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to Seller all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to Seller at or prior to the Closing pursuant to the terms of this Agreement;

(e) Except to the extent, if any, specifically set forth in Section 6.2(d) of the Seller Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required by the provisions of this Agreement in order to vest fully in ATS all right, title and interest in and to all of the Seller Assets and the Seller Businesses (including without limitation all Private Authorizations, Leases and Material Agreements of Seller and, at the cost and expense of Seller, all modifications of Leases and Contractual Obligations heretofore requested by ATS and set forth in Section 6.2(d) of the Seller Disclosure Schedule) and the full enjoyment thereof shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could materially and Adversely affect Seller;

(f) ATS shall have delivered to Seller or the applicable Seller Subsidiary the Collateral Real Estate Documents;

(g) The Purchase Price shall have been paid as set forth in Section 2.3; and

(h) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority which might, in the reasonable business judgment of Seller, based upon the advice of counsel, have a material adverse effect on ATS, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual written consent of Seller and ATS;

(b) by either ATS or Seller if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by Seller in the event (i) Seller is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) ATS is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) Seller is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 6.2(i) or 6.2(k).

The term "Termination Date" shall mean March 31, 1998 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or Seller to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of either party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

7.2 Effect of Termination.

(a) Except as provided in Sections 5.1 (with respect to confidentiality), 5.3, 9.3 and 9.5 and this Section, in the event of the termination of this Agreement pursuant to Section 7.1, or in the event the Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of either party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of either party shall cease; provided, however, that such termination shall not relieve either party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) Each of Seller and ATS agrees that, in the event either party shall seek specific performance of this Agreement in accordance with the provisions of Section 9.5, (i) any breach by it shall be deemed to be detrimental to the other, (ii) it will not oppose any temporary restraining order or other form of injunctive relief sought by the other party, and (iii) in the case of the Seller, it will hold the proceeds of any sale or other

disposition of all or any part of the Seller Assets or the Seller Business in constructive trust for the benefit of ATS.

(c) In the event this Agreement is terminated pursuant to the provisions of Section 7.1(a), 7.1(b) or 7.1(e), except as provided in Section 7.2(a), neither of the parties shall have any further rights, obligations or remedies.

ARTICLE 8

INDEMNIFICATION

8.1 Survival. The representations and warranties of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period of (a) one (1) year after the Closing Date or (b) the applicable statute of limitations in the case of matters of a nature referred to in Sections 3.1, 3.7(a), 3.11, 3.18 and 4.1, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for one (1) year unless otherwise herein expressly provided to the contrary. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud or intentional or willful breach or misrepresentation, may be asserted after the expiration of the Indemnity Period. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

8.2 Indemnification. Each of Seller and ATS (the "indemnifying party") agrees that on and after the Closing it shall indemnify and hold harmless the other (the "indemnified party") from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including without limitation liabilities for all reasonable attorneys', accountants' and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document executed by it (collectively, "Loss and Expense"), suffered, directly or indirectly, by the indemnified party by reason of, or arising out of:

(a) any material breach of representation or warranty made by the indemnifying party pursuant to this Agreement or any Collateral Document executed by it or any failure by the indemnifying party to perform or fulfill any of its respective covenants or agreements set forth in this Agreement or any Collateral Document executed by it; or

(b) in the case of Seller as the indemnifying party, the failure of Seller or any Seller Subsidiary to comply with Bulk Sales law of any applicable jurisdiction; or

(c) in the case of Seller as the indemnifying party, by reason of, or arising out of, (i) Seller Nonassumed Obligations and/or (ii) the ownership and operation of the Seller Assets and the Seller Business prior to the Closing Date; or

(d) in the case of ATS as the indemnifying party, by reason of, or arising out of, (i) Seller Assumed Obligations and/or (ii) the ownership and operation of the Seller Assets and the Seller Business from and after the Closing Date, except for Events arising prior to or existing on the

Closing Date, unless they are part of the Seller Assumed Obligations, and/or (iii) Section 5.2(c) financial statements, except to the extent Seller is liable to ATS pursuant to the provisions of paragraph (a) of this Section.

8.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 8.2, after the Closing, except as otherwise provided in Section 8.6, each indemnified party's rights to indemnification shall be subject to the following limitations: (i) the indemnified party shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $50,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $50,000), and (ii) in no event shall the aggregate amount required to be paid by each indemnifying party pursuant to the provisions of this Article exceed the greater of (x) $1,000,000 or (y) the excess of (I) $2,500,000 over the (II) the amount paid by such indemnifying party pursuant to the provisions of Section 5.9, except for any Loss or Expense arising out of matters of a nature referred to in Sections 3.1 and 4.1 as to which the limitations set forth in this clause (ii) shall not apply.

(b) In the case any event shall occur which would otherwise entitle either party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

8.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 8.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify materially prejudices such indemnifying party's ability to defend against such Claim.

8.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party, which consent shall not unreasonably be withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the indemnified party is ATS, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the Seller Assets or the conduct of the Seller Business in substantially the manner then being theretofore owned, operated and conducted by ATS.

8.6 Exclusive Remedy. Except for fraud or willful or intentional misrepresentation or breach of warranty, covenant or agreement or as otherwise provided in Section 9.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to either party against the other party for any Claim under this Agreement.

ARTICLE 9

GENERAL PROVISIONS

9.1 Amendment. This Agreement may be amended from time to time by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto.

9.2 Waiver. At any time prior to the Closing Date, except to the extent not permitted by Applicable Law, ATS or Seller may extend the time for the performance of any of the obligations or other acts of the other, subject, however, to the provisions with respect to the Termination Date, 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 or conditions 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.

9.3 Fees, Expenses and Other Payments. All costs and expenses incurred in connection with any transfer taxes, sales taxes, recording or documentary taxes, stamps or other charges levied by any Authority in connection with this Agreement and the consummation of the Transactions shall be borne equally by Seller and ATS. All costs of preliminary title reports for Real Property constituting a part of the Seller Assets shall be borne by Seller. All costs of title insurance and environmental studies shall be borne by ATS. All other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation Hart-Scott-Rodino filing fees, fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

9.4 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, or by recognized courier service, postage prepaid, (b) sent by telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, or by recognized courier service, postage prepaid) 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 ATS:

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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

(b) If to Seller:

200 Cresson Boulevard
P.O. Box 989
Oaks, Pennsylvania 19456-0989
Attention: Samuel W. Morris, Jr., Vice President-General Counsel
Telecopier No.: (616) 650-3061

with a copy to:

Saul, Ewing, Remick & Saul
3800 Centre Square West
Philadelphia, Pennsylvania 19102
Attention: Thomas K. Pasch, Esq.
Telecopier No.: (215) 972-7725

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.

9.5 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 7, 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 post ing 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach.

9.6 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 effect of which is

to affect materially and Adversely either party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

9.7 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 such counterparts.

9.8 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.

9.9 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 Delaware 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.

9.10 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 any 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.

9.11 Entire Agreement. This Agreement (together with the Seller Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof, including without limitation that certain letter of intent, dated May 16, 1997, between the parties.

9.12 Assignment. This Agreement shall not be assignable by either party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

9.13 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 9.12.

9.14 Mutual Drafting. This Agreement is the result of the joint efforts of Seller and ATS, 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.

9.15 Consent. Whenever this Agreement affords to a party the right to consent to any act or request of another, such party shall not unreasonably withhold, delay or condition such consent.

IN WITNESS WHEREOF, ATS and Seller have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:

Name: James S. Eisenstein
Title: Chief Operating Officer

Suburban Cable TV Co. Inc.

By:

Name: Harry F. Brooks
Title: Executive Vice President

APPENDIX A

DEFINITIONS

As used in this Agreement, unless the context otherwise requires, the following capitalized 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. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided herein shall have such meanings when used in the Seller Disclosure Schedule, and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "either party" shall, unless the context otherwise requires, refer to Seller and ATS.

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to Seller attributable to the ownership or operation of the Seller Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of Seller's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

Adverse, Adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the financial condition or results of operation of the Seller Business, or (c) impair Seller's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business or the video business shall not be deemed to constitute such a change, affect or effect.

Additional Title Matter shall have the meaning given to it in Section 5.7.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust; provided, however, that for purposes of this Agreement, Tele-Communications, Inc. and its direct and indirect Subsidiaries shall not be treated as an Affiliate of Seller.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the Seller Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Approved Title Conditions shall mean any one or more of the following: (a) Liens for real property taxes and assessments not then delinquent; (b) matters of title approved by ATS or deemed approved in accordance with the provisions of Section 5.7; and (c) matters of title created following the date of this Agreement by or with the written consent of ATS.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the Seller Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder, including without including without limitation the following:

(a) the Personal Property;

(b) the Real Property;

(c) the Governmental Authorizations;

(d) the Private Authorizations;

(e) the Contracts (other than the Seller Nonassumed Obligations);

(f) all Intellectual Property and other proprietary information, which relate to the Seller Business, including without limitation, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with all Authorities which relate to the Seller Business;

(g) all claims, choses in action and rights under warranties relating to the Seller Business or any of the Seller Assets;

(h) all books and records relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business, including executed copies of Leases, Material Agreements and other written Contracts, and all records required by Applicable Law to be kept, subject to the right of the conveying party to have such books and records made available to it for such time as may be reasonably required in connection with audits, defense or prosecution of lawsuits, or other legitimate business purposes. The records described herein shall not include corporate seals, certificates of incorporation, minute books, stock books, tax returns or other records having to do with the corporate organization of Seller; and

(i) any and all products, profits and proceeds of, and including without limitation any Claims with respect to, any of the foregoing;

provided, however, that notwithstanding the foregoing, the term Assets shall not include any of the Excluded Assets.

ATS shall have the meaning given to it in the Preamble.

ATS' Environmental Notice shall have the meaning given to it in Section 5.8.

ATS' Noncompetition Agreements shall have the meaning given to it in Section 6.2(j).

ATS' Title Notice shall have the meaning given to it in Section 5.7.

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Seller Business.

CEA shall have the meaning given to it in Section 3.12.

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.3.

Closing Date shall have the meaning given to it in Section 2.3.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Documents shall mean the Collateral Real Estate Documents, the ATS Noncompetition Agreements, the Nonassignable Contracts Agreement, warranty deeds, bills of sale, assignments of intangibles, assumption agreements with respect to the Seller Assumed Obligations, other instruments of conveyance and assignment sufficient to vest in ATS title to all of the other Seller Assets and the Seller Business, and any other agreement, certificate, contract, instrument, notice, opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Collateral Real Estate Documents shall have the meaning given to it in Section 6.2(m).

Collection Period shall have the meaning given to it in Section 2.4.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Disapproved Cost Amount shall have the meaning given to it in Section 5.9.

Disapproved Environment Sites shall have the meaning given to it in Section 5.8.

Disapproved Sites shall have the meaning given to it in Section 5.7.

Disapproved Title Sites shall have the meaning given to it in Section 5.7.

Employment Arrangement shall mean, with respect to Seller, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by Seller or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, trust (inter vivos or testamentary), business trust, joint stock company, joint venture or other organization, entity or business, whether acting in an individual, fiduciary or other capacity, or any Authority.

Environmental Company shall have the meaning given to it in Section 5.8.

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the

Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law .

Environmental Reports shall have the meaning given to it in Section 5.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with Seller under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Excluded Assets shall have the meaning given to it in Section 2.1.

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements

of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the Federal Aviation Administration, in connection with the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Improvement Act of 1976, as from time to time in effect, or any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to Seller, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Insured Real Property shall have the meaning given to it in Section 5.7.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights,

franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names (including without limitation MicroNet and all variations thereof), copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 8.2.

Material Agreement shall mean, with respect to Seller, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $50,000 during the last fiscal year, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the Seller Business in the last year or is likely to account for more than three percent (3%) of revenues of the Seller

Business during the current fiscal year, (f) is with the United States Forest Service or any other Authority, or (g) involves the management by Seller of any communication tower of any other Person.

Maximum Disapproved Cost Amount shall have the meaning given to it in Section 5.9.

Maximum Site Disapproved Cost Amount shall have the meaning given to it in Section 5.9.

MicroNet L.P. shall mean MicroNet Delmarva Associates, L.P., a Delaware limited partnership.

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Nonassignable Contracts shall have the meaning given to it in Section 2.2(c).

Nonassignable Contracts Agreement shall have the meaning given to it in Section 2.2(c).

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the Seller Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by Seller or any Seller Subsidiary and used as of the date hereof in the conduct of the Seller Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the Seller Business.

Prepaid Expense shall mean any item which in accordance with GAAP would be treated as an expense and which has been paid by Seller prior to the Closing and relates to a period subsequent to the Closing.

Prepaid Revenue shall mean any item which in accordance with GAAP would be treated as revenue and which has been received by Seller prior to the Closing and relates to a period subsequent to the Closing.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property relating to the ownership or operation of the Seller Assets or the conduct of the Seller Business.

Pro Ratable Taxes shall mean real estate and other property Taxes, ad valorem Taxes, gross receipts Taxes and similar Taxes, but shall not include federal, state or local income Taxes, franchise Taxes or other Taxes measured by or based upon income or gain on sale or other disposition of property or assets.

Purchase Price shall have the meaning given to it in Section 2.3.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned or used by Seller or any Seller Subsidiary as of the date hereof in the conduct of the Seller Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 5.1(a).

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.

Seller shall have the meaning given to it in the Preamble.

Seller Accounts Receivable shall have the meaning given to it in Section 2.4.

Seller Assets shall have the meaning given to it in Section 2.1.

Seller Assumable Agreements shall mean all obligations and liabilities of Seller under all Leases, Material Agreements, Governmental Authorizations, Private Authorizations and other Contractual Obligations not required to be listed on Section 3.15 of the Seller Disclosure Schedule entered into in the ordinary course of business and relating to the ownership or operation of any of the Seller Assets or the conduct of the Seller Business.

Seller Assumed Liabilities shall have the meaning given to it in Section 2.2(b).

Seller Business shall have the meaning given them in the first Whereas paragraph.

Seller Disclosure Schedule shall mean the Seller Disclosure Schedule dated as of the date of this Agreement delivered by Seller to ATS.

Seller Employees shall have the meaning given it in the Section 3.14.

Seller Financial Statements shall have the meaning given to it in Section 3.2(b).

Seller Nonassumed Obligations shall have the meaning given to it in Section 2.2(b).

Seller Subsidiaries shall mean, collectively, Lenfest Atlantic, Inc., a New Jersey corporation, MicroNet, Inc., a Delaware corporation, MicroNet Diversified Investments, Inc., a Delaware corporation, MicroNet Delmarva, Inc., a Delaware corporation, MicroNet, L.P, a Delaware limited partnership, and Lenfest New Castle County, a Delaware general partnership.

Seller's Environmental Notice shall have the meaning given to it in Section 5.8.

Seller's knowledge means the actual knowledge of any Seller officer or senior manager, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate Seller records.

Seller's Title Notice shall have the meaning given to it in Section 5.7.

Settlement Proposal shall have the meaning given to it in Section 8.5.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person Controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a), and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.3.

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Title Company shall have the meaning given to it in Section 5.7.

Title Reports shall have the meaning given to it in Section 5.7.

Termination Date shall have the meaning given to it in Section 7.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Seller Assets and the Seller Business and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.23

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of the 31st day of July, 1997, by and between AMERICAN TOWER SYSTEMS, INC., a Delaware corporation (herein called "Purchaser") and JOHN C. SANTANGELO AND GERALD HARKINS (herein collectively called "Shareholders") being all of the shareholders of Southeast Communications, Inc., and SOUTHEAST COMMUNICATIONS, INC., a Massachusetts corporation ("Company"). The Shareholders and the Company are collectively referred to herein as the "Sellers."

Agreement

In consideration of the mutual benefits to be derived therefrom and the mutual agreements hereinafter contained, Purchaser and Sellers approve and adopt this Agreement and mutually covenant and agree with each other as follows:

1. Assets to Be Purchased and Purchase Price.

1.1 On the Closing Date (as hereinafter defined) the Sellers shall transfer to Purchaser certain assets of Company consisting of (a) tower leases with existing tenants (the "Tenant Leases"), (b) certain owned and leased real property (the "Realty") and (c) certain items of tangible personal property (the "Personalty"), all free and clear of any debt or liens whatsoever which in the aggregate shall represent all of the assets of Company, but not the debt or other liabilities. The Tenant Leases, Realty and Personalty are collectively referred to herein as the "Transferred Assets" and are described in Schedules 1 (Tenant Leases), 2 (Realty), and 3 (Personalty) hereto.

1.2 As consideration for the Transferred Assets being transferred pursuant to Subparagraph 1.1 hereof, Purchaser shall on the Closing Date and contemporaneously with such transfer of the Transferred Assets, and except as provided in Subparagraph 5.4 hereof, pay to Sellers U.S. $7,168,370 ("Purchase Consideration") subject to adjustment and proration for monthly land lease payments, monthly tenant rental income and real and personal taxes paid to respective municipalities. Upon execution hereof, Purchaser shall deposit a $70,000.00 earnest money deposit ("Deposit") with Perry, Hicks, Crotty and Mitchell ("Escrow Agent"), to be held in escrow pursuant to the terms hereof and credited toward the Purchase Price at Closing. Escrow Agent shall not disburse the Deposit without the written consent of Purchaser or Purchaser's attorney. Sellers shall be solely responsible for allocating the Purchase Consideration among themselves and shall give Notice of such allocation to Purchaser at least two (2) days prior to the Closing Date.

2. Representations and Warranties of Sellers.

2.1 Ownership of Stock/Transferred Assets.

(a) Shareholders are the record owners and holders of all of the shares of Company's common stock as of the date hereof and will continue to own such shares until the Closing Date. The Company is the record owner and holder of all of the Transferred Assets listed in Schedules 1 through 3, inclusive, hereto and will continue to own such Transferred Assets to, on and through the Closing Date. All such Transferred Assets are or will be on the Closing Date owned free and clear of all liens, encumbrances, charges and assessments of every nature, are subject to no restrictions with respect to transferability, and, where applicable, all consents of any parties to the Realty and Tenant Leases required for their transfer to Purchaser have or will be on the Closing Date obtained in writing. The Sellers will have full power and authority to assign and transfer the Transferred Assets in accordance with the terms hereof.

(b) Except for Tenant Leases listed in Schedule 1 of this Agreement, there are no outstanding options, contracts, calls, commitments, agreement or demands of any character relating to the Transferred Assets. Sellers shall obtain written Waiver of First Right of Refusals from all Tenants with such rights of first refusal.

(c) Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Massachusetts, with all requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted, is duly qualified and in good standing in every jurisdiction in which the property owned, leased or operated by it or the nature of the Transferred Assets are located. The states in which Company is qualified to do business are listed in Schedule 4.

(d) Schedule 5 contains a list of the officers, directors and shareholders of Company; and a list of the articles of incorporation and bylaws currently in effect of Company, copies of which have been furnished to Purchaser.

(e) The execution and delivery of this Agreement does not, and, subject to the approval and adoption by the Shareholders of Company contemplated hereby, the consummation of the transaction contemplated hereby will not violate any provision of Company's articles of incorporation or bylaws, or any provisions of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, court order, arbitration award, judgment or decree to which Company is a party, or by which it is bound, and will not violate any other restriction of any kind or character to which it is subject, or cause or result in the filing of a bankruptcy or insolvency proceeding under state or federal law.

(f) All Personalty of Company is in good working condition and repair, and Seller has no notice of any required repairs to the Personalty.

2.2 Changes since December 31, 1996.

Since December 31, 1996, there has not been:

(a) Any material adverse change in the Company's prospects, financial condition, assets, liabilities, properties or business.

(b) Any mortgage, pledge, lien or encumbrance made on any of the Transferred Assets.

(c) Any sale, transfer or other disposition of assets of Company, except in the normal course of business.

(d) Any other event or condition not in the ordinary course of business.

2.3 Liabilities.

(a) There are no liabilities of Company that relate to the Transferred Assets, whether accrued, absolute, contingent or otherwise, which arose or relate to any transaction of Company occurring prior to December 31, 1996, other than mortgage indebtedness that will be discharged or released at Closing, and obligations under the Tenant Leases and Realty. There are no such liabilities of Company which have arisen or relate to any transaction of Company occurring since December 31, 1996, other than normal liabilities incurred in the normal conduct of Company's business, and none of which have a material adverse effect on the business or financial condition of the Company. As of the date hereof, there are no known circumstances, conditions, happenings, events or arrangements, contractual or otherwise, which may hereafter give rise to liabilities, except in the normal course of Company's business.

(b) All corporate acts required of Company have been taken and all reports and returns required to be filed by them with any governmental agency have been filed. Company has no notice of any claimed violation of any, and is in compliance with, all applicable federal, state, county, local and foreign government laws, ordinances or regulations relating to the Transferred Assets. Company has maintained files and records which contain all correspondence, notices, applications and other documentation relating to all federal, state, local and foreign governmental, regulatory agency and other licenses, approvals, clearances, and investigations, or employees of Company relating to the Transferred Assets. All such files and records have been heretofore identified to and made available for review by Purchaser.

(c) There are no legal, administrative or other proceedings, investigations, inquiries, or claims, judgments, injunctions or restrictions, either threatened, pending or

outstanding against or involving Company, or the Transferred Assets, nor does Company know, or have reasonable grounds to know, of any basis for any such proceedings, investigations, inquiries, or claims, judgments, injunctions or restrictions relating to the Transferred Assets.

(d) Company does not have any contract with any governmental body relating to the Transferred Assets which is subject to renegotiation.

(e) The past and anticipated future operations of the Transferred Assets do not infringe or violate any patents, patent rights, trademarks, trade names, copyrights and/or licenses thereof of others.

(f) No claim, demand or notice is pending against the Company for breach of any of the Tenant Leases or for any similar claim, nor, to the best of Sellers' knowledge, do any facts exist which may lead to any such claim, demand or notice being asserted in the future.

(g) All policies of insurance carried by Company are in full force and all premiums thereon are paid to date. Schedule 6 contains a true and correct list of all policies of insurance, relating to the Transferred Assets.

(h) All negotiations relative to this Agreement and the transaction contemplated hereby have been carried on directly by Shareholders with Purchaser without the intervention of any broker or third party as no broker is involved in this transaction. The parties shall indemnify each other for any claims made by a broker or third party.

(i) Neither Company nor any of its Subsidiaries has granted any license or made any assignment of any of their patents, patent applications, invention discoveries, trademarks, trade names or copyrights, relating to the Transferred Assets.

2.4 Taxes.

(a) All federal, state, foreign, county and local income, ad valorem, excise, profits, franchise, occupation, property, sales, use, gross receipts and other taxes (including any interest or penalties relating thereto) and assessments which are due and payable have been duly reported, fully paid and discharged as reported by Company, and there are no unpaid taxes which are, or could become a lien on the Transferred Assets. All tax returns of any kind required to be filed have been filed and the taxes paid or accrued.

(b) Company's federal income tax returns have never been audited.

(c) The Company has not waived restrictions on assessment or collection of taxes or consented to the extension of any statute of limitations relating to any tax. Company has no knowledge of any possible deficiency assessments in respect to federal income tax returns or other tax returns filed by it.

2.5 Tenant Leases and Commitments.

(a) The Company has no commitments relating to the Transferred Assets (except the Tenant Leases listed in Schedule 1).

(b) The Company has not given a power of attorney which is currently in effect, to any person, firm or, corporation for any purpose whatsoever.

2.6 Environmental Representations.

(i) That no "Hazardous Substance" (defined below) has: (A) been disposed of, buried beneath, or percolated beneath the Property or any improvements thereon; or (B) been removed from the Property and stored offsite of the Property.

(ii) That there has been no "Release" (as used in Section 101(22) of CERCLA) of a Hazardous substance on the Property.

(iii) That the Property and any improvements thereon have not in the past been used and are not presently being used for the handling, transportation or disposal of a Hazardous Substance.

(iv) That neither the Seller, nor any lessee, licensee nor other party acting at the direction of or with consent of the Seller, or such lessee or licensee, has manufactured, treated, stored or disposed of any Hazardous Substance on the Property or any improvements thereof.

(v) That the Seller is in material compliance with all applicable federal, state and local laws, administrative rulings, and regulations of any county administrative agency or other governmental or quasi-governmental authority, relating to the protection of the environment (including, without limitation, laws prohibiting the creation of a public nuisance).

(vi) That the Seller has not received notification that it is a potentially responsible party under, or that it has violated, any "Environmental Laws" (defined below).

(vii) That no Hazardous Substances or wastes contaminate the Property above levels which exceed the allowable levels as set forth in the Environmental Laws.

(viii) For the purpose of this paragraph, the term "Hazardous Substance" means any one or more of the following: (A) any substance deemed hazardous

under Section 101(14) of CERCLA, (B) any other substance deemed hazardous by the Environmental Protection Agency pursuant to Section 102(a) of CERCLA, (C) petroleum (including, without limitation, crude oil or any fraction thereof), (D) any substance deemed hazardous pursuant to Section 1004(5) of RCRA, (E) any solid waste identified in Section 1004(27) of RCA; or (F) any other hazardous or toxic substance, material, compound, mixture, solution, element, pollutant, or waste regulated under any federal, state or local statute, ordinance or regulation.

2.7 Accuracy of All Statements Made by Sellers and Company.

No representation or warranty by Sellers or Company in this Agreement, nor any statement, certificate, schedule or exhibit hereto furnished or to be furnished by or on behalf of Sellers or Company pursuant to this Agreement, nor any document or certificate delivered to Purchaser pursuant to this Agreement or in connection with actions contemplated hereby, contains or shall contain any untrue statement of material fact or omits or shall omit a material fact necessary to make the statement contained therein not misleading. Seller shall cooperate with an audit conducted by Deloitte & Touche at Seller's expense, whether such audit is conducted before or after the Closing Date.

3. Representations and Warranties of Purchaser.

Purchaser represents and warrants as follows:

3.1 Organization and Good Standing.

Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts with full power and authority to enter into and perform the transactions contemplated by this Agreement.

3.2 Performance of this Agreement.

The execution and performance of this Agreement by Purchaser has been authorized by the board of directors of Purchaser.

3.3 No Covenant as to Tax Consequences.

It is expressly understood and agreed that neither Purchaser nor its employees, officers, counsel or agents has made any warranty or agreement, expressed or implied, as to the tax consequences of the transactions contemplated by this Agreement or the tax consequences of any action pursuant to or growing out of this Agreement.

4. Covenants of Sellers.

Sellers hereby covenant and agree to cause Company to comply with the following:

4.1 Access to Information.

Purchaser and its authorized representatives shall have full access during normal business hours to all properties, books, records, Tenant Leases and documents of Company, and Company shall furnish or cause to be furnished to Purchaser and its authorized representative all information with respect to its affairs and business of Company as Purchaser may reasonably request.

4.2 Actions Prior to Closing.

From and after the date of this Agreement and until the Closing Date:

(a) Except with the prior written consent of Purchaser, Company shall carry on their business diligently and substantially in the same manner as heretofore, and the Company shall not make or institute any unusual or novel methods of purchase, sale, management, accounting or operation, except with the prior written consent of Purchaser.

(b) Company shall not enter into any contract or commitment or engage in any transaction not in the usual and ordinary course of business and consistent with Company's business practices without the prior written consent of Purchaser.

(c) Company shall not create any indebtedness other than short term indebtedness incurred in the usual and ordinary course of business, pursuant to existing Tenant Leases disclosed in the Schedules submitted in connection herewith, and in doing the acts and things contemplated by this Agreement.

(d) Company shall not amend its articles of incorporation or bylaws, or make any changes in authorized or issued capital stock interests without the prior written consent of Purchaser.

(e) Company shall maintain current insurance and such additional insurance in effect as may be reasonably required by increased business and risks; and all property shall be used, operated, maintained and repaired in a normal business manner.

(f) Company shall use is best efforts (without making any commitments on behalf of Purchaser) to preserve for Purchaser the present contract relationships of Company, and Company shall notify Purchaser upon the termination or expiration of any Tenant Leases prior to closing.

(g) Company shall not do any act or omit to do any act, or permit any act or omission to act, which will cause a material breach of any contract.

(h) Company shall duly comply with all applicable laws as may be required for the valid and effective transfer of the Transferred Assets contemplated by this Agreement, except that Purchaser hereby waives compliance with the provisions of any bulk sales act.

(i) Company shall promptly notify Purchaser of any lawsuits, claims, proceedings or investigations that may be threatened, brought, asserted or commenced against it, its officers or directors involving in any way the business, properties or assets of Company.

(j) Company shall be solely responsible for payment of any liabilities or obligations of Company to its employees, including any salary, severance pay and/or accrued vacation pay. This covenant shall survive the Closing.

5. Conditions Precedent to Purchaser's Obligations.

5.1 Truth of Representations and Warranties.

The representations and warranties made by Company and Sellers in this Agreement or given on its or their behalf hereunder, shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date.

5.2 Compliance with Covenants.

Sellers shall have performed and complied with all its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date, including the delivery of the closing documents specified in Subparagraph 8.2.

5.3 Absence of Suit.

No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced or threatened and, no investigation by any governmental or regulatory authority shall have been commenced, against Purchaser, the Sellers, the Company or any of the affiliates, associates, officers or directors of any of them, seeking to restrain, prevent or change the transactions contemplated hereby, or questioning the validity or legality of any such transactions, or seeking damages in connection with any of such transactions.

5.4 Receipt of Approvals, etc.

All approvals, consents and/or waivers that are necessary to effect the transactions contemplated hereby shall have been received, unless the required receipt of such approvals,

consents and/or waivers is waived in writing by Purchaser. If the consent to the assignment of a Contract has not been received by the Closing Date, Purchaser may withhold a reasonable portion of the Purchase Consideration -- based upon the value of that Contract -- until such consent shall have been obtained.

5.5 No Material Adverse Change.

As of the Closing Date there shall not have occurred any material adverse change which materially impairs the ability of Company to conduct their business or the earning power thereof on the same basis as in the past.

5.6 Accuracy of Financial Statement.

Purchaser and its representatives shall be satisfied as to the accuracy of all balance sheets, statements of income and other financial statements of Company furnished to Purchaser in connection herewith.

5.7 Noncompetition Agreements.

Noncompetition agreements referred to in Subparagraph 8.2(f) shall have been executed.

5.8 Legal Opinion.

Purchaser shall have received an opinion of counsel for Company referred to in Subparagraph 8.2(f).

5.9 Environmental Assessment.

Purchaser shall have approved an environmental site assessment for each Land Lease site (the "Site Assessments"). Such Site Assessments shall be prepared by Purchaser's environmental consultant at Purchaser's sole expense. If the Site Assessments determine that environmental remediation is required, Seller hereby agrees to pay the first $350,000.00 toward the remediation expense, and thereafter Purchaser, at its sole discretion, may either pay the additional remediation cost, if any, or terminate this Agreement and receive a full refund of its deposit and all interest earned thereon.

Seller shall perform all such remediation as is required to satisfy Federal and Massachusetts law (or, if applicable, Rhode Island law) relating to release of hazardous substances, under the supervision of a licensed site professional and to the reasonable satisfaction of Purchaser, provided that Seller shall not be required to expend more than $350,000. If the cost of required remediation exceeds $350,000, then Purchaser at its option may accept a credit of $350,000 on the purchase price and complete remediation at its expense, or terminate the Agreement, in which case all deposits hereunder shall be forthwith refunded. In the event that Seller has not completed

remediation required by this section by the closing date, a portion of the purchase price equal to 120% of the estimated cost of remediation shall be held in escrow pending such completion.

5.10 Proceedings and Instruments Satisfactory; Certificates.

All proceedings, corporate or otherwise, to be taken in connection with the transactions contemplated by this Agreement shall have occurred and all appropriate documents incident thereto as Purchaser may request shall have been delivered to Purchaser. Company and the Sellers shall have delivered certificates in such detail as Purchaser may request as to compliance with the conditions set forth in this Article 5.

6. Conditions Precedent to Sellers' Obligations.

6.1 Truth of Representations and Warranties.

Purchaser's representations and warranties contained in this Agreement shall be true at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.

6.2 Purchaser's Compliance with Covenants.

Purchaser shall have performed and complied with its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date.

7. Indemnification.

7.1 Requirement of Indemnification.

Seller and each Seller, jointly and severally, shall indemnify Purchaser for any loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses) suffered by Purchaser resulting from, arising out of, or incurred with respect to the falsity or the breach of any representation, warranty or covenant made by Shareholders herein, and any claims arising from actions by Company or Subsidiaries prior to the Closing Date. Purchaser shall indemnify and hold the Sellers harmless from and against any loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses) resulting from, arising out of, or incurred with respect to, or alleged to result from, arise out of or have been incurred with respect to, the falsity or the breach of any representation, covenant, warranty or agreement made by Purchaser herein, and any claims arising from actions of Company or Subsidiaries from and after the Closing Date.

7.2 Notice and Resolution of Claim.

An indemnified party hereunder shall promptly give "Notice" (as hereinafter defined) to the indemnifying party after obtaining knowledge of any claim against the indemnified party as to which recovery may be sought against the indemnifying party because of the indemnity set forth above, and, if such indemnity shall arise from the claim of a third party, shall permit the indemnifying party to assume the defense of any such claim or any litigation resulting from such claim. Failure by the indemnifying party to give Notice to the indemnified party of its election to defend any such claim or action by a third party within fifteen (15) days after Notice thereof shall have been given to the indemnifying party shall be deemed a waiver by the indemnifying party of its right to defend such claim or action. If the indemnifying party assumes the defense of such claim or litigation resulting therefrom, the obligations of the indemnifying party hereunder as to such claim shall include taking all steps necessary in the defense or settlement of such claim or litigation resulting therefrom and holding the indemnified party harmless from and against any and all losses, damages and liabilities including, without limitation, attorneys' fees and expenses, caused by or arising out of any settlement approved by the indemnifying party or any judgment in connection with such claim or litigation resulting therefrom. The indemnifying party shall not, in the defense of such claim or any litigation resulting therefrom, consent to entry of any judgment except with the prior written consent of the indemnified party, or enter into any settlement (except with the prior written consent of the indemnified party). Notwithstanding the foregoing, any such judgment or settlement shall contain as an unconditional term thereof the giving by the claimant or the plaintiff to the indemnified party a release from all liability in respect of such claim or litigation.

7.3 Defense of Third-Party Claim.

If the indemnifying party shall not assume the defense of any such claim by a third party or litigation resulting therefrom, the indemnified party may defend against such claim or litigation in such manner as it may deem appropriate and, unless the indemnifying party shall deposit with the indemnified party a sum equivalent to the total amount demanded in such claim or litigation plus the indemnified party's estimate of the cost of defending the same, the indemnified party may settle such claim or litigation on such terms as it may deem appropriate and the indemnifying party shall within thirty (30) days of Notice from the indemnified party reimburse the indemnified party for the amount of such settlement and for all losses or expenses, legal or otherwise, incurred by the indemnified party in connection with the defense against or settlement of such claim or litigation.

7.4 Payment.

The indemnifying party shall promptly reimburse the indemnified party for the amount of any judgment rendered with respect to any claim by a third party in such litigation and for all losses and expenses, legal or otherwise, incurred by the indemnified party in connection with the defense against such claim or litigation, and for any other loss suffered or incurred with respect

to the falsity or the breach of any representation, warranty, covenant or agreement (whether or not arising out of the claim of a third party).

7.5 Effect of Taxes.

The determination of any indemnified loss, cost or expense shall take into account any tax benefit derived by Purchaser or any affiliated companies. To the extent that any deficiency for state, local, or federal income taxes which may be established against Company for any year ended on or prior to December 31, 1997, is occasioned by a determination by the Internal Revenue Service or state or local departments of revenue that any increase in income for the year gives rise to a deduction or deductions from ordinary income of Company in the same aggregate amount for a subsequent taxable year or years, such deficiency shall be assumed by Purchaser and shall not be a breach of any of Company or Shareholders' warranties, representations and covenants in this Agreement.

7.6 Time Limit on Indemnification.

No claim for indemnification may be asserted by Purchaser after the second anniversary of the Closing Date, as hereinafter defined, except for (i) state or federal sales or income taxes for any period ending on or prior to December 31, 1997, which may be asserted at any time the applicable State Departments of Revenue or Internal Revenue Service may still assert a deficiency, and which indemnification is subject to the provisions of Subparagraph 7.5 above, and (ii) claims arising out of a representation, warranty or covenant that a Seller knew at the date of this Agreement was false or which arises out of a claim later known to a Seller which Seller failed to disclose to Purchaser prior to the Closing Date.

7.7 Amount Limit on Indemnification.

Notwithstanding any other provision to the contrary, neither Shareholders nor Purchaser shall be charged with any such indemnified loss, cost or expense which in the aggregate does not exceed Five Thousand dollars ($5,000.00).

8. Closing.

8.1 Time and Place.

The closing of this transaction ("Closing") shall take place by mail with the escrow documents to be delivered to the offices of Moyle, Flanigan, Katz, Kolins, Raymond & Sheehan, P.A., in West Palm Beach, Florida, at 10:00 a.m., Palm Beach County, Florida, time on September 2, 1997, or at such other time and place as the parties hereto shall agree upon. Such date is referred to in this Agreement as the "Closing Date."

8.2 Documents To Be Delivered by Sellers.

At the closing Sellers shall deliver to Purchaser the following documents:

(a) Duly executed assignments of the Land Leases and Tenant Leases, together with all required estoppels, waivers and consents thereto, in form and substance satisfactory to Purchaser.

(b) The originals or copies of the Land Leases and Tenant Leases.

(c) A duly executed bill of sale absolute as to the Personalty with full warranties of title and no liens, in form and substance acceptable to Purchaser.

(d) A certificate signed by the Sellers that the representations and warranties made by them in this Agreement are true and correct on and as of the Closing Date with the same effect as through such representations and warranties had been made on or given on and as of the Closing Date and that Sellers have performed and complied with all its obligations under this Agreement which are to be performed or complied with by or prior to or on the Closing Date.

(e) A written opinion from counsel for Sellers dated as of the Closing Date addressed to the Purchaser and its counsel satisfactory in form and substance to Purchaser to the effect that:

(1) The corporate existence and good standing and qualification of Company is as stated in Subparagraph 2.1;

(2) This Agreement has been duly executed and delivered by Sellers and constitutes a legal, valid and binding obligation of them enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy and other laws affecting creditors' rights generally and by the availability of equitable remedies;

(3) The Company has all requisite power and authority to own its property and operate its business as and where it is now being conducted;

(4) The Company has title to all of the Transferred Assets free and clear of all mortgages, liens, leases, pledges, charges, security interests, or encumbrances of any nature whatsoever except as set forth in such opinion;

(5) To such counsel's knowledge after due investigation, this Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy and other laws affecting creditors' rights generally and by the availability of equitable remedies;

(6) Counsel has no knowledge of any of the proceedings stated in Subparagraph 2.3(c);

(7) To the best of counsel's actual knowledge without any investigation required, Company is in compliance with all statutes, regulations, rules and executive orders of all government authorities;

(8) To the best of counsel's knowledge Seller's representations and warranties in Subparagraph 2 are true and correct; and

(9) The Noncompetition Agreement provided for herein to be entered into between all or certain of the Sellers and Purchaser or Company, as the case may be, are valid and binding individual obligations of the Sellers who are parties to such agreements, enforceable against each of them in accordance with the terms of such provisions.

(10) The transaction contemplated by this Agreement shall not cause or result in the filing of a bankruptcy or insolvency proceeding under state or federal law.

(f) Noncompetition agreements between the Seller, each of John C. Santangelo and Gerald Harkins and the Purchaser, in satisfactory form to Purchaser. Such agreements shall specify that, for a five year term after Closing, the Seller and/or Shareholders shall not thereafter, directly or indirectly, construct, participate in site development for, acquire any interest in, or provide financing for an antenna site within ten (10) miles of any of the Transferred Assets, without the prior written consent of Purchaser. Purchaser shall not unreasonably withhold consent to development or participation in development or financing by Seller and/or Shareholders of an antenna site, but shall not consent if such development may, in the opinion of Purchaser, have a potentially material adverse impact on the use of or demand for tower space for any Transferred Asset. Purchaser shall provide Seller and/or Shareholders with Purchaser's determination of whether Purchrchaser, Purchaser shall have the exclusive option to purchase any tower constructed within such ten (10) mile radius, to be exercised at any time after the twelfth (12th) month following the commencement of construction of the tower. The purchase price of the tower shall be the sum of the prior 12 months trailing cash flow multiplied by ten. This Noncompetition Agreement shall exclude other interests currently constructed and held by the Sellers and not sold hereby. Purchaser hereby consents to the development of the Mattapoisett antenna site.

(g) Copies of the Articles of Incorporation and good standing certificate certified by the secretary of state.

(h) Incumbency certificate relating to all parties executing documents relating to any of the transactions contemplated hereby.

(i) General releases in form and substance satisfactory to Purchaser of all claims that any officer, director or partner of Company may have to the date of closing against Purchaser.

(j) Duly executed Massachusetts Quitclaim Deed for the Old County Road site in Wareham and a title insurance commitment and final policy in favor of Purchaser, in a form and substance acceptable to Purchaser.

(k) Such other documents of transfer, certificates of authority and other documents as Purchaser may reasonably request.

8.3 Documents To Be Delivered by Purchaser.

At the closing Purchaser shall deliver to Sellers the following documents:

(a) Cash, cashiers check, wire transfer of immediately available federal funds, or Purchaser's attorneys' trust account check in the amount of the Purchase Consideration provided for in Subparagraph 1.2 hereof.

(b) A certified copy of the duly adopted resolutions of Purchaser's board of directors or executive committee authorizing or ratifying the execution and performance of this agreement and authorizing or ratifying the acts of its officers and employees in carrying out the terms and provisions thereof.

8.4 Closing Expenses.

All title insurance fees or premiums, state transfer taxes or other fees payable as a result of this transaction shall be paid by Seller. Seller shall pay all invoices, fees, charges, taxes, expenses or other obligations which are accrued but unbilled at the Closing Date.

9. Law Governing/Jurisdiction/Venue.

This Agreement and all transactions contemplated by this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Massachusetts without regard to principles of conflicts of laws. The parties acknowledge that a substantial portion of negotiations and anticipated performance of this Agreement occurred or shall occur in Palm Beach County, Florida, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the parties irrevocably and conditionally (i) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement may be brought in the courts of record of the State of Florida in Palm Beach County, or the courts of the United States, Southern District of Florida; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (iii) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any such court, provided, however, that the parties agree that any action to determine entitlement to the Deposit shall occur in Massachusetts.

10. Assignment.

This Agreement shall not be assigned by any party without the prior written consent of the other parties which consent may be withheld for any reason and any attempted assignment without such written consent shall be null and void and without legal effect, except that this Agreement

may be freely assigned by Purchaser to any corporation wholly-owned by Purchaser. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their successors, assigns, heirs, executors, administrators, and personal representatives (if the consent required by this Article 10 is properly secured if required).

11. Amendment and Modification.

Purchaser and Sellers may amend, modify and supplement this Agreement in such manner as may be agreed upon by them in writing.

12. Termination and Abandonment.

This Agreement may be terminated and the transaction provided for by this agreement may be abandoned without liability on the part of any part to any other, at any time before the Closing Date:

(a) By mutual consent of Purchaser and Company;

(b) By Purchaser:

(1) If any of the conditions provided for in Article 5 of this Agreement have not been met and have not been waived in writing by Purchaser.

(c) By Sellers:

(1) If any of the conditions provided for in Article 6 of this Agreement have not been met and have not been waived in writing by Sellers.

In the event of termination and abandonment by any party as above provided in this Article 12, Notice shall forthwith be given to the other party, and each party shall pay its own expenses incident to preparation for the consummation of this Agreement and the transactions contemplated hereunder.

13. Survival.

The covenants, agreements, indemnifications, representations and warranties of the parties hereto shall survive the closing of the transactions contemplated by this Agreement but shall expire when the indemnification claims period expires pursuant to Subparagraph 7.6 hereof.

14. Default.

14.1 If this transaction does not close due to a default by Purchaser, then Sellers may retain the Deposit as agreed upon and liquidated damages.

14.2 If this transaction does not close due to a default by Sellers or Company, the Purchaser may receive a return of its Deposit or, in the alternative, Purchaser may proceed in equity to specifically enforce Purchaser's rights hereunder, including the right of specific performance.

15. Notices.

All notices, requests, demands and other communications hereunder ("Notices") shall be deemed to have been duly given, if delivered by hand or mailed, certified or registered mail with postage prepaid:

(a) If to Sellers, to Mr. John C. Santangelo, 258 Main Street, Unit D-1, Buzzards Bay, Massachusetts 02532, with a copy to Daniel C. Perry, Esq., 388 County Street, New Bedford, Massachusetts 02740 ; or to such other person and place as Sellers shall furnish to Purchaser by Notice; or

(b) If to Purchaser, to James S. Eisenstein, Esq. at 6400 North Congress Avenue, Suite 1750, Boca Raton, Florida 33487, with a copy to John F. Flanigan, Esquire, Moyle, Flanigan, Katz, Kolins, Raymond & Sheehan, P.A., 625 North Flagler Drive, 9th Floor, West Palm Beach,

Florida 33401, or to such other person and place as Purchaser shall furnish to Seller by Notice.

16. Announcements.

Announcements concerning the transactions provided for in this agreement by Company, Sellers, or Purchaser shall be subject to the approval of the others in all essential respects, except that Company's or Sellers' approval of form shall not be required as to any statements and other information which Purchaser may submit to the Securities and Exchange Commission, the New York Stock Exchange or Purchaser's shareholders or be required to make pursuant to any rule or regulation of the Securities and Exchange Commission or the New York Stock Exchange.

17. Entire Agreement.

This instrument embodies the entire agreement between the parties hereto with respect to the transactions contemplated herein, and there have been and are no agreements, representations or warranties between the parties other than those set forth or provided for herein.

18. Counterparts.

This Agreement may be executed in two or more partially or fully executed counterparts, each of which shall be deemed an original and shall bind the signatory, but all of which together shall constitute but one and the same instrument, provided that Purchaser shall have no obligations hereunder until all shareholders have become signatories hereto.

19. Headings.

The headings in the Articles and Paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof.

20. Further Documents.

Purchaser and Sellers agree to execute any and all other documents and to take such other action or corporate proceedings as may be necessary or desirable to carry out the terms hereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed all as of the day and year first above written.

WITNESSES:

(1)_____

(2)_____
As to Santangelo

(1)_____

(2)_____
As to Harkins

(1)_____

(2)_____
As to Southeast Communications, Inc.

(1)_____

(2)_____
As to Purchaser

SELLERS:

_____
JOHN C. SANTANGELO

_____
GERALD HARKINS

SOUTHEAST COMMUNICATIONS, INC.

By:_____
John C. Santangelo, President

PURCHASER:

AMERICAN TOWER SYSTEMS, INC.

By:_____
Name: _____
Its: _____ President

SCHEDULES

1. Tenant Leases.

2. Realty.

3. Personalty.

4. States in which Company is qualified to do business.

5. Names of officers, directors and shareholders, of Company.

6. Insurance.

7. Current or Anticipated Development Projects of Company.

EXHIBIT 10.24

STOCK PURCHASE AGREEMENT

By and Among

AMERICAN TOWER SYSTEMS, INC.,

OPM - USA - INC.

and

THE STOCKHOLDERS

of

OPM - USA - INC.

Dated as of

September 30, 1997

TABLE OF CONTENTS

EXHIBITS:

EXHIBIT A	Form of Noncompetition Agreement (Section 7.2(i)) (to be agreed upon)
EXHIBIT B	Form of Indemnity scrow Agreement (Section 9.3(b)) (to be agreed upon)
EXHIBIT C	OPM Master Plan (Section 6.10)
EXHIBIT D	Form of Employment Agreement (Section 7.2(p)) (to be agreed upon)
EXHIBIT E:	Executive summary of financial Terms (Section 2.2(b).

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement") is dated as of September 30, 1997 by and among American Tower Systems, Inc., a Delaware corporation ("ATS"), OPM - USA - INC., a Florida corporation ("OPM"), and the undersigned stockholders (individually, a "Stockholder" and collectively, the "Stockholders") of OPM.

WHEREAS, the Stockholders hold in the aggregate ninety (90) shares (the "Subject Stock") of common stock of OPM, which constitute all of the issued and outstanding capital stock of OPM;

WHEREAS, the Buyer desires to purchase, and the Sellers desire to sell, the Subject Stock upon the terms and subject to the conditions set forth herein; and

WHEREAS, OPM owns and leases and operates communication towers and is engaged in the business of managing communication sites for third parties (the "OPM Business");

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the parties, intending to be legally bound, do hereby covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A 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 shall have such meanings when used in the OPM Disclosure Schedule and 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" are intended to refer to the entire Section and not a particular subsection thereof. The term "any party" shall, unless the context otherwise requires, refer to OPM, the Stockholders and ATS.

ARTICLE 2

SALE AND PURCHASE OF STOCK

2.1 Agreement to Sell and Buy the Subject Stock. Upon the terms and subject to the conditions set forth in this Agreement, each of the Stockholders agrees to sell, assign, and transfer and deliver to ATS, and ATS agrees to purchase and accept the assignment, transfer and delivery of, the Subject Stock, in consideration of the payment to the Stockholders of the Purchase Price specified in Section 2.2.

2.2 Closing Purchase Price; Tax Allocation Schedule.

(a) The closing of the transaction (the "Closing") shall take place at Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, at 10:00 a.m., local time, on January 6, 1998 or such other date, prior to the Termination Date, as the parties may agree (the "Closing Date"). At the Closing, (A) the Stockholders will deliver original certificates representing all of the Subject Stock, duly endorsed (or accompanied by duly executed stock powers), for transfer to ATS, and (B) ATS will make or cause to be made the initial installment of the purchase price (the "Initial Installment") in the amount of eleven (11) times the forward looking twelve (12) months Cash Flow of OPM Communication Towers beginning December 31, 1997 as reflected in the Master Plan. The purchase Price for the Subject Stock (the "Purchase Price") shall be an amount equal to (i) $105,000,000, less (ii) the amount of liabilities and obligations with respect to all Indebtedness of Money Borrowed or Purchase Money Indebtedness (other than Indebtedness owed to ATS or incurred subsequent of October 6, 1997 with the prior written consent of ATS) and all Liens (other than Permitted Liens) on any of the OPM Assets or the OPM Business (the "Debt Reduction"), all but the Initial Installment being payable in accordance with the provisions of, and subject to satisfaction of the conditions set forth in, Section 2.2(b). The Purchase Price shall be payable by wire transfer of immediately available funds to the Stockholders, in accordance with their respective holdings of the Subject Stock for the Initial Installment to such account (or accounts) as the Stockholders shall designate (including accounts of individuals other than the Stockholders in order to satisfy obligations of OPM pursuant to employment agreements with such individuals) in written instructions to ATS delivered not less than two (2) business days prior to the Closing.

Anything in this agreement to the contrary notwithstanding, ATS will make quarterly installment payments to the Stockholders for the balance of the Purchase Price to in accordance with the following schedule:

Payment Date	Date of Record	Amount Due
April 30,1998	March 31, 1998	See "Formula" below
July 30, 1998	June 30, 1998	"
October 30, 1998	September 30, 1998	"
January 31, 1998	December 31, 1998	"
April 30, 1999	March 31, 1999	"
August 31, 1999	June 30, 1999	"

For the purposes of the above calculations the "Formula" is the following:

"Amount Due" is equal to:

The Cash Flow as of the "Date of Record" divided by $9,600,000. This percentage is then averaged with the percentage of permits of the total number of permits required, the denominator of this percentage calculation is 250 and the percentage of towers completed, the denominator of this percentage calculation is 200. The resultant amount is the amount from which the previous payments are subtracted. The balance after deducting an amount equal to the Debt Reduction (in the case of the April 30, 1998 Payment Date) and the Debt Reduction not previously deducted (in the case of all subsequent Payment Dates) is the "Amount Due".

For example:

Assume as of March 31, 1998:
"Cash Flow" is $8,000,000
125 towers are permitted
133 towers are completed

$8,000,000	/	$9,600,000	=	83%
125 permits	/	250 permits	=	50%
133 towers	/	200 towers	=	66.5%

The average of the completions are		66.5%
The "Purchase Price" is	x	$105,000,000
The amount earned is		$69,825,000
Less previous payments		$30,000,000
The amount due April 30, 1998	=	$39,825,000

(b) For the purposes of determining the Initial Installment and the quarterly amount due, "Cash Flow" shall be determined for the twelve (12) months beginning immediately subsequent to the determination thereof, and shall mean, the gross lease revenues attributable to the OPM Communications Towers, minus the annual taxes on the site, the utility expense on the site, repairs and maintenance to the site, insurance on the site and the lease payments on the site. Sales taxes collected by OPM are not included in the revenue.

Cash Flow shall be determined jointly by ATS with the Stockholders Representative based on the above formula. In the event of disagreement, ATS and the Stockholders Representative shall negotiate to resolve the disagreement and, in the event they are unable to resolve their disagreement within thirty (30) days, the matter shall be referred to a recognized national accounting firm which does not serve as such for ATS, reasonably acceptable to ATS and the Stockholders Representative, whose determination of cash flow in accordance with the above formula shall be final, determinative, nonappealable and binding on ATS and the Stockholders, and whose fees and expenses shall be borne equally by ATS, on the one hand, and the Stockholders, on the other. ATS shall cause any payment required to be made pursuant to the provisions of this Section to be made promptly to the Stockholders after agreement of ATS and the Stockholders Representative or the determination of the accounting firm, as the case may be.

(c) The parties hereto have heretofore agreed that (i) the aggregate value of all Real Property of OPM (including without limitation the OPM Communication Towers constructed as of the date hereof or between the date hereof and the Closing Date) does not exceed 150% of the original cost thereof, and (ii) on the basis thereof, BIA Consulting, Inc. shall promptly conduct an appraisal of the OPM Assets which shall be the basis for an allocation schedule (the "Tax Allocation Schedule") pursuant to which the Purchase Price and the liabilities of OPM shall be allocated among the OPM Assets as follows: initially to the Real Property and tangible Personal Property and the balance to intangible Personal Property (including without limitation Governmental Authorizations, Private Authorizations, Leases (pursuant to which OPM acts as lessor) and other Contracts, collectively Section 197 assets of the Code). Each of OPM, the Stockholders and ATS shall report the purchase and sale of the Subject Stock and the other Transactions in accordance with the Tax Allocation Schedule for purposes of all federal, state and local Tax Returns (including amended returns and claims for refund) and information reports and shall not take, and shall cause their respective Affiliates, representatives, successors and assigns not to take, any position on any federal, state or local Tax Return or

report, inconsistent with such reporting position. Each of the Stockholders and ATS shall promptly give the other notice of any disallowance of or challenge to such reporting by any Taxing Authority.

2.3 OPM Disclosure Schedule. The Stockholders will deliver to ATS, on or before thirty (30) days from the execution and delivery of this Agreement, the OPM Disclosure Schedule and all related documents required to be delivered by OPM or the Stockholders pursuant to the provisions of Article 3 of this Agreement. ATS shall be permitted, for a period of ten (10) business days commencing upon its receipt of the completed OPM Disclosure Schedule and related documents to terminate this Agreement, if (a) the OPM Disclosure Schedule reveals any condition of which ATS is unaware as of the date of this Agreement and/or any breaches of the Stockholders' representations, warranties, covenants and agreements hereunder (without regard to matters set forth in the OPM Disclosure Schedule), which unknown conditions and/or breaches in the aggregate would have a material adverse effect on OPM or on ability of OPM to continue to operate or ATS to operate the OPM Business as it is currently being operated, or (b) the parties are unable to agree upon which Private Authorizations, Material Agreements and Leases with respect to which a third-party consent to the consummation of the Transactions or modifications thereof will be a condition to Closing. In the event ATS terminates this Agreement pursuant to the provisions of this Section, none of the parties shall have any further rights or remedies, except as provided in Sections 6.1 (with respect to confidentiality), 6.3 and 10.3.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

Each of the Stockholders, jointly and severally, hereby represents, warrants and covenants to, and agrees with, ATS as follows:

3.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) OPM is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) OPM has all requisite power and authority (corporate and other) and has in full force and effect all Governmental Authorizations and Private Authorizations necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of OPM. This Agreement has been duly executed and delivered by OPM and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by OPM will constitute, legal, valid and binding obligations of OPM, 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) Except as set forth in Section 3.1(c) of the OPM Disclosure Schedule, neither the execution and delivery by OPM of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by OPM:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of OPM or any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of OPM; or

(ii) will require OPM to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA.

(d) OPM does not have any Subsidiaries.

3.2 Financial and Other Information. OPM has heretofore furnished to ATS copies of the financial statements of OPM listed in Section 3.2 of the OPM Disclosure Schedule (the "OPM Financial Statements"). The OPM Financial Statements, including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein or as set forth in Section 3.2 of the OPM Disclosure Schedule, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact required by GAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the financial condition and the results of operations and cash flow of OPM, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals. Without limiting the generality of the foregoing, all accounts and notes receivable reflected on the OPM Financial Statements and all accounts and notes receivable arising subsequent to the issuance of the OPM Financial Statements have or will have arisen in the ordinary course of business, represent or will represent valid obligations to OPM, and will be collected in the aggregate amounts thereof recorded on the books of OPM, net of the reserve for bad debts reflected on the most recent OPM Financial Statements.

3.3 Changes in Condition. Since the date of the most recent financial statements constituting a part of the OPM Financial Statements, except to the extent specifically described in Section 3.3 of the OPM Disclosure Schedule, there has been no material adverse change in OPM. There is no Event known to OPM which materially adversely affects, or (so far as OPM can now reasonably foresee) is likely to materially adversely affect, OPM, except to the extent specifically described in Section 3.3 of the OPM Disclosure Schedule.

3.4 Materiality. The representations and warranties set forth in this Article would in the aggregate be true and correct even without the materiality exceptions or qualifications contained therein or set forth in the OPM Disclosure Schedule, except for such exceptions and qualifications including without limitation those set forth in the OPM Disclosure Schedule which, in the aggregate for all such representations and warranties, are not and could not reasonably be expected to be materially adverse to OPM.

3.5 Title to Properties; Leases.

(a) Section 3.5(a) of the OPM Disclosure Schedule contains a true, accurate and complete description of all real property owned by OPM that is part of the OPM Assets. OPM has, to the Stockholders' knowledge, good indefeasible, marketable and insurable title to all real property (other than leasehold real property) and good indefeasible and merchantable title to all other assets (other than real property), tangible and intangible, constituting a part of the OPM Assets; all of such real property and other assets is so owned,

in each case, free and clear of all Liens, except (i) Permitted Liens, (ii) Liens set forth on Section 3.5(a) of the OPM Disclosure Schedule and (iii) Approved Title Conditions. Except for financing statements evidencing Liens referred to in the preceding sentence (a true, accurate and complete list and description of which is set forth in Section 3.5(a) of the OPM Disclosure Schedule), no financing statements under the Uniform Commercial Code and no other filing which names OPM as debtor or which covers or purports to cover any of the OPM Assets is on file in any state or other jurisdiction, and OPM has not signed or agreed to sign any such financing statement or filing or any agreement authorizing any secured party thereunder to file any such financing statement or filing. Except as disclosed in Section 3.5(a) of the OPM Disclosure Schedule, all improvements on the real property owned or leased by OPM are, to the Stockholders' knowledge, in compliance with applicable zoning, wetlands and land use laws, ordinances and regulations and applicable title covenants, conditions, restrictions and reservations in all respects necessary to conduct the operations as presently conducted, except for any instances of non-compliance which do not and will not in the aggregate have a material adverse effect on the owner or lessee, as the case may be, of such real property. Except as disclosed in Section 3.5(a) of the OPM Disclosure Statement, all such improvements comply in all material aspects with all Applicable Laws, Governmental Authorizations and Private Authorizations. Except as disclosed in Section 3.5(a) of the OPM Disclosure Statement, all of the transmitting towers, ground radials, guy anchors, transmitting buildings and related improvements located on the real property owned or leased by OPM are located entirely on such real property. There is no pending and, to Stockholders' knowledge, threatened or contemplated action to take by eminent domain or otherwise to condemn any part of any real property owned or leased by OPM. Except as set forth in Section 3.5(a) of the OPM Disclosure Schedule, such real property (other than land), fixtures, fixed assets and other material items of personal property, including equipment, have, in OPM's reasonable business judgment, been maintained in a manner consistent with generally accepted standards of sound engineering practice and currently permit the OPM Business to be operated in all material respects in accordance with the terms and conditions of all Applicable Laws, Governmental Authorizations and Private Authorizations.

(b) Section 3.5(b) of the OPM Disclosure Schedule contains a true, accurate and complete description of all Leases under which any real property used in the OPM Business is leased. Except as otherwise set forth in Schedule 3.5(b) of the OPM Disclosure Schedule, each Lease or other occupancy or other agreement under which OPM holds real or personal property constituting a part of the OPM Assets has been duly authorized, executed and delivered by OPM and, to Stockholders' knowledge, each of the other parties thereto, and is a legal, valid and binding obligation of OPM, and, to Stockholders' knowledge, each of the other parties thereto, enforceable in accordance with its 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. OPM has a valid leasehold interest in and enjoys peaceful and undisturbed possession under all Leases pursuant to which it holds any such real property or tangible personal property. All of such Leases are valid and subsisting and in full force and effect; neither OPM nor, to Stockholders' knowledge, any other party thereto, is in material default in the performance, observance or fulfillment of any obligation, covenant or condition contained in any such Lease. None of the fixed assets or equipment comprising a part of the OPM Assets is subject to contracts of sale, and none is held by OPM as lessee or as conditional sales vendee under any Lease or conditional sales contract and none is subject to any title retention agreement, except as set forth in Section 3.5(b) of the OPM Disclosure Schedule.

(c) Section 3.5(c) of the OPM Disclosure Schedule contains a true, accurate and complete description of all material items of OPM Personal Property. OPM owns and has good and merchantable title to all of the OPM Personal Property (the "OPM Personal Property"), in each case, free and clear of all Liens, except (i) Permitted Liens and (ii) Liens set forth on Section 3.5(c) of the OPM Disclosure Schedule (which Liens shall be released prior to Closing). Except as set forth in Section 3.5(c) of the OPM Disclosure Schedule, all of the OPM Personal Property is in a state of good repair and maintenance and is in good

operating condition, normal wear and tear excepted, has been maintained in a manner consistent with generally accepted standards of good engineering practice and currently permits the OPM Business to be operated in accordance with the terms and conditions of all Applicable Laws.

3.6 Compliance with Private Authorizations. Section 3.6 of the OPM Disclosure Schedule sets forth a true, accurate and complete list and description of each Private Authorization which individually is material to the OPM Assets or the OPM Business. OPM has obtained all Private Authorizations which are necessary for the ownership or operation of the OPM Assets or the conduct of the OPM Business which, if not obtained and maintained, could, individually or in the aggregate, materially adversely affect OPM. All of such Private Authorizations are valid and in good standing and are in full force and effect. OPM is not in breach or violation of, or in default in the performance, observance or fulfillment of, any such Private Authorization, and no Event exists or has occurred, which constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under any such Private Authorization, except for such defaults, breaches or violations as do not and will not have in the aggregate any material adverse effect on OPM. No such Private Authorization is the subject of any pending or, to Stockholders' knowledge, threatened attack, revocation or termination.

3.7 Compliance with Governmental Authorizations and Applicable Law.

(a) Section 3.7(a) of the OPM Disclosure Schedule contains a true, complete and accurate description of each Governmental Authorization required under Applicable Laws (i) to own and operate the OPM Business, as currently conducted or proposed to be conducted on or prior to the Closing Date, all of which are in full force and effect or (ii) that is necessary to permit OPM to execute and deliver this Agreement and to perform its obligations hereunder. OPM has obtained all Governmental Authorizations which are necessary for the ownership or operation of the OPM Assets or the conduct of the OPM Business as now conducted and which, if not obtained and maintained, would, individually or in the aggregate, have any material adverse effect on OPM. None of the Governmental Authorizations listed in Section 3.7(a) of the OPM Disclosure Schedule is subject to any restriction or condition which would limit in any material respect the ownership or operations of the OPM Assets or the conduct of the OPM Business as currently conducted, except for restrictions and conditions generally applicable to Governmental Authorizations of such type. The Governmental Authorizations listed in Section 3.7(a) of the OPM Disclosure Schedule are valid and in good standing, are in full force and effect and are not impaired in any material respect by any act or omission of OPM or its officers, directors, employees or agents, and the ownership or operation of the OPM Assets or the conduct of the OPM Business are in accordance in all material respects with the Governmental Authorizations. All material reports, forms and statements required to be filed by OPM with all Authorities with respect to the OPM Business have been filed and are true, complete and accurate in all material respects. No such Governmental Authorization is the subject of any pending or, to Stockholders' knowledge, threatened challenge or proceeding to revoke or terminate any such Governmental Authorization. OPM has no reason to believe that any such Governmental Authorization would not be renewed in the name of OPM by the granting Authority in the ordinary course.

(b) Except as otherwise specifically described in Section 3.7(b) of the OPM Disclosure Schedule, neither OPM nor any director or officer thereof (in connection with ownership or operation of the OPM Assets or the conduct of the OPM Business) is in or is charged by any Authority with or, to Stockholders' knowledge, at any time since May 1, 1995 has been in or has been charged by any Authority with, or, to Stockholders' knowledge, is threatened or under investigation by any Authority with respect to, breach or violation of, or default in the performance, observance or fulfillment of, any Governmental Authorization or any Applicable Law relating to the ownership and operation of the OPM Assets or the conduct of the OPM Business. In particular, but without limiting the generality of the foregoing, there are no applications, complaints or Legal Actions pending or, to Stockholders' knowledge, threatened before or by any Authority

(x) relating to the ownership or operation of the OPM Assets or the conduct of the OPM Business which, individually or in the aggregate, are reasonably likely to result in the revocation or termination of any Governmental Authorization or the imposition of any restriction of such a nature as would adversely affect the ownership or operation of the OPM Assets or the conduct of the OPM Business; (y) involving charges of illegal discrimination by OPM under any federal or state employment Laws, or (z) involving Environmental Laws or zoning laws, except as otherwise specifically described in Section 3.7(b) of the OPM Disclosure Schedule.

(c) Except as otherwise specifically described in Section 3.7(c) of the OPM Disclosure Schedule, no Event exists or has occurred, which, to Stockholders' knowledge, constitutes, or but for any requirement of giving of notice or passage of time or both would constitute, such a breach, violation or default, under (i) any Governmental Authorization or any Applicable Law, except for such breaches, violations or defaults as do not and will not have, individually or in the aggregate, any material adverse effect on OPM or (ii) any material requirement of any insurance carrier, applicable to the ownership or operations of the OPM Assets or the conduct of the OPM Business.

(d) With respect to matters, if any, of a nature referred to in Section 3.7(a), 3.7(b) or 3.7(c) of the OPM Disclosure Schedule, except as otherwise specifically described in Section 3.7(d) of the OPM Disclosure Schedule, all such information and matters set forth in the OPM Disclosure Schedule, if adversely determined against OPM, will not, individually or in the aggregate, have a materially adversely effect on OPM.

3.8 Intangible Assets. Section 3.8 of the OPM Disclosure Schedule sets forth a true, accurate and complete description of all Intangible Assets (other than Governmental Authorizations and Private Authorizations) relating to the ownership and operation of the OPM Assets or the conduct of the OPM Business held or used by OPM, including without limitation the nature of OPM's interest in each and the extent to which the same have been duly registered in the offices as indicated therein. Except as set forth in Section 3.8 of the OPM Disclosure Schedule, no Intangible Assets (except Governmental Authorizations, Private Authorizations, and the Intangible Assets so set forth) are required for the ownership or operation of the OPM Assets or the conduct of the OPM Business as currently owned, operated and conducted or proposed to be owned, operated and conducted on or prior to the Closing Date. OPM does not, to its knowledge, wrongfully infringe upon or unlawfully use any Intangible Assets owned or claimed by another, and OPM has not received any notice of any claim or infringement relating to any such Intangible Asset.

3.9 Related Transactions. OPM is not a party or subject to any Contractual Obligation relating to the ownership or operation of the OPM Assets or the conduct of the OPM Business between OPM and any of its officers, directors, stockholders, employees or, to the knowledge of OPM, any Affiliate of any thereof, including without limitation any Contractual Obligation providing for the furnishing of services to or by, providing for rental of property, real, personal or mixed, to or from, or providing for the lending or borrowing of money to or from or otherwise requiring payments to or from, any such Person, other than (i) Employment Arrangements listed or described in Section 3.15 of the OPM Disclosure Schedule, (ii) Contractual Obligations between OPM and any of its directors, stockholders, officers, employees or Affiliates of OPM or any of the foregoing, which will be terminated, at no cost or expense to OPM, prior to the Closing, or (iii) as specifically set forth in Section 3.9 of the OPM Disclosure Schedule.

3.10 Insurance. OPM maintains, with respect to the OPM Assets and the OPM Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are set forth in Section 3.10 of the OPM Disclosure Schedule.

3.11 Tax Matters.

(a) OPM has in accordance with all Applicable Laws filed all Tax Returns which are required to be filed, and has paid, or made adequate provision for the payment of, all Taxes which have or may become due and payable pursuant to said Tax Returns and all other governmental charges and assessments received to date other than those Taxes being contested in good faith for which adequate provision has been made on the most recent balance sheet forming part of OPM Financial Statements. The Tax Returns of OPM have been prepared in all material respects in accordance with all Applicable Laws and generally accepted principles applicable to taxation consistently applied. All Taxes which OPM is required by law to withhold and collect have been duly withheld and collected, and have been paid over, in a timely manner, to the proper Authorities to the extent due and payable. OPM has not executed any waiver to extend, or otherwise taken or failed to take any action that would have the effect of extending, the applicable statute of limitations in respect of any Tax liabilities of OPM for the fiscal years prior to and including the most recent fiscal year. Adequate provision has been made on the most recent balance sheet forming part of OPM Financial Statements for all Taxes accrued through the date of such balance sheet of any kind, including interest and penalties in respect thereof, whether disputed or not, and whether past, current or deferred, accrued or unaccrued, fixed, contingent, absolute or other, and there are, to Stockholders' knowledge, no past transactions or matters which could result in additional Taxes of a material nature to OPM for which an adequate reserve has not been provided on such balance sheet. OPM is not a "consenting corporation" within the meaning of Section 341(f) of the Code. OPM has at all times been taxable as a Subchapter S corporation under the Code, and has never been a member of any consolidated group for Tax purposes, except as otherwise set forth in Section 3.11(a) of the OPM Disclosure Schedule.

(b) The information shown on the federal income Tax Returns of OPM for each of the most recent two tax years (true and complete copies of which have, to the extent requested by ATS, been furnished by OPM to ATS) is true, accurate and complete in all material respects and fairly and accurately reflects the information purported to be shown. Federal and state income Tax Returns of OPM have not been examined by the IRS or applicable state Authority, and OPM has not been notified of any proposed examination, except as shown in Section 3.11(b) of the OPM Disclosure Schedule.

(c) OPM is not a party to any tax sharing agreement or arrangement.

3.12 Employee Retirement Income Security Act of 1974.

(a) OPM (which for purposes of this Section shall include any ERISA Affiliate) is not making any contribution to or sponsoring, and has not at any time since its organization made any contribution to or sponsored, any Plan or Benefit Arrangement, except as set forth in Section 3.12(a) of the OPM Disclosure Schedule. As to all Plans and Benefit Arrangements listed in Section 3.12(a) of the OPM Disclosure Schedule:

(i) all such Plans and Benefit Arrangements comply and have been administered in form and in operation with all Applicable Laws in all material respects, and OPM has not received any notice from any Authority questioning or challenging such compliance;

(ii) all such Plans maintained or previously maintained by OPM that are or were intended to comply with Sections 401 and 501 of the Code comply and complied in form and in operation with all applicable requirements of such sections, and no event has occurred which will or could give rise to disqualification of any such Plan under such sections or to a tax under Section 511 of the Code;

(iii) none of the assets of any such Plan are invested in employer securities or employer real property;

(iv) there have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any such Plan and OPM has not otherwise engaged in any prohibited transaction;

(v) there have been no acts or omissions by OPM which have given rise to or may give rise to any material fines, penalties, taxes or related charges under Sections 502(c), 502(i) or 4071 or ERISA or Chapter 43 of the Code for which OPM may be liable;

(vi) there are no Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders) pending or threatened involving such Plans or the assets of such Plans, and, to Stockholders' knowledge, no facts exist which could give rise to any such Claims (other than routine claims for benefits or actions seeking qualified domestic relations orders);

(vii) no such Plan is subject to Title IV of ERISA, or, if subject, there have been no "report able events" (as described in Section 4043 of ERISA), and no steps have been taken to terminate any such Plan;

(viii) all group health Plans of OPM have been operated in compliance in all material respects with the group health plan continuation coverage requirements of COBRA;

(ix) actuarially adequate accruals for all obligations under the Plans are reflected in the most recent balance sheet forming part of the OPM Financial Statements and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the Plan years which include the Closing Date;

(x) neither OPM nor any of its respective directors, officers, employees or any other fiduciary has committed any breach of fiduciary responsibility imposed by ERISA or any similar Applicable Law that would subject OPM or any of its respective directors, officers or employees to material liability under ERISA or any similar Applicable Law;

(xi) no such Plan which is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code had an accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied, nor would have had an accumulated funding deficiency on such date if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code applied;

(xii) no material liability to the PBGC has been or is expected by OPM to be incurred by OPM with respect to any Plan, and there has been no event or condition which presents a material risk of termination of any Plan by the PBGC;

(xiii) OPM is not and never has been a party to any Multiemployer Plan or made contributions to any such Plan;

(xiv) except as set forth in Section 3.12(a)(xiv) of the OPM Disclosure Schedule (which entry, if applicable, shall indicate the present value of accumulated plan liabilities calculated in a manner consistent with FAS 106 and actual annual expense for such benefits for each of the last two (2) years) and pursuant to the provisions of COBRA, OPM does not maintain any Plan that provides

benefits described in Section 3(1) of ERISA, except as the provisions of COBRA may apply, to any former employees or retirees of OPM; and

(xv) OPM has made available to ATS a copy of the two most recently filed Federal Form 5500 series and accountant's opinion, if applicable, for each Plan (and the two most recent actuarial valuation reports for each Plan, if any, that is subject to Title IV of ERISA), and all information provided by OPM to any actuary in connection with the preparation of any such actuarial valuation report was true, accurate and complete in all material respects.

(b) The execution, delivery and performance by OPM of this Agreement and the Collateral Documents executed or required to be executed pursuant hereto and thereto will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code.

3.13 Absence of Sensitive Payments. Neither OPM nor, to Stockholders' knowledge, any of its officers, directors, employees, agents or other representatives, has with respect to the OPM Assets or the OPM Business (a) made any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the laws of the United States or the jurisdiction in which made or (b) established or maintained any unrecorded fund or asset for any purpose or made any false or artificial entries on its books.

3.14 Inapplicability of Specified Statutes. OPM is not a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, or an "investment company" or a company "controlled" by or acting on behalf of an "investment company", as defined in the Investment Company Act of 1940, as amended, or a "carrier" or a person which is in control of a "carrier", as defined in section 11301 of Title 49, U.S.C.

3.15 Employment Arrangements. Section 3.15 of the OPM Disclosure Schedule contains a true, accurate and complete list of all OPM employees (the "OPM Employees"), together with each such employee's title or the capacity in which he or she is employed and the basis for each such employee's compensation. OPM has no obligation or liability, contingent or other, under any Employment Arrangement with any OPM Employee, other than those listed or described in Section 3.15 of the OPM Disclosure Schedule. Except as described in Section 3.15 of the OPM Disclosure Schedule, (a) none of the OPM Employees is now, or since May 1, 1995 has been, represented by any labor union or other employee collective bargaining organization, and OPM is not, and never has been, a party to any labor or other collective bargaining agreement with respect to any of the OPM Employees, (b) there are no pending grievances, disputes or controversies with any union or any other employee or collective bargaining organization of such employees, or threats of strikes, work stoppages or slowdowns or any pending demands for collective bargaining by any such union or other organization, (c) neither OPM nor any of such employees is now, or has since May 1, 1995 been, subject to or involved in or, to Stockholders' knowledge, threatened with, any union elections, petitions therefore or other organizational or recruiting activities, in each case with respect to the OPM Employees, and (d) none of the OPM Employees has notified OPM that he or she does not intend to continue employment with OPM until the Closing or with ATS following the Closing. OPM has performed in all material respects all obligations required to be performed under all Employment Arrangements and is not in material breach or violation of or in material default or arrears under any of the terms, provisions or conditions thereof.

3.16 Material Agreements. Listed on Section 3.16 of the OPM Disclosure Schedule are all Material Agreements relating to the ownership or operation of the OPM Assets or the conduct of the business of the OPM Business or to which OPM is a party or to which it is bound or which any of the OPM Assets is subject. True, accurate and complete copies of each of such Material Agreements have been made available

by OPM to ATS and OPM has provided ATS with photocopies of all such Material Agreements requested by ATS (or true, accurate and complete descriptions thereof have been set forth in Section 3.16 of the OPM Disclosure Schedule, with respect to Material Agreements comprised of site leases and site licenses granted by OPM to third parties and with respect to Material Agreements that are oral). All of such Material Agreements are valid, binding and legally enforceable obligations of OPM and, to Stockholders' knowledge, all other parties thereto, 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. OPM has duly complied with all of the material terms and conditions of each such Material Agreement and has not done or performed, or failed to do or perform (and there is no pending or, to the knowledge of OPM, Claim threatened in writing that OPM has not so complied, done and performed or failed to do and perform) any act which would invalidate or provide grounds for the other party thereto to terminate (with or without notice, passage of time or both) such Material Agreement or impair the rights or benefits, or increase the costs, of OPM under any of such Material Agreements in any material respect.

3.17 Ordinary Course of Business. OPM, from the end of its most recent fiscal quarter to the date hereof, except (i) as may be described on Section 3.17 of the OPM Disclosure Schedule, or (ii) as may be required or expressly contemplated by the terms of this Agreement, with respect to the OPM Assets and the OPM Business:

(a) has operated its business in all material respects in the normal, usual and customary manner in the ordinary and regular course of business, consistent with prior practice;

(b) except in each case in the ordinary course of business, consistent with prior practice:

(i) has not incurred any obligation or liability (fixed, contingent or other) individually having a value in excess of $20,000;

(ii) has not sold or otherwise disposed of or contracted to sell or otherwise dispose of any of its properties or assets having a value in excess of $20,000;

(iii) has not entered into any individual commitment having a value in excess of $20,000; and

(iv) has not canceled any debts or claims;

(c) has not created or permitted to be created any Lien on any of its property;

(d) has not made or committed to make any additions to its property or any purchases of equipment, except in the ordinary course of business consistent with past practice or for normal maintenance and replacements;

(e) has not increased the compensation payable or to become payable to any of the OPM Employees other than nonmaterial increases in the ordinary course of business, or otherwise materially altered, modified or changed the terms of their employment;

(f) has not suffered any material damage, destruction or loss (whether or not covered by insurance) or any acquisition or taking of property by any Authority;

(g) has not waived any rights of material value without fair and adequate consideration;

(h) has not experienced any work stoppage;

(i) except in the ordinary course of business, has not entered into, amended or terminated any Lease, Governmental Authorization, Private Authorization, Material Agreement or Employment Arrangement, or any transaction, agreement or arrangement with any Affiliate of OPM, except for OPM Nonassumed Obligations; and

(j) has not made, paid or declared any Distribution; and

(k) has not entered into any other transaction or series of related transactions which individually or in the aggregate is material to the OPM Assets or the OPM Business.

3.18 Material and Adverse Restrictions. OPM is not a party to or subject to, nor is any of the OPM Assets subject to, any Applicable Law, Governmental Authorization, Contractual Obligation, Employment Arrangement, Material Agreement or Private Authorization, or any other obligation or restriction of any kind or character, which now has or, as far as OPM can now reasonably foresee, at any time in the future, individually or in the aggregate, is likely to have, any material adverse effect on OPM, except as set forth in Section 3.18 of the OPM Disclosure Schedule.

3.19 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of OPM.

3.20 Solvency. As of the execution and delivery of this Agreement, OPM is, and immediately prior to and after giving effect to the consummation of the Transactions will be, solvent.

3.21 Environmental Matters. Except as set forth in Section 3.21 of the OPM Disclosure Schedule, with respect to the OPM Assets and the OPM Assets, OPM:

(a) has not been notified that it is potentially liable under, has not received any request for information or other correspondence concerning its potential liability with respect to any site or facility under, and, to Stockholders' knowledge, is not a "potentially responsible party" under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Recovery Act, as amended, or any similar state law;

(b) has not entered into or received any consent decree, compliance order or administrative order issued pursuant to any Environmental Law;

(c) is not a party in interest or in default under any judgment, order, writ, injunction or decree of any Final Order issued pursuant to any Environmental Law;

(d) has obtained all Environmental Permits required under Environmental Laws, and has filed all applications, notices and other documents required to be filed prior to the date of this Agreement to effect the timely renewal or issuance of all Environmental Permits for the continued conduct of its business in the manner now conducted;

(e) is in compliance in all material respects with all Environmental Laws, and is not the subject of or, to the Stockholders' knowledge, threatened with any Legal Action involving a demand for damages or other potential liability, including any Lien, with respect to violations or breaches of any Environmental Law;

(f) has not conducted or received any site assessment, audit or other investigation as to material environmental matters at any property currently owned, leased, operated or occupied by OPM;

(g) has not installed or used any above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation on any property currently owned, leased or operated by OPM and, to the Stockholders' knowledge, there are no above ground or underground storage tanks, friable asbestos, polychlorinated biphenyls or urea formaldehyde foam insulation or any property currently owned, leased or operated by OPM;

(h) there has been no disposal, release, spill or burial of any Hazardous Materials by OPM (or any Person acting on its behalf) in violation of Environmental Laws on any property or facility owned, leased, operated or occupied by OPM or to the Stockholders' knowledge at any facility or site to which Hazardous Materials from or generated by OPM may have been taken at any time in the past;

(i) to the Stockholders' knowledge, there has been no disposal, release, spill or burial of any Hazardous Materials by OPM (or any Person acting on its behalf) on any property which could reasonably be expected to result or has resulted in contamination which requires investigation, remediation or other response activity on or beneath any properties or facilities currently owned, leased, operated or occupied by OPM; and

(j) has no knowledge of any past or present Event related to OPM's properties, operations or business, which Event, individually or in the aggregate, may interfere with or prevent continued material compliance with all Environmental Laws, or which, individually or in the aggregate, may form the basis of any material Claim for or arising out of the release or threatened release into the environment of any Hazardous Material.

Section 3.21 of the Disclosure Schedule lists all off-site locations, including, without limitation, commercial waste disposal facilities and municipal landfills, to which OPM has directed the transport of Hazardous Materials originating from OPM or OPM's business during the three (3) years prior to the date hereof.

3.22 Capital Stock. The authorized and outstanding capital stock of OPM is as set forth in Section 3.22 of the OPM Disclosure Schedule. All of such outstanding capital stock has been duly authorized and validly issued, is fully paid and nonassessable and is not subject to any preemptive or similar rights. Except as described in Section 3.22 of the OPM Disclosure Schedule, OPM has not granted or issued, nor has OPM agreed to grant or issue, any shares of its capital stock or any Option Security or Convertible Security, and OPM is not a party to or bound by any agreement, put or commitment pursuant to which it is obligated to purchase, redeem or otherwise acquire any shares of capital stock or any Option Security or Convertible Security.

3.23 Bank Accounts, Etc. Section 3.23 of the OPM Disclosure Schedule contains a true, accurate and complete list of the date hereof of all banks, trust companies, savings and loan associations and brokerage firms in which OPM has an account or a safe deposit box and the names of all Persons authorized to draw thereon, to have access thereto, or to authorize transactions therein, the names of all Persons, if any, holding valid and subsisting powers of attorney from OPM and a summary statement as to the terms thereof. OPM agrees that prior to the Closing Date it will not make or permit to be made any change affecting any bank, trust company, savings and loan association, brokerage firm or safe deposit box or in the names of the Persons authorized to draw thereon, to have access thereto or to authorize transactions therein or in such powers of

attorney, or open any additional accounts or boxes or grant any additional powers of attorney, without in each case first notifying ATS in writing.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS RELATING TO THE SUBJECT STOCK

Each of the Stockholders, severally and not jointly, represents, warrants and covenants to, and agrees with, ATS as follows:

4.1 Enforceability. This Agreement has been duly executed and delivered by such Stockholder and constitutes, and each Collateral Document executed or required to be executed by such Stockholder pursuant hereto or thereto when executed and delivered by such Stockholder will constitute, legal, valid and binding obligations of such Stockholder, enforceable in accordance with their respective terms, except as such enforceability may be subject to bankruptcy, moratorium, insolvency, reorganization, arrangement, voidable preference, fraudulent conveyance and other similar laws relating to or affecting the rights of creditors and except as the same may be subject to the effect of general principles of equity.

4.2 Title to Shares. Such Stockholder owns the Subject Stock set forth opposite his name in Section 3.22 of the OPM Disclosure Schedule. Except as set forth in Section 3.22 of the OPM Disclosure Schedule, such Stockholder owns and has good and merchantable title to such Subject Stock as so set forth, free and clear of all Liens.

4.3 No Conflict; Required Filings and Consents. Except for consents as set forth in Section 4.3 of the Disclosure Schedule, neither the execution and delivery by such Stockholder of this Agreement or any Collateral Document executed or required to be executed by such Stockholder pursuant hereto or thereto, nor the consummation of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by such Stockholder:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the 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 acceleration in, any Contractual Obligation of such Stockholder, except for such conflicts, breaches, defaults, violations or accelerations that would not, individually or in the aggregate, have a Material Adverse Effect;

(ii) will result in or permit the creation or imposition of any Lien upon any property or asset of such Stockholder; or

(iii) will require any Governmental Authorization or Governmental Filing or Private Authorization of such Stockholder.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF ATS

ATS represents, warrants and covenants to, and agrees with, the Stockholders as follows:

5.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) ATS is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority (corporate and other) to own or hold under lease its properties and to conduct its business as now conducted.

(b) ATS has all requisite corporate power and corporate authority necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions; and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed by it pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of ATS. This Agreement has been duly executed and delivered by ATS and constitutes, and each Collateral Document executed or required to be executed by it pursuant hereto or thereto or to consummate the Transactions when executed and delivered by ATS will constitute, legal, valid and binding obligations of ATS, 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 the obligations of debtors generally and by general principles of equity.

(c) Except for matters which would have not material adverse effect on ATS, as of the Closing Date, neither the execution and delivery by ATS of this Agreement or any Collateral Document executed or required to be executed by it pursuant hereto or thereto, nor the consummation by ATS of the Transactions, nor compliance with the terms, conditions and provisions hereof or thereof by ATS:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of ATS or any Applicable Law on the part of ATS, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of 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 acceleration in, any Contractual Obligation of ATS; or

(ii) will require ATS to make or obtain any Governmental Authorization, Governmental Filing or Private Authorization including without limitation under the FCA, except for filings under the Hart-Scott-Rodino Act.

5.2 Broker or Finder. No Person assisted in or brought about the negotiation of this Agreement or the Transactions in the capacity of broker, agent or finder or in any similar capacity on behalf of ATS.

5.3 ATS Financing. ATS has and will, at all times that the Purchase Price remains unpaid in full, have sufficient funds available to it to pay the Purchase Price when due in accordance with the provisions of this Agreement and all transaction related fees and expenses payable by ATS in connection with the consummation of the Transactions.

5.4 Financial Information. ATS has heretofore furnished to the Stockholders copies of the audited financial statements of ATS for the fiscal year ended December 31, 1996 and the unaudited financial statements of ATS for the six months ended June 30, 1997 (the "ATS Financial Statements"). ATS Financial Statements, including in each case the notes thereto, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein, are true, accurate and complete in all material respects, do not contain any untrue statement of a material fact or omit

to state a material fact required by GAAP to be stated therein or necessary in order to make the statements contained therein not misleading, and fairly present the financial condition and the results of operations and cash flow of ATS, on the bases therein stated, as of the respective dates thereof, and for the respective periods covered thereby subject, in the case of unaudited financial statements, to normal nonmaterial year-end audit adjustments and accruals.

5.5 Changes in Condition. Since the date of the most recent financial statements constituting a part of the ATS Financial Statements, except to the extent, if any, heretofore specifically disclosed in writing by ATS to the Stockholders, there has been no material adverse change in ATS. There is no Event known to ATS which materially adversely affects, or (so far as ATS can now reasonably foresee) is likely to materially adversely affect, ATS, except to the extent, if any, heretofore specifically disclosed in writing by ATS to the Stockholders.

5.6 No Legal Action. There are no Legal Actions pending or, to the knowledge of ATS, threatened against ATS or any of its Affiliated Entities, officers or directors, that question or may affect the validity of this Agreement or the right or ability of ATS to consummate the transactions contemplated hereunder.

ARTICLE 6

COVENANTS

6.1 Access to Information; Confidentiality.

(a) OPM shall afford to ATS and its accountants, counsel, lenders, financial advisors and other representatives (the "Representatives") full access during normal business hours throughout the period prior to the Closing Date to all of OPM's properties, books, contracts, commitments and records (including without limitation Tax Returns) relating to the OPM Assets and the OPM Business and, during such period, shall furnish promptly upon request (i) a copy of each report, schedule and other document filed or received by any of them pursuant to the requirements of any Applicable Law or filed by it with any Authority in connection with the Transactions or which may have an adverse effect on the OPM Assets or the OPM Business or the businesses, operations, properties, prospects, personnel, condition (financial or other), or results of operations thereof, (ii) all financial records, ledgers, work papers and other sources of financial information possessed and controlled by OPM or its accountants deemed by ATS or its Representatives necessary or useful for the purpose of performing an audit of the OPM Assets and the OPM Business and certifying financial statements and financial information, and (iii) such other information in the possession or control of OPM or its accountants concerning any of the foregoing as ATS shall reasonably request; provided, however, that OPM shall not be required to permit any such access (x) to the extent same would unreasonably interfere with OPM's normal business operations or (y) to any document, the delivery of which would, in the opinion of OPM's counsel, have the effect of waiving any attorney-client privilege enjoyed by OPM. All non-public information relating to the OPM Assets or the OPM Business furnished prior to the execution, or pursuant to the provisions, of this Agreement, including without limitation this Section, will be kept confidential and shall not, without the prior written consent of OPM, be disclosed by ATS in any manner whatsoever, in whole or in part, and shall not be used for any purposes, other than in connection with the Transactions. In no event shall ATS or any of its Representatives use such information to the detriment of OPM. ATS agrees to reveal such information only to those of its Representatives or other Persons who need to know such information for the purpose of evaluating the Transactions, who are informed of the confidential nature of such information and who shall undertake to act in accordance with the terms and conditions of this Agreement. From and after the Closing, OPM shall not, without the prior written consent of ATS, disclose any

information with respect to the OPM Assets or the OPM Business, and no such information shall be used for any purposes, other than in connection with the Transactions or to the extent required by Applicable Law.

(b) Subject to the terms and conditions of Section 6.1(a), ATS may, subject to prior consultation with OPM and to the reasonable approval of OPM with respect to disclosure of information, disclose such information as may be necessary in connection with seeking all Governmental and Private Authorizations or that is required by Applicable Law to be disclosed. In the event that this Agreement is terminated for any reason, ATS shall promptly redeliver all non-public written material provided pursuant to this Section or any other provision of this Agreement or otherwise in connection with the Transactions and shall not retain any copies, extracts or other reproductions in whole or in part of such written material, other than one copy thereof which shall be delivered to independent counsel for ATS.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, any party may disclose information received or retained by it in accordance with the provisions of this Agreement if it can demonstrate (i) such information is generally available to or known by the public from a source other than the party seeking to disclose such information or (ii) was obtained by the party seeking to disclose such information from a source other than the other party, provided that such source was not bound by a duty of confidentiality to the other party or another party with respect to such information.

(d) No investigation pursuant to this Section or otherwise shall affect any representation or warranty in this Agreement of either ATS or the Stockholders or any condition to the obligations of the parties hereto, except as set forth in Section 9.3(e).

6.2 Agreement to Cooperate.

(a) Each of the parties hereto shall use reasonable business efforts (x) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Transactions, and (y) to refrain from taking, or cause to be taken, any action and to refrain from doing or causing to be done, any thing which could impede or impair the consummation of the Transactions, including, in all cases, without limitation using its reasonable business efforts (i) to prepare and file with the applicable Authorities as promptly as practicable after the execution of this Agreement all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable Authorities, each of which must be obtained or become final to the extent provided in Section 7.1(a), (ii) to obtain all necessary or appropriate waivers, consents and approvals, including without limitation those referred to in Section 7.2(d), (iii) to effect all necessary registrations, filings and submissions (including without limitation filings under the Hart-Scott-Rodino Act and all filings necessary for ATS to own and operate the OPM Assets and conduct the OPM Business), (iv) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed with the Transactions as expeditiously as possible), and (v) to obtain the satisfaction of the conditions specified in Article 6, including without limitation the truth and correctness as of the Closing Date as if made on and as of the Closing Date of the representations and warranties of such party and the performance and satisfaction as of the Closing Date of all agreements and conditions to be performed or satisfied by such party.

(b) The parties shall cooperate with one another (including by ATS providing access to the Stockholders to the books and records of OPM subsequent to the Closing Date) in the preparation, execution and filing of all Tax Returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Closing Date.

(c) OPM shall cooperate and use its reasonable business efforts to cause its independent accountants to reasonably cooperate with ATS, and at ATS' expense, in order to enable ATS to have its independent accountants prepare audited financial statements for the OPM Business described in Section 7.2(g). OPM represents and warrants that any such financial statements will have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, will be true, accurate and complete in all material respects, and will fairly present the financial condition and results of operation of the Company on the basis therein stated, as of the respective dates thereof and for the respective periods covered thereby. Without limiting the generality of the foregoing, OPM agrees that after the Closing Date it will (x) consent to the use of such audited financial statements in any registration statement or other document filed by ATS or any Affiliate of ATS under any applicable federal or state securities Law the Securities Act or the Exchange Act and (y) execute and deliver, and cause its directors and officers to execute and deliver, such "representation" letters as are customarily delivered in connection with audits and as ATS' independent accountants may reasonably request under the circumstances.

6.3 Public Announcements. Until the Closing, or in the event of termination of this Agreement, OPM and ATS shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other. Notwithstanding the foregoing, each party acknowledges and agrees that OPM and ATS may, without its prior consent, issue such press releases or make such public statements as may be required by Applicable Law, in which case, to the extent practicable, the party proposing to make such press release or public statement will consult with the other regarding the nature, extent and form of such press release or public statement. In addition, subject to the terms and conditions hereof, ATS may disclose the subject matter of this Agreement to Persons with whom OPM has a business or contractual relationship in connection with ATS' due diligence investigation of OPM.

6.4 Notification of Certain Matters. Each party shall give prompt notice to the other, of the occurrence or non-occurrence of any Event the occurrence or non-occurrence of which would be likely to cause (i) any representation or warranty made by it contained in this Agreement to be untrue or inaccurate in any respect, or (ii) any covenant, condition or agreement made by it contained in this Agreement not to be complied with or satisfied, or (iii) any change to be made in the OPM Disclosure Schedule in any respect, or (iv) any failure made by it to comply with or satisfy, or be able to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it hereunder, in each case in any respect such that one or more of the conditions of Closing might not be satisfied; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

6.5 No Solicitation. OPM shall not, nor shall it knowingly permit any of its Representatives (including, without limitation, any investment banker, broker, finder, attorney or accountant retained by it) to, initiate, solicit or facilitate, directly or indirectly, any inquiries or the making of any proposal with respect to any Alternative Transaction, engage in any discussions or negotiations concerning, or provide to any other Person any information or data relating to, it or any Subsidiary for the purposes of, or otherwise cooperate in any way with or assist or participate in, or facilitate any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect any Alternative Transaction, or agree to or endorse any Alternative Transaction. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in or likely to result in (i) any change of control of OPM, (ii) any merger, consolidation or other business combination of OPM, regardless of whether OPM is the surviving Entity unless the surviving Entity remains obligated under this Agreement to the same extent as it was, (ii) any tender offer or exchange offer for, or any acquisitions of, any securities of OPM, (iv) any sale or other disposition of all or any substantial part of the OPM Assets or the OPM Business, (v) any issue

or sale, or any agreement to issue or sell, any capital stock, Convertible Securities or Option Securities by OPM, or (vi) any sale, transfer, pledge, assignment or other conveyance or any agreement to sell, transfer, pledge, assign or otherwise convey, any Subject Stock. If OPM or any of its Representatives receives any inquiry with respect to an Alternative Transaction while this Agreement is in effect, OPM shall inform the inquiring party that it is not entitled to enter into discussions or negotiations relating to an Alternative Transaction.

6.6 Conduct of Business by OPM Pending the Closing. Except as otherwise contemplated by this Agreement, after the date hereof and prior to the Closing Date or earlier termination of this Agreement, unless ATS shall otherwise agree in writing, OPM shall, to the extent relating to the OPM Business or the OPM Assets:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice, including without limitation the performance of such maintenance, repairs or replacements with respect to communication towers, fixtures and Personal Property comprising the OPM Assets as is consistent with past practice;

(b) use all reasonable business efforts to preserve intact its business organizations and goodwill, keep available the services of its present key employees, and preserve the goodwill and business relationships with customers and others having business relationships with it;

(c) confer, as and when reasonably requested, on a regular and frequent basis with one or more representatives of ATS to report material operational matters and the general status of ongoing operations;

(d) maintain with financially responsible insurance companies insurance on its assets and its business in such amounts and against such risks and losses as are consistent with past practice;

(e) use reasonable business efforts to (i) operate the OPM Business in conformity in all material respects with all Governmental and Private Authorizations, Leases and Material Agreements on a basis consistent with past practice and Applicable Law and the rules and regulations of any Authority with jurisdiction over the OPM Assets or the OPM Business, and (ii) maintain in full force and effect all such Governmental and Private Authorizations, Leases and Material Agreements relating to the OPM Business;

(f) not (i) dispose of any of the OPM Assets owned by OPM or used in the operation of the OPM Business (other than for the disposition in the ordinary course of business of immaterial assets that are of no further use to the OPM Business) or (ii) modify or change in any material respect, or enter into, any Material Agreement relating to the OPM Business; and

(g) not voluntarily take or permit to be taken any action which if taken between the end of its most recent fiscal quarter and prior to the date of this Agreement would have been required to be noted as an exception on Section 3.17 of the OPM Disclosure Schedule.

6.7 Preliminary Title Reports. As promptly as practicable after the execution of this Agreement, OPM shall, at its sole cost and expense, deliver or cause to be delivered to ATS a standard preliminary title report (the "Title Reports") dated on or after the date of this Agreement issued by such title company or companies as OPM and ATS shall mutually reasonably agree with respect to those OPM Assets comprised of the parcels of real property owned by OPM, as described in Section 6.7 of the OPM Disclosure Schedule.

6.8 Environmental Site Assessments. As promptly as practicable after the execution of this Agreement, ATS may at its own cost and expense obtain, and deliver to OPM full and complete copies of, Phase I environmental site assessment reports (the "Environmental Reports") on any or all of those certain parcels of real property described on Section 6.8 of the OPM Disclosure Schedule. Site assessments shall be conducted by such consultants and professionals as ATS and OPM shall mutually agree and shall be arranged at times mutually convenient to the parties. Each of OPM and ATS shall be entitled to have representatives present at the time such site assessments are conducted, and to have copies of all correspondence with the Environmental Company.

6.9 Certain Tax Matters.

(a) The Stockholders shall be responsible, at their sole cost and expense, for the preparation and filing of all federal and state income Tax Returns of OPM for all taxable periods ending on or before the Closing Date (the "Pass Through Returns") and for the payment of all Taxes shown on the Pass Through Returns or otherwise payable with respect to all such periods. The Pass Through Returns shall be prepared in a manner which is consistent with past practices of OPM, except as otherwise required by Applicable Law. Income, gain, loss, deduction and credit of OPM shall be allocated between the Pass Through Returns and any succeeding taxable period on the basis of a closing of the books of OPM at the close of business on the date preceding the Closing Date in accordance with Section 1362(e)(6)(D) of the Code. The Buyer shall promptly notify the Stockholders following receipt by the Buyer of any notice of audit, examination or other proceeding (a "Tax Proceeding") with respect to any Pass Through Return, and the Stockholders shall retain the sole right to control any such Tax Proceeding, provided that the Buyer may participate in such Tax Proceeding at its own expense, and provided, further, that ATS may control any aspects of any such Tax Proceeding relating to any item for which ATS is or may be liable. The Stockholders shall retain the sole right to file any amended Pass Through Return. Notwithstanding the foregoing, the Stockholders may not settle or otherwise agree to the resolution of any Tax Proceeding or file any such amended Pass Through Return without in each case obtaining the prior written consent of ATS such consent will not be unreasonably conditioned or withheld, if, as a result of such settlement or resolution or the filing of any such amended Pass Through Return, OPM's tax basis in any of its assets for any period after the Closing Date would be reduced or OPM's tax position after the Closing Date would otherwise be adversely affected.

(b) After the Closing Date, ATS shall cooperate with the Stockholders, and the Stockholders shall cooperate with ATS, in connection with all Tax matters that may affect the Stockholders or OPM for any taxable period that ends on or before the Closing Date, including without limitation the preparation of income tax returns and the conduct of any Tax Proceedings for any such taxable period.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the Stockholders shall join with ATS in making an election under Section 338(h)(10) of the Code (and any corresponding elections under state, local or foreign Tax Law) (collectively a "Section 338(h)(10) Election") with respect to the purchase and sale of the Subject Stock hereunder. ATS and the Stockholders agree to comply with all of the requirements and conditions of Section 338(h)(10) of the Code and the Treasury Regulations thereunder and all other applicable Code Sections and Treasury Regulations (and state, local and foreign Tax Laws) relating thereto, including without limitation the timely filing of Form 8023A entitled "Corporate Qualified Stock Purchase Election." ATS and the Stockholders also agree to take all necessary steps to effectuate such election (and any corresponding state, local or foreign elections). None of the Stockholders or ATS will take any action, including without limitation any action in connection with the filing of federal, state, local or foreign Tax Returns, which would be inconsistent with or prejudice the election under Section 338(h)(10) of the Code provided for hereunder. In the event (i) ATS takes any action which has the effect of causing the Stockholders not to be able to report the transactions contemplated by this Agreement as an installment sale under the Code and (ii) the balance of the Purchase Price has not been paid

prior to April 10, 1999, ATS will advance to the Stockholders an amount equal to the tax liability for the taxable year ended December 31, 1998 created by such action. Such advance will be credited against the balance of the Purchase Price and will be evidenced by a non-interest bearing promissory note of the Stockholders secured by such balance and maturing on the earlier of (x) the payment of the balance of the Purchase Price or (y) August 31, 1999.

6.10 ATS Post-Closing Covenants.

(a) ATS acknowledges that its obligation to make payment of the full purchase price to the Stockholders is materially affected by the business and financial performance of OPM subsequent to the Closing Date. OPM has previously provided to ATS its business plan (the "Master Plan") regarding acquisition of tower sites and construction of proposed towers, including estimates of the financing required to: (i) compete the acquisition and development of tower sites and towers, and (ii) meet the financial projections contained in the Master Plan. A copy of the Master Plan is attached hereto as Exhibit C and made a part hereof. ATS agreed that, except as hereinafter expressly limited, Mills shall have the right, after the Closing Date, to continue to manage and direct the OPM Business substantially in accordance with the Master Plan, in such manner as he shall, in his reasonable business judgment, deems appropriate, including without limitation those matters necessary or desirable to complete the Master Plan. Notwithstanding the foregoing, ATS shall have the right to approve the terms and conditions of any agreements with, or purchases or sales of materials from or to, or any other business relationship with, any Affiliate of any of the Stockholders, which approval shall be based on, among other things, receipt of bids from Persons who are not Affiliated with any of the Stockholders. ATS shall, within ten (10) days of receipt from OPM of any proposal from an Affiliate and bids covering the subject of the proposal from three (3) Persons who are not Affiliates of any of the Stockholders (at least one of which has been selected by ATS), provide OPM with written notice of its approval or disapproval of the proposed Affiliate transaction. In the event such notice is not received by OPM within such ten (10) day period, ATS shall be deemed to have approved the proposed Affiliate transaction. ATS further agrees that it is essential that ATS provide the financing necessary to fund fully completion of the Master Plan and its projections. Accordingly, ATS agrees that it will, from time to time following the Closing Date, provide, upon written request of Mills, all funds necessary to fund acquisition of tower sites, construction of communications towers and other improvements reflected in the Master Plan; provided, however, that such funding shall not exceed the aggregate amount of $28,000,000 plus the amount by which (i) $9,000,000 exceeds (ii) the aggregate principal amount borrowed by OPM from ATS prior to the Closing Date and outstanding at such time. ATS agrees for itself, its successors and assigns that, from and after the Closing Date until payment in full by ATS to the Stockholders of the balance of the Purchase Price as provided in Section 2.2(b) of this Agreement, in the absence of conduct by Mills in the operation of the OPM Business which constitutes gross negligence, willful or intentional misconduct, or violation of any Applicable Law, it will not in any material fashion interfere with the operation by Mills of the OPM Business, so long as such operation is in substantial compliance with the Master Plan. ATS acknowledges and agrees that the members of the Board of Directors of OPM or their successors in the event of any merger, consolidation or combination of OPM or the sale or transfer of the OPM Business shall have satisfied all of their fiduciary duties and responsibilities related to the OPM Business and Mills' operation and management of the OPM Business if they shall adhere to the provisions of this Section 6.10 and they need not take, or require to be taken, any action in conflict with such provisions. The Stockholders acknowledge and agree that the rights of Mills are unique to Mills and that, in the event of the death or disability (mental or physical) of Mills, or his gross negligence or willful or intentional misconduct in the operation of the OPM Business substantially in accordance with the Master Plan, ATS shall not be required to recognize as successor to him any individual nominated by the Stockholders, but shall, in such event, use its reasonable business efforts to effect the timely and expeditious implementation of the Master Plan, including without limitation performance of its obligations with respect to funding set forth in this Section. By executing this Agreement

in his capacity as a Stockholder, Mills agrees that he will devote his full time and effort to the OPM Business.

(b) The Stockholders understand and agree that, anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, ATS is under no obligation whatsoever to finance the acquisition of any sites (other than those reflected in the Master Plan) or the construction of communication towers and other improvements thereon by OPM (or any successor thereto), but may do so independently and in a manner such that the operations of such communication towers are not included in determining Cash Flow for purposes of determining the Purchase Price. The Stockholders agree that OPM or the OPB Business may be merged, consolidated or combined with or sold or otherwise transferred to ATS or any Affiliate thereof, but, in any such event, ATS agrees to maintain or cause to be maintained separate financial books and records of OPM or the OPM Business in such manner as to enable the determination of Cash Flow to be made in accordance with the provisions of Section 2.2(b).

(c) ATS will provide to the Stockholders, promptly after the same become available, unaudited quarterly (for each of the first three (3) calendar quarters) and annual consolidated financial statements of ATS (and, so long as it exists, consolidated with its parent American Tower Systems Holding Corporation). The Stockholders Representative shall have the right to examine the books and records of ATS and to discuss financial, operational and other affairs of ATS with the officers of ATS, at such times during normal business hours as the Stockholders Representative shall, from time to time, reasonably request, subject to the Stockholder Representative executing and delivering a confidentiality agreement embodying terms and conditions comparable to those of Section 6.1.

ARTICLE 7

CLOSING CONDITIONS

7.1 Conditions to Obligations of Each Party. The respective obligations of each party to effect the Transactions shall, except as hereinafter provided in this Section, be subject to the satisfaction at or prior to the 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:

(a) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority seeking to enjoin, restrain, prohibit or make illegal or to impose any materially adverse conditions in connection with, the consummation of the Transactions, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not in itself be deemed to be a threat of any such Legal Action; and

(b) All authorizations, consents, waivers, orders or approvals required to be obtained from all Authorities, and all filings, submissions, registrations, notices or declarations required to be made by any of the parties with any Authority, prior to the consummation of the Transactions, shall have been obtained from, and made with, all such Authorities, except for such authorizations, consents, waivers, orders, approvals, filings, registrations, notices or declarations as are set forth in Section 7.1(b) of the OPM Disclosure Schedule or the failure to obtain or make would not, in the reasonable business judgment of ATS, have a material adverse effect on the OPM Assets or the OPM Business.

7.2 Conditions to Obligations of ATS. The obligation of ATS to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to ATS and its counsel, and ATS and its counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) The Stockholders shall have furnished ATS and, at ATS' request, any bank or other financial institution providing credit to ATS, with a favorable opinion, dated the Closing Date, of Ruden, McClosky, Smith, Schuster & Russell, P.A., counsel for OPM and the Stockholders, with respect to the matters set forth in Sections 3.1(a), (b) and (c), 3.7(b), 3.14, 3.22 and Article 4, and such other matters arising after the date of this Agreement and incident to the Transactions, as ATS or its counsel or its counsel may reasonably request or which may be reasonably requested by any such bank or financial institution or their respective counsel; counsel for OPM and the Stockholders may, in furnishing such opinion, rely on, among other things, on the representations and warranties of the Stockholders in Section 3.7(b), 4.2 and 4.3;

(c) The representations and warranties of the Stockholders contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of the Stockholders, OPM or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by the Stockholders or OPM hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and the Stockholders shall have furnished ATS with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as ATS or its counsel shall have reasonably requested;

(d) Except to the extent, if any, specifically set forth in Section 7.2(d) of the OPM Disclosure Schedule, all authorizations, consents, waivers, orders or approvals required by the provisions of this Agreement to be obtained from all Persons (other than Authorities) prior to the consummation of the Transactions, including without limitation those required in order for OPM to continue to own all of the OPM Assets and continue to operate the OPM Business as conducted immediately prior to the Closing (including without limitation, at the cost and expense of OPM, all modifications of Private Authorizations, Leases and Material Agreements of OPM set forth in Section 7.2(d) of the OPM Disclosure Schedule) shall have been obtained, without the imposition, individually or in the aggregate, of any condition or requirement which could adversely affect ATS or OPM;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in OPM from that reflected in the most recent OPM Financial Statements; as of the Closing Date, the Governmental Authorizations with respect to the ownership or operation of the OPM Assets or the conduct of the OPM Business shall not have been materially and adversely affected by any act, or failure to act, of OPM;

(f) The Stockholders and OPM shall have delivered or cause to be delivered to ATS all of the Collateral Documents and other agreements, documents and instruments required to be delivered by the Stockholders or OPM to ATS at or prior to the Closing pursuant to the terms of this Agreement;

(g) ATS shall have received from its independent accountants (i) an unqualified report (as to the scope of the audit, access to the books and records and the cooperation of management) on the financial statements (consisting of balance sheets for each of the fiscal years ended December 31, 1995 and 1996 and statements of operations and cash flow for each of the two years in the period ended December 31, 1996) of the OPM, which financial statements shall have been prepared in conformity with GAAP and Regulation S-X under the Securities Act, or (ii) such other documentation as shall be reasonably satisfactory to ATS indicating that such an unqualified report could be issued if requested by ATS;

(h) As of the Closing Date, except as otherwise set forth in Section 3.7(a) of the OPM Disclosure Schedule, no Legal Action shall be pending before or threatened in writing by any Authority which might, in the reasonable business judgment of ATS, based upon the advice of counsel, have a material adverse effect on the OPM, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(i) Each of the individuals named therein shall have executed and delivered to ATS an agreement mutually acceptable to the parties which when so agreed upon shall be attached as Exhibit A hereto and made a part hereof (the "ATS Noncompetition Agreements");

(j) The Stockholders shall have delivered to ATS all use permits, consents or other Governmental Authorizations of and all Leases from the United States Forest Service set forth in Section 7.2(j) of the OPM Disclosure Schedule; and

(k) The Environmental Reports shall not disclose any exception, and no Event or Events shall have occurred subsequent to the date hereof, which, individually or in the aggregate, would cause the representations and warranties of the Stockholders set forth in Section 3.21 (without regard to knowledge) to be inaccurate or incomplete in any material respect;

(l) ATS shall have received, at its expense, a copy of the standard ALTA title insurance policy insuring OPM's fee simple or leasehold interest, as the case may be, in the land and improvements located at each of the locations described in Section 7.2 (l) of the OPM Disclosure Schedule and the Title Reports shall not disclose any exception, and no Event or Events shall have occurred subsequent to the date hereof, which, individually or in the aggregate, would cause the representations and warranties of the Stockholders set forth in Section 3.5 (without regard to knowledge) to be inaccurate or incomplete in any material respect;

(m) Each of the Stockholders shall have executed and delivered to ATS a Form 8023A entitled "Corporate Qualified Stock Purchase Election" with respect to the Section 338(h)(10) Election;

(n) All Convertible Securities and Option Securities of OPM, if any, outstanding immediately prior to the Closing shall be canceled and, from and after the Closing, shall no longer be of any force or effect;

(o) Owen P. Mills, the chief executive officer of OPM and one of the Stockholders and OPM, shall have executed and delivered to ATS an agreement mutually acceptable to the parties which when so agreed upon shall be attached as Exhibit D hereto and made a part hereof (the "Mills Employment Agreement");

(p) ATS shall have received a favorable opinion of Ruden, McClosky, Smith, Schuster & Russell, P.A., dated the Closing Date, with respect to the validity of Section 6.10 under Florida law; and

(q) ATS shall have received the written resignations of all of the officers and directors of OPM and of all of the trustees, if any, under all Benefit Arrangements of OPM.

7.3 Conditions to Obligations of the Stockholders. The obligation of the Stockholders to effect the Transactions 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) All agreements, certificates, opinions and other documents required to be delivered pursuant to the provisions of this Agreement shall be reasonably satisfactory in form, scope and substance to the Stockholders and their counsel, and the Stockholders and their counsel shall have received all information and copies of all documents, including records of corporate proceedings, which they may reasonably request in connection therewith, such documents where appropriate to be certified by proper Authorities or corporate officers;

(b) ATS shall have furnished the Stockholders, with favorable opinions, dated the Closing Date, of Sullivan & Worcester LLP, counsel for ATS, with respect to the matters set forth in Section 5.1 and with respect to such other matters arising after the date of this Agreement and incident to the Transactions, as the Stockholders or their counsel may reasonably request;

(c) The representations and warranties of ATS contained in this Agreement or otherwise made in writing by it or on its behalf pursuant hereto or otherwise made in connection with the Transactions shall be true and correct at and as of the Closing Date with the same force and effect as though made on and as of such date except those which speak as of a certain date which shall continue to be true and correct as of such date on the Closing Date (including without limitation giving effect to any later obtained knowledge of OPM, the Stockholders or ATS, except as otherwise specifically provided herein); each and all of the agreements and conditions to be performed or satisfied by ATS hereunder at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and ATS shall have furnished the Stockholders with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements and the performance of such agreements or conditions as the Stockholders or their counsel shall have reasonably requested;

(d) ATS shall have delivered or cause to be delivered to the Stockholders all of the Collateral Documents and other agreements, documents and instruments required to be delivered by ATS to the Stockholders at or prior to the Closing pursuant to the terms of this Agreement;

(e) Between the date of this Agreement and the Closing Date, there shall not have occurred and be continuing any material adverse change in ATS from that reflected in the most recent ATS Financial Statements;

(f) As of the Closing Date, no Legal Action shall be pending before or threatened in writing by any Authority which might, in the reasonable business judgment of the Stockholders, based upon the advice of counsel, have a material adverse effect on ATS' ability to operate the OPM Assets and the OPM Business subsequent to the Closing Date, it being understood and agreed that a written request by any Authority for information with respect to the Transactions, which information could be used in connection with such Legal Action, shall not be deemed to be a threat of any such Legal Action;

(g) OPM shall have executed and delivered to the Stockholders the Mills Employment Agreement; and

(h) The Stockholders shall have received a favorable opinion, dated the Closing Date, of Florida counsel with respect to the binding effect on ATS of Section 6.10.

ARTICLE 8

TERMINATION, AMENDMENT AND WAIVER

8.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of the Stockholders and ATS; or

(b) by either ATS or the Stockholders if any permanent injunction, decree or judgment by any Authority preventing the consummation of the Transactions shall have become final and nonappealable; or

(c) by the Stockholders in the event (i) the Stockholders are not in material breach of this Agreement and none of their representations or warranties shall have become and continue to be untrue in any material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date, or (B) ATS is in material breach of this Agreement or any of its representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(d) by ATS in the event (i) ATS is not in material breach of this Agreement and none of its representations or warranties shall have become and continue to be untrue in any material respect, and (ii) either (A) the Transactions have not been consummated prior to the Termination Date, or (B) OPM or the Stockholders are in material breach of this Agreement or any of the Stockholders' representations or warranties shall have become and continue to be untrue in any material respect, and such a breach or untruth exists and is not capable of being cured by and will prevent or delay consummation of the Transactions by or beyond the Termination Date; or

(e) by ATS in the event of a failure of the condition set forth in Section 7.2(k) or 7.2(l).

The term "Termination Date" shall mean June 30, 1998 or such other date as the parties may, from time to time, mutually agree.

The right of ATS or OPM to terminate this Agreement pursuant to this Section shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party, any Person controlling any such party or any of their respective Representatives whether prior to or after the execution of this Agreement.

8.2 Effect of Termination.

(a) Except as provided in Sections 6.1 (with respect to confidentiality), 6.3 and 10.3 and this Section, in the event of the termination of this Agreement pursuant to Section 8.1, or in the event the Transactions shall not have been consummated prior to the end of business on the Termination Date, this Agreement shall forthwith become void, there shall be no liability on the part of any party, or any of their respective shareholders, officers or directors, to the other and all rights and obligations of any party shall cease; provided, however, that such termination shall not relieve any party from liability for any misrepresentation or breach of any of its warranties, covenants or agreements set forth in this Agreement.

(b) In the event this Agreement is terminated pursuant to the provisions of Section 8.1(a), 8.1(b) or 8.1(e), except as provided in Section 8.2(a), none of the parties shall have any further rights or remedies.

ARTICLE 9

INDEMNIFICATION

9.1 Survival. The representations and warranties of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for a period of (a) two (2) years after the Closing Date or (b) the applicable statute of limitations in the case of matters of a nature referred to in Sections 3.1, 3.11, 3.12, 3.21 and 3.22, Article 4 and Section 4.1, regardless of any investigation or statement as to the results thereof made by or on behalf of any party hereto. The covenants and agreements of the parties contained in or made pursuant to this Agreement or any Collateral Document shall survive the Closing and shall remain operative and in full force and effect for the statute of limitations applicable to contractual obligations. The term "Indemnity Period" shall mean the applicable period with respect to which a representation, warranty, covenant or agreement survives the Closing as provided in this Section. No claim for indemnification, other than with respect to fraud or intentional and willful breach or misrepresentation, may be asserted after the expiration of the Indemnity Period. Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which arises and is the subject of a Claim which is asserted in writing prior to the expiration of the applicable Indemnity Period shall survive with respect to such Claim or any dispute with respect thereto until the final resolution thereof.

9.2 Indemnification.

(a) Each Stockholder, jointly and severally, agrees that on and after the Closing he shall indemnify and hold harmless OPM, ATS and their respective stockholders, directors, officers, employees and representatives (collectively, the "ATS Indemnified Parties") from and against any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for all reasonable attorneys', accountants' and experts' fees and expenses incurred, including those

incurred to enforce the terms of this Agreement or any Collateral Document (collectively, "Loss and Expense"), suffered by the ATS Indemnified Parties by reason of, or arising out of any breach of representation or warranty made by the Stockholders pursuant to this Agreement or any Collateral Document or any failure by the Stockholders (or OPM prior to the Closing) to perform or fulfill any of their covenants or agreements set forth in this Agreement or any Collateral Document.

(b) ATS agrees to that on and after the Closing it will indemnify each of the Stockholders and hold each of them harmless from and against all Loss and Expense suffered by any of them by reason of, or arising out of :

(i) any breach of representation or warranty made by ATS pursuant to this Agreement or any Collateral Document or any failure by ATS to perform or fulfill any of its covenants or agreements set forth in this Agreement or any Collateral Document or any failure of OPM to perform or fulfill any of its covenants or agreements set forth in this Agreement or any Collateral Document required to be performed after the Closing; or

(ii) any Legal Action or other Claim by any third party relating to ATS or the ownership or operations of OPM's business and properties subsequent to the Closing, including without limitation any and all obligations and liabilities under Governmental Authorizations, Private Authorizations, Leases, Material Agreements, Employment Arrangements, Plans, Benefit Arrangements and Contractual Obligations.

(c) Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the parties agrees that the Stockholders shall not be required to indemnify ATS, and ATS shall be required to indemnify the Stockholders, if, notwithstanding the fact that OPM has not agreed to be, or made any election to be or be treated as, a "consenting corporation" within the meaning of Section 341(f) of the Code, the Internal Revenue Service or any other Authority shall have determined that OPM has tax liability under Section 341 of the Code.

9.3 Limitation of Liability.

(a) Notwithstanding the provisions of Section 9.2, after the Closing, except as otherwise provided in Section 9.6, the ATS Indemnified Parties, on the one hand, and the Stockholders, on the other hand, shall be entitled to recover its Loss and Expense in respect of any Claim only in the event that the aggregate Loss and Expense for all Claims exceeds, in the aggregate, $50,000, in which event the indemnified party shall be entitled to recover all such Loss and Expense (including without limitation such $50,000).

(b) In the case any event shall occur which would otherwise entitle any party to assert a claim for indemnification hereunder, no Loss and Expense shall be deemed to have been sustained by such party to the extent of any proceeds received by such party from any insurance policies with respect thereto.

9.4 Notice of Claims. If an indemnified party believes that it has suffered or incurred any Loss and Expense, it shall notify the indemnifying party promptly in writing, and in any event within the applicable time period specified in Section 9.1, describing such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any Legal Action is instituted by a third party with respect to which an indemnified party intends to claim any liability or expense as Loss and Expense under this Article, such indemnified party shall promptly notify the indemnifying party of such Legal Action, but the failure to so notify the indemnifying party shall not relieve such indemnifying party of its obligations under this Article, except to the extent such failure to notify prejudices such indemnifying party's ability to defend against such Claim.

9.5 Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the indemnified party, any third party Legal Action or other Claim, but the indemnified party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the indemnifying party shall fail to defend any such Legal Action or other Claim, then the indemnified party may defend, through counsel of its own choosing, such Legal Action or other Claim, and (so long as it gives the indemnifying party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permits the indemnifying party to then undertake the defense thereof) settle such Legal Action or other Claim and to recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The indemnifying party shall not compromise or settle any such Legal Action or other Claim without the prior written consent of the indemnified party, which consent shall not unreasonably be withheld, delayed or conditioned if the terms and conditions of such compromise or settlement proposed by the indemnifying party and agreed to in writing by the claimant in such Legal Action or other Claim (the "Settlement Proposal") (a) include a full release of the indemnified party from the Legal Action or other Claim which is the subject of the Settlement Proposal, and (b) if the indemnified party is an ATS Indemnified Party, do not include any term or condition which would restrict in any material manner the continued ownership or operations of the OPM Assets or the conduct of the OPM Business in substantially the manner then being theretofore owned, operated and conducted by ATS or OPM (or any successor or assign). No matter whether an indemnifying party defends or prosecutes any third party Legal Action or Claim, the indemnified and indemnifying parties shall cooperate in the defense or prosecution thereof. Such cooperation shall include access during normal business hours afforded to the indemnifying party to, and reasonable retention by the indemnified party of, records and information which are reasonably relevant to such third party Legal Action or Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the indemnifying party shall reimburse the indemnified party for all its reasonable out-of-pocket expenses in connection therewith.

9.6 Exclusive Remedy. Except for fraud, willful or intentional misrepresentation or willful or intentional breach of warranty, covenant or agreement or as otherwise provided in Section 10.5, the indemnification provided in this Article shall be the sole and exclusive post-Closing remedy available to any party against the other party for any Claim under this Agreement.

ARTICLE 10

GENERAL PROVISIONS

10.1 Waivers; Amendments. Changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the parties hereto. No delay on the part of either party at any time or times in the exercise of any right or remedy shall operate as a waiver thereof. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Agreement or to exercise any right or remedy thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or default in connection therewith. The waiver of any covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

10.2 Fees, Expenses and Other Payments. All Hart-Scott-Rodino filing fees shall be borne equally by the Stockholders and ATS provided that the total amount to be borne by Stockholders shall not exceed $25,000, all costs of preliminary title reports to a date reasonably proximate to the Closing Date shall be borne by the Stockholders, and all costs of environmental studies shall be borne by ATS. All costs and expenses, incurred in connection with any transfer taxes, sales taxes, recording or documentary taxes, stamps or other charges levied by any Authority in connection with this Agreement and the consummation of the Transactions shall be borne by ATS and all other costs and expenses incurred in connection with this Agreement and the consummation of the Transactions, including without limitation fees and disbursements of counsel, financial advisors and accountants incurred by the parties hereto, shall be borne solely and entirely by the party which has incurred such costs and expenses.

10.3 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 effective (a) three (3) days after being mailed by first-class or express mail, postage prepaid, (b) the next day when sent overnight by recognized courier service, (c) upon confirmation when sent by telex, telegram, 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 (d) upon delivery when 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 ATS (or OPM after the Closing):

116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph B. Winn, Chief Financial Officer
Telecopier No.: (617) 375-7575

with copies to:

American Tower Systems, Inc.
6400 North Congress Avenue, Suite 1750
Boca Raton, Florida 33487
Attention: James S. Eisenstein
Telecopier No.: (561) 998-2278

and

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Telecopier No.: (617) 338-2880

(b) If to any Stockholder or OPM (prior to the Closing):

325 Interstate Boulevard
Sarasota, Florida 34240
Attention: Owen P. Mills, President
Telecopier No.: (941) 379-4562

with a copy to:

Ruden, McClosky, Smith, Schuster & Russell, P.A.
1549 Ringling Boulevard, Suite 600
Sarasota, FL 34236
Attention: John M. Dart, Esq.
Telecopier No.: (941) 955-7590

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.

10.4 Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the 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 or as provided in Article 9, 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 pursuant to the provisions of, and subject to the limitations contained in, this Agreement or Applicable Law for such breach or threatened breach. Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, if an Authority of competent jurisdiction shall have issued a Final Order that ATS is in material breach of this Agreement, ATS shall pay to the Stockholders an aggregate amount to be determined as follows: (a) the amount due as of such date in accordance with Section 2.2(a); and (b) $5,000,000.

10.5 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 effect of which is to affect materially and adversely any party, 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 Transactions are fulfilled and consummated to the maximum extent possible.

10.6 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 such counterparts.

10.7 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.

10.8 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 Florida 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. Anything in this Agreement to the contrary notwithstanding, including without limitation the provisions of Article 8, 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.

10.9 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 any 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.

10.10 Entire Agreement. This Agreement (together with the OPM Disclosure Schedule and the other Collateral Documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, with respect to the subject matter hereof .

10.11 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

10.12 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party, 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 10.11.

10.13 Appointment of Representative. Each Stockholder hereby irrevocably appoints and authorizes to act as its agent, representative and attorney-in-fact hereunder (the "Stockholders Representative"). Each Stockholder irrevocably authorizes the Stockholders Representative to take such action on behalf of such Stockholder and to exercise all such powers as are expressly delegated to the Stockholders Representative hereunder, together with such other powers as are reasonably incidental thereto including, but not limited to, the execution and delivery of certificates, statements, notices, approvals, extensions, waivers, undertakings and amendments to this Agreement required or permitted to be made, given or determined hereunder or in connection with the transactions contemplated hereby. The holders of a majority of the Subject Stock may, from time to time, remove the Representative and appoint a substitute or

successor Stockholders Representative. Notice of any such removal and appointment shall be given immediately to ATS and the Stockholders. Simultaneously with the execution of this Agreement, each Stockholder (other than the Stockholders Representative) has delivered to the Stockholders Representative certificates representing the Subject Stock owned by such Stockholder duly endorsed (or accompanies by duly endorsed stock powers). The appointment and agency created hereby is irrevocable and shall survive the death or incompetency of any Stockholder.

10.14 Mutual Drafting. This Agreement is the result of the joint efforts of OPM and ATS, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there shall be no construction against any party based on any presumption of that party's involvement in the drafting thereof.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, ATS and OPM have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Tower Systems, Inc.

By:_____
Name:
Title:

OPM - USA - INC.

By:_____
Name:
Title:

Stockholders

_____
Owen B. Mills

_____
Sonja L. Mills

DEFINITIONS

Acceptance Notice shall have the meaning given to it in Section 2.2(c).

Accounts Receivable shall mean (a) any and all rights to the payment of money or other forms of consideration of any kind at any time now or hereafter owing or to be owing to OPM attributable to the ownership or operation of the OPM Business (whether classified under the Uniform Commercial Code of any state as accounts, contract rights, chattel paper, general intangibles or otherwise), including without limitation accounts receivable, letters of credit and the right to receive payment thereunder, chattel paper, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form now or hereafter owing from any other Person, all guarantees, security and Liens for the payment of any thereof, and all of OPM's rights to goods, now owned or hereafter acquired, sold (delivered, undelivered, in transit or returned) which may be represented thereby; and (b) all proceeds of any of the foregoing.

adverse, adversely, when used alone or in conjunction with other terms (including without limitation "affect," "change" and "effect") shall mean any Event which is reasonably likely, in the reasonable business judgment of ATS, to be expected to (a) adversely affect the validity or enforceability of this Agreement or the likelihood of consummation of the Transactions, or (b) adversely affect the business, operations, management, properties or prospects, or the condition, financial or other, or results of operation of the OPM Business, or (c) impair OPM's ability to fulfill its obligations under the terms of this Agreement, or (d) adversely affect the aggregate rights and remedies of ATS under this Agreement. Notwithstanding the foregoing, and anything in this Agreement to the contrary notwithstanding, any Event generally affecting the economy or the tower communications business shall not be deemed to constitute such a change, affect or effect.

Affiliate, Affiliated shall mean, with respect to any Person, (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, twenty percent (20%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, (e) with respect to any partnership, joint venture or similar Entity, any general partner thereof, and (f) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

Agreement shall mean this Agreement as originally in effect, including, unless the context otherwise specifically requires, this Appendix A, the OPM Disclosure Schedule and all exhibits hereto, and as any of the same may from time to time be supplemented, amended, modified or restated in the manner herein or therein provided.

Amount Due shall have the meaning given to it in Section 2.2(a).

Applicable Law shall mean any Law of any Authority, whether domestic or foreign, including without limitation the FCA and all federal and state securities and Environmental Laws, to which a Person is subject or by which it or any of its business or operations is subject or any of its property or assets is bound.

Assets shall mean the business and the tangible and intangible assets used in connection with the conduct of the business or operations of the OPM Business, which business and assets are being exchanged, transferred or otherwise conveyed hereunder.

ATS shall have the meaning given to it in the Preamble.

ATS' Financial Statements shall have the meaning given to it in Section 5.2

ATS' Indemnified Parties shall have the meaning given to it in Section 9.2(a)

ATS' Noncompetition Agreements shall have the meaning given to it in Section 7.2(i).

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., including without limitation the FCC.

Benefit Arrangement shall mean any material benefit arrangement that is not a Plan, including (a) any employment or consulting agreement (b) any arrangement providing for insurance coverage or workers' compensation benefits, (c) any incentive bonus or deferred bonus arrangement, (d) any arrangement providing termination allowance, severance or similar benefits, (e) any equity compensation plan, (f) any deferred compensation plan, and (g) any compensation policy and practice, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the OPM Business.

Cash Flow shall have the meaning given to it in Section 2.2(b).

Claims shall mean any and all debts, liabilities, obligations, losses, damages, deficiencies, assessments and penalties, together with all Legal Actions, pending or threatened, claims and judgments of whatever kind and nature relating thereto, and all fees, costs, expenses and disbursements (including without limitation reasonable attorneys' and other legal fees, costs and expenses) relating to any of the foregoing.

Closing shall have the meaning given to it in Section 2.2.

Closing Date shall have the meaning given to it in Section 2.2.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

Code shall mean the Internal Revenue Code of 1986, 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.

Collateral Documents shall mean the Indemnity Escrow Agreement, the ATS Noncompetition Agreements, the Mills Employment Agreement, instruments of conveyance and assignment sufficient to vest in ATS title to all of the Subject Stock, and any other agreement, certificate, contract, instrument, notice,

opinion or other document delivered pursuant to the provisions of this Agreement or any Collateral Document.

Contract, Contractual Obligation shall mean any agreement, arrangement, commitment, contract, covenant, indemnity, undertaking or other obligation or liability which involves the ownership or operation of the OPM Assets or the conduct of the OPM Business.

Control (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, or the disposition of such Person's assets or properties, whether through the ownership of stock, equity or other ownership, by contract, arrangement or understanding, or as trustee or executor, by contract or credit arrangement or otherwise.

Debt Reduction shall have the meaning given to it in Section 2.2(a).

Employment Arrangement shall mean, with respect to OPM, any employment, consulting, retainer, severance or similar contract, agreement, plan, arrangement or policy (exclusive of any which is terminable within thirty (30) days without liability, penalty or payment of any kind by OPM or any Affiliate), or providing for severance, termination payments, insurance coverage (including any self-insured arrangements), workers compensation, disability benefits, life, health, medical, dental or hospitalization benefits, supplemental unemployment benefits, vacation or sick leave benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchase or appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or post-retirement insurance, compensation or benefits, or any collective bargaining or other labor agreement, whether or not any of the foregoing is subject to the provisions of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership or operation of the OPM Assets or the conduct of the OPM Business.

Encumber shall mean to suffer, accept, agree to or permit the imposition of a Lien.

Entity shall mean any corporation, firm, unincorporated organization, association, partnership, limited liability company, 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 Authority .

Environmental Law shall mean any Law relating to or otherwise imposing liability or standards of conduct concerning pollution or protection of the environment, including without limitation Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials or other chemicals or industrial pollutants, substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, mining or reclamation or mined land, land surface or subsurface strata) or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, materials or wastes. Environmental Laws shall include without limitation the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. Section 1201 et seq.), and any analogous federal, state, local

or foreign, Laws, and the rules and regulations promulgated thereunder all as from time to time in effect, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

Environmental Permit shall mean any Governmental Authorization required by or pursuant to any Environmental Law.

Environmental Reports shall have the meaning given to it in Section 6.8.

ERISA shall mean the Employee Retirement Income Security Act of 1974, 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.

ERISA Affiliate shall mean any Person that is treated as a single employer with OPM under Sections 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA.

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.

Exchange Act shall mean the Securities Exchange Act of 1934, 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.

Executive Summary shall have the meaning given to it in Section 2.2(b).

FCA shall mean the Communication Act of 1934, 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.

FCC shall mean the Federal Communications Commission and shall include any successor Authority.

Final Order shall mean, with respect to any Authority, including without limitation the FCC, one with respect to which no appeal, no stay, no petition or application for rehearing, reconsideration, review or stay, whether on motion of the applicable Authority or other Person or otherwise, and no other Legal Action contesting such consent or approval, is in effect or pending and as to which the time or deadline for filing any such appeal, petition or application or other Legal Action has expired or, if filed, has been denied, dismissed or withdrawn, and the time or deadline for instituting any further Legal Action has expired.

Formula shall have the meaning given to it in Section 2.2(a).

GAAP shall mean means, except to the extent that a deviation therefrom is expressly required by this Agreement and except that OPM maintains its books on a modified cash-accrual basis, such principles applied on a consistent basis, (i) as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants ("AICPA") and/or in statements of the Financial Accounting Standards Board that are applicable in the circumstances as of the date in question, (ii) when not inconsistent with such opinions and statements, as set forth in other AICPA publications and guidelines and/or (iii) that otherwise arise by custom for the particular industry, all as the same shall exist on the date of this Agreement.

Governmental Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, plans, registrations and other authorizations of all Authorities, including without limitation the United States Forest Service and the Federal Aviation Administration, in connection with the ownership or operation of the OPM Assets or the conduct of the OPM Business.

Governmental Filings shall mean all filings, including franchise and similar Tax filings, and the payment of all fees, assessments, interest and penalties associated with such filings, with all Authorities.

Hart-Scott-Rodino Act shall mean the Hart-Scott-Rodino Improvement Act of 1976, as from time to time in effect, or any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

Hazardous Materials shall mean and include any substance, material, waste, constituent, compound, chemical, natural or man-made element or force (in whatever state of matter): (a) the presence of which requires investigation or remediation under any Environmental Law, or (b) that is defined as a "hazardous waste" or "hazardous substance" under any Environmental Law; or (c) that is toxic, explosive, corrosive, etiologic, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any applicable Authority or subject to any Environmental Law; or (d) the presence of which on the real property owned or leased by such Person causes or threatens to cause a nuisance upon any such real property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about any such real property; or (e) the presence of which on adjacent properties could constitute a trespass by such Person; or (f) that contains gasoline, diesel fuel or other petroleum hydrocarbons, or any by-products or fractions thereof, natural gas, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon or other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, sonic forces and other natural forces, lead, asbestos or asbestos-containing materials ("ACM"), or urea formaldehyde foam insulation.

Indebtedness shall mean, with respect to any Person, (a) all items, except items of capital stock or of surplus or of general contingency or deferred tax reserves or any minority interest in any Subsidiary of such Person to the extent such interest is treated as a liability with indeterminate term on the consolidated balance sheet of such Person, 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, (b) all obligations secured by any Lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed, and (c) to the extent not otherwise included, all Contractual Obligations of such Person constituting capitalized leases and all obligations of such Person with respect to Leases constituting part of a sale and leaseback arrangement.

Indebtedness for Money Borrowed shall mean, with respect to OPM, 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, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all Indebtedness upon which interest charges are customarily paid by such Person, and all Indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, (c) customer advance payments and customer deposits received in the ordinary course of business, or (d) conditional sales agreements not prohibited by the terms of this Agreement.

Initial Installment shall have the meaning given to it in Section 2.2.

Intangible Assets shall mean all assets and property lacking physical properties the evidence of ownership of which must customarily be maintained by independent registration, documentation, certification, recordation or other means, and shall include, without limitation, concessions, copyrights, franchises, license, patents, permits, service marks, trademarks, trade names, and applications with respect to any of the foregoing, technology and know-how.

Intellectual Property shall mean any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, logos, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including without limitation object and source codes) owned by such Person or in which it has an ownership interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by such Person, which relate to the manufacture, production or processing of any products developed or sold by such Person or which are within the scope of or usable in connection with such Person's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Law shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

Lease shall mean any lease of property, whether real, personal or mixed, and all amendments thereto.

Legal Action shall mean, with respect to any Person, any and all litigation or legal or other actions, arbitrations, counterclaims, investigations, proceedings, requests for material information by or pursuant to the order of any Authority or suits, at law or in arbitration, equity or admiralty, whether or not purported to be brought on behalf of such Person, affecting such Person or any of such Person's business, property or assets.

Lien shall mean any of the following: mortgage; lien (statutory or other); or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

Loss and Expense shall have the meaning given to it in Section 9.2(a).

Master Plan shall have the meaning given to it in Section 6.10.

material, materially or materiality for the purposes of this Agreement, shall, unless specifically stated to the contrary, be determined without regard to the fact that various provisions of this Agreement set forth specific dollar amounts.

Material Agreement shall mean, with respect to OPM, any Contractual Obligation which (a) was not entered into in the ordinary course of business, (b) was entered into in the ordinary course of business which (i) involved the purchase, sale or lease of goods or materials, or purchase of services, aggregating more than $20,000 during any of the last three fiscal years, (ii) extends for more than three (3) months, or (iii) is not terminable on thirty (30) days or less notice without penalty or other payment, (c) involves a capitalized lease obligation or Indebtedness for Money Borrowed, (d) is or otherwise constitutes a written agency, broker, dealer, license, distributorship, sales representative or similar written agreement, (e) accounted for more than three percent (3%) of the revenues of the OPM Business in any of the last three fiscal years or is likely to account for more than three percent (3%) of revenues of the OPM Business during the current fiscal year, (f) is with the United States Forest Service or any other Authority, or (g) involves the management by OPM of any communication tower of any other Person.

Mills shall have the meaning given to it in Section 6.10.

Mills Employment Agreement shall have the meaning given to it in Section 7.2(b).

Multiemployer Plan shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)3 of ERISA.

Net Revenues shall have the meaning given to it in Section 2.2(b).

Objection Notice shall have the meaning given it in the Section 6.10.

OPM shall have the meaning given to it in the Preamble.

OPM Assets shall mean all of the Assets of OPM.

OPM Business shall have the meaning given them in the third Whereas paragraph.

OPM Communication Towers shall mean all of the communication towers and other property associated therewith (including without limitation storage facilities, generators and other property and equipment needed to operate such towers) located on any real property (i) owned or leased by OPM as of the date of this Agreement, or (ii) as to which valid and binding agreements to acquire or lease by OPM are in effect as of the date of this Agreement, or (iii) acquired or leased, or agreed to be acquired or leased, by OPM subsequent to the date of this Agreement and prior to the Closing with the express prior written consent of ATS. A true, complete and accurate list of all sites referred to in clauses (i) and (ii) of the preceding sentence is set forth as part of Section 3.5(a) or (b) of the OPM Disclosure Schedule.

OPM Disclosure Schedule shall mean the OPM Disclosure Schedule dated as of the date of this Agreement delivered by OPM to ATS.

OPM Employees shall have the meaning given it in the Section 3.15.

OPM Financial Statements shall have the meaning given to it in Section 3.2..

Organic Document shall mean, with respect to a Person which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its capital stock and, with respect to a Person which is a partnership, its agreement and certificate of partnership, any agreements among partners, and any management and similar agreements between the partnership and any general partners (or any Affiliate thereof).

Pass Through Returns shall have the meaning given to it in Section 6.9.

PBGC shall mean the Pension Benefit Guaranty Corporation and any Entity succeeding to any or all of its functions under ERISA.

Permitted Liens shall mean (a) Liens for current taxes not yet due and payable, (b) such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not, individually or in the aggregate, substantial in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of the OPM Business, and (c) such other Liens as are permitted by the provisions of this Agreement to be in place on the Closing Date.

Permitted Site shall mean that a site with respect to which notice from all applicable Authorities has been received by OPM (or its successors and assigns) that all Governmental Authorizations necessary to construct a communication tower on such site have been fully approved and are in full force and effect.

Person shall mean any natural individual or any Entity.

Personal Property shall mean all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property which are owned or leased by OPM and used or useful as of the date hereof in the conduct of the business or operations of the OPM Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Plan shall mean, with respect to any Person and at a particular time, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, but only to the extent that it covers or relates to any officer, employee or other Person involved in the ownership and operation of the Assets or the conduct of the business of the OPM Business.

Private Authorizations shall mean all approvals, concessions, consents, franchises, licenses, permits, and other authorizations of all Persons (other than Authorities) including without limitation those with respect to Intellectual Property.

Purchase Price shall have the meaning given to it in Section 2.2.

Real Property shall mean all of the fee estates and buildings and other fixtures and improvements thereon, leasehold interest, easements, licenses, rights to access, right-of- way, and other real property interest which are owned or used by OPM as of the date hereof, in the operations of the OPM Business, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

Regulations shall mean the federal income tax regulations promulgated under the Code, as such Regulations may be amended from time to time. All references herein to specific sections of the Regulations

shall be deemed also to refer to any corresponding provisions of succeeding Regulations, and all references to temporary Regulations shall be deemed also to refer to any corresponding provisions of final Regulations.

Representatives shall have the meaning given to it in Section 6.1(a).

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.

Stockholders shall have the meaning given to it in the Preamble.

Stockholders' knowledge means the actual knowledge of any Stockholder or any OPM officer or senior manager, as such knowledge exists on the date of this Agreement and no later date, after reasonable review of appropriate OPM records.

Stockholders Representative shall have the meaning given to it in Section 1 0.14.

Subject Stock shall have the meaning given to it in the first Whereas paragraph.

Subsidiary shall mean, with respect to a Person, any Entity a majority of the capital stock ordinarily entitled to vote for the election of directors of which, or if no such voting stock is outstanding, a majority of the equity interests of which, is owned directly or indirectly, legally or beneficially, by such Person or any other Person controlled by such Person.

Tax (and "Taxable", which shall mean subject to Tax), shall mean, with respect to any Person, (a) all taxes (domestic or foreign), including without limitation any income (net, gross or other including recapture of any tax items such as investment tax credits), alternative or add-on minimum tax, gross income, gross receipts, gains, sales, use, leasing, lease, user, ad valorem, transfer, recording, franchise, profits, property (real or personal, tangible or intangible), fuel, license, withholding on amounts paid to or by such Person, payroll, employment, unemployment, social security, excise, severance, stamp, occupation, premium, environmental or windfall profit tax, custom, duty or other tax, or other like assessment or charge of any kind whatsoever, together with any interest, levies, assessments, charges, penalties, addition to tax or additional amount imposed by any Taxing Authority, (b) any joint or several liability of such Person with any other Person for the payment of any amounts of the type described in (a) and (c) any liability of such Person for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other Person.

Tax Allocation Schedule shall have the meaning given to it in Section 2.2(c).

Tax Claim shall mean any Claim which relates to Taxes, including without limitation the representations and warranties set forth in Section 3.11.

Tax Return or Returns shall mean all returns, consolidated or otherwise (including without limitation information returns), required to be filed with any Authority with respect to Taxes.

Taxing Authority shall mean any Authority responsible for the imposition of any Tax.

Title Reports shall have the meaning given to it in Section 6.7.

Termination Date shall have the meaning given to it in Section 8.1.

Transactions shall mean the transactions contemplated to be consummated on or prior to the Closing Date, including without limitation the purchase and sale of the Subject Stock and the execution, delivery and performance of the Collateral Documents.

EXHIBIT 10.25

ASSET PURCHASE AGREEMENT

by and between

AMERICAN TOWER SYSTEMS, INC.

and

TUCSON COMMUNICATIONS COMPANY, L.P.

Dated October 4, 1997

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 4th day of October, 1997 by and between AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("Buyer") and TUCSON COMMUNICATIONS COMPANY, a California limited partnership ("Seller").

RECITALS

A. Seller owns, leases and operates communication towers in Tucson, Arizona (the "Business").

B. Seller desires to sell and assign and Buyer desires to purchase substantially all of the assets of Seller used or held for use in the operation of the Business.

AGREEMENT

In consideration of the foregoing and of the mutual promises and covenants set forth below, the adequacy of which are acknowledged, the parties agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms will have the meaning set forth below:

1.1 Affiliate. "Affiliate" means any person or entity who directly or indirectly controls, is controlled by, or is under common control with, such person or entity. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.2 Assumed Contracts. "Assumed Contracts" means those Contracts that are listed on Schedule 1.2 hereto.

1.3 Business Records. "Business Records" means all records of Seller including, but not limited to, all Tower maintenance and compliance records and all books of account, customer lists, supplier lists, employee personnel files, file materials, logs, consultants' reports, budgets, financial reports and sales, operating and business plans, relating to or used or held for use in the operation of the Business and not pertaining solely to Seller's internal corporate affairs.

1.4 Code. "Code" means the Internal Revenue Code of 1986, as amended.

1.5 Contracts. "Contracts" means all contracts, agreements, and Leases (as defined in Section 4.19 below), written or oral (including any amendments and other modifications thereto) to which any Seller is a party or which are binding upon any Seller and relate to the Assets or the Business, and (i) which are in effect on the date hereof and listed on

Schedule 1.2, or (ii) which are entered into by any Seller in the ordinary course of business between the date hereof and the Closing Date.

1.6 Improvements. "Improvements" means all transmitting buildings and related improvements and fixtures located on the Real Property.

1.7 Intangible Property. "Intangible Property" means all of Seller's computer programs, business lists, trade secrets, sales and operating plans and other intangible property rights used or held for use in the operation of the Business, and all goodwill associated with the foregoing, as listed on Schedule 1.7.

1.8 Knowledge. "Knowledge" means the actual Knowledge of such party's partners, officers, directors, principals, Affiliates or agents after having made a good faith effort to ascertain the fact(s) in question by inquiry to such partners, officers or employees of such party as would be reasonably likely to have the information relating to the fact(s) in question.

1.9 Liens. "Liens" means mortgages, deeds of trust, collateral assignments, security interests, conditional or other sales agreements, claims, options, restrictions, liens, pledges, hypothecations, easements, rights of way, encumbrances and adverse interest or other defects of title of any kind.

1.10 Material Adverse Effect. "Material Adverse Effect" means, with respect to any person or entity, any event, fact, condition, occurrence or effect, which is materially adverse to the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, licenses or other franchises or results of operations of such person or entity, considered as a whole.

1.11 Permits. "Permits" means all licenses, permits, franchises, approvals, authorizations, consents or orders of, or filings with, any governmental authority, whether federal, state or local, or any other person, necessary or desirable for the operation of the Business and/or the construction, ownership, operation, leasing, occupancy, maintenance or use of the Real Property and listed on Schedule 1.11.

1.12 Personal Property. "Personal Property" means all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, spare parts, surveys, title insurance policies, plans, specifications and drawings, insurance policies and other tangible personal property which are owned or leased by the Seller and used or useful as of the date hereof in the conduct of the business or the operations of the Business, and are identified on Schedule 1.12, plus such additions thereto and deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

1.13 Real Property. "Real Property" means all real property owned or leased by Seller, as described more fully on Schedule 1.13, including the Towers and the Improvements, together with all easements, rights, privileges, remainders, revisions and appurtenances thereunto belonging or in any way appertaining, and all of Seller's estate, right, title, interest, claim and

demand therein, in the streets and ways adjacent thereto and in the beds thereof, either at law or in equity, in possession or expectancy.

1.14 Towers. "Towers" means all towers, ground radials, guy anchors and related equipment located on the Real Property.

1.15 Warranties. "Warranties" means all of Seller's rights under manufacturers' and vendors' warranties relating to (i) the Towers; (ii) the Improvements; and (iii) the Personal Property.

2. ASSETS TO BE CONVEYED; ASSUMED LIABILITIES.

2.1 Assets to be Conveyed. Subject to the terms and conditions of this Agreement, on the Closing Date (as defined below), Seller will assign, transfer and deliver to Buyer and Buyer shall purchase from Seller all of Seller's right, title and interest in and to all of the assets described in this Section 2.1 (collectively, the "Assets"):

(a) Assumed Contracts;

(b) Business Records;

(c) Intangible Property;

(d) Permits;

(e) Personal Property;

(f) Real Property;

(g) Warranties.

2.2 Excluded Assets. The following assets are "Excluded Assets" and are not among the Assets purchased or transferred pursuant to this Agreement:

(a) Seller's cash, cash equivalents, certificates of deposit, money market funds and other marketable securities on hand or in banks or other financial institutions;

(b) Any Contracts other than the Assumed Contracts;

(c) All of the accounts receivable of the Seller arising prior to the Closing Date; and

(d) Seller's record books and charter documents and other books and records pertaining solely to Seller's internal partnership affairs, including tax matters, or financing arrangements.

2.3 Assumed Liabilities.

(a) As of the Closing Date, Buyer shall assume all obligations and liabilities under the Assumed Contracts accruing, arising or relating to activities, events or occurrences happening on or after the Closing Date (collectively, the "Assumed Liabilities"). Buyer shall assume no obligations or liabilities of Seller, its predecessors or Affiliates whatsoever, including any taxes (the "Retained Liabilities") except for the Assumed Liabilities.

(b) Without limiting the generality of the foregoing, Buyer shall have no obligation to hire any employees of Seller and Seller shall be solely responsible for all salaries, benefits, severance and other compensation which will or may become payable to all of Seller's employees in respect of any period of employment by Seller prior to the Closing Date and Seller shall make such payments at or before the Closing. Buyer will not assume any obligations under Seller's existing vacation, sick leave, severance or other employee welfare or benefit plans or policies with respect to Seller's employees.

3. CONSIDERATION; PRORATIONS.

3.1 Consideration. The consideration for the purchase of the Assets (the "Purchase Price") shall consist of a cash payment by Buyer to Seller in the amount of $12,000,000 (the "Cash Payment") payable at Closing.

3.2 Prorations and Adjustments. The operation of the Business and the income and normal operating expenses, including without limitation Assumed Liabilities and prepaid expenses, attributable thereto through 12:01 a.m. on the date of the Closing shall be for the account of Seller and thereafter for the account of Buyer. Adjustments shall be made and paid at Closing to the extent feasible. A final accounting of prorated items shall be made by Buyer and Seller, and the sum due from one party to the other pursuant to this Section 3.2 shall be paid in cash, within sixty (60) days after the Closing Date.

3.3 Allocation of Purchase Price. The Purchase Price shall be allocated among the Assets in accordance with an independent appraisal to be performed by BIA Consulting, Inc., at the expense of Buyer. Should the independent appraisal result in an allocation of (a) not more than $1,500,000.00 to Code ss. 1231 depreciable real property, being of the class commonly identified as buildings and other Improvements of a type requiring a capital gain rate to Seller for the recaptured portion thereof to be taxable under the Code at 25% nominal rates; (b) in the aggregate not more than $330,000.00 to Code ss. 1245 or personal property, being of the class commonly identified as Towers, fuel tanks and other similar Improvements, fixtures, appurtenances and other property, whether personal or real, of a type requiring the recaptured portion thereof or, with respect to personal property, the allocated amount thereof, to be taxable under the Code to Seller at ordinary income tax rates, and (c) the balance of the Purchase Price to be allocated to either non-depreciable real property and/or going concern value (or goodwill) taxable only as capital gain under the Code to Seller at 20% nominal rates, then Buyer and Seller shall agree thereto and use such allocations as are so established by the independent appraisal.

Should the appraisal result in recommended allocations differing from the above parameters, (i) Seller shall have the right to approve of such differing allocations, or (ii) within three (3) days of notice by Seller of Seller's unwillingness to agree to such differing allocations, or should Buyer not agree to utilize allocations within the above parameters, then either Seller or Buyer shall have the right to terminate this Agreement without further liability. Buyer and Seller shall file with its respective federal income tax return for the tax year in which the Closing occurs, IRS Form 8594 containing the information set forth in the allocation. Buyer agrees to report the purchase of the Assets, and Seller agrees to report the sale of such Assets, for income tax purposes in a manner consistent with the information provided pursuant to this Section 3.3 and contained in IRS Form 8594.

3.4 No Assignment of Accounts Receivable. On and after the Closing Date, (i) Seller shall be responsible for collecting all of Seller's accounts receivable arising from Seller's operation of the Business prior to the Closing Date and (ii) Buyer shall be responsible for collecting all of Buyer's accounts receivable arising from Buyer's operation of the Business on and after the Closing Date.

4. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller represents and warrants to Buyer as follows, which representations and warranties have been relied upon by Buyer in entering into this Agreement.

4.1 Organization. Seller is a limited partnership duly formed, validly existing and in good standing under the laws of the State of California, and is qualified to do business and is qualified or registered to do business in the State of Arizona and in each other jurisdiction where it is required to do so. Seller has full partnership power and authority to carry on its business as now conducted and to enter into and to perform this Agreement.

4.2 Partnership Authorization. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite partnership action of Seller.

4.3 Binding Agreement. This Agreement has been duly executed by Seller and delivered to Buyer and constitutes the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

4.4 No Breach. Subject to the necessity for obtaining consents of third parties to the assignment of those Assumed Contracts listed on Schedule 1.2, the execution, delivery and performance of this Agreement by Seller will not violate or conflict with Seller's Certificate of Limited Partnership or partnership agreement or any Law to which Seller or the Assets is subject, or by which Seller or the Assets may be bound, or (with or without giving notice or the lapse of time or both) breach or conflict with any contract, agreement, or other commitment to which Seller is a party or by which Seller or the Assets may be bound or result in the imposition of a Lien on the Assets.

4.5 Permits. Schedule 1.11 contains a true and complete list of all Permits of Seller. Seller has all Permits required to conduct the Business as now being conducted. All Permits of Seller are valid and in full force and effect. Buyer will proceed, at its own expense, to obtain any Permits and approvals necessary to consummate the transaction contemplated herein; provided, if the transaction is not consummated, Buyer shall restore all such filings to their original condition and reverse any filings made in order to consummate the transaction, and Buyer shall hold Seller harmless from any liability or expense arising from such filings. No notice to, declaration, filing or registration with, or Permit from, any domestic or foreign governmental or regulatory body or authority, or any other person or entity, is required to be made or obtained by Seller in connection with the execution, delivery or performance of this Agreement and the consummation of the transactions contemplated hereby.

4.6 Compliance With Laws. Except as set forth in Schedule 4.6, Seller has complied in all material respects with all statutes, laws, rules, regulations, ordinances, codes, directives, writs, injunctions, decrees, judgments, and orders of any governmental (whether foreign, federal, state, local, or otherwise) agency, court or other body applicable to the Business and the Assets.

4.7 Title to and Sufficiency of Assets. Seller has good and marketable title to all of the Assets (other than the Real Property, which is addressed in Section 4.19) free and clear of all Liens, except for Liens described on Schedule 4.7 (which will be removed on or before the Closing Date). Seller has all necessary partnership authority to transfer ownership of the Assets to Buyer free and clear of all Liens. Other than the Excluded Assets, the Assets to be transferred hereunder constitute all of the assets, rights and properties that are required for the operation of the Business as they are now conducted or that are used or held by Seller for use in the operation of the Business.

4.8 Condition of Personal Property. All Personal Property used or useful in the operation of the Business is listed on Schedule 1.2 and, except as specifically indicated on Schedule 1.2, is in good operating condition and repair (reasonable wear and tear excepted), is performing satisfactorily and is suitable for its intended use.

4.9 Intangible Property. Schedule 1.7 contains a true and complete list of all Intangible Property. Seller has delivered to Buyer or made available for inspection by Buyer copies of (i) all documents (if any) establishing Seller's rights to use the Intangible Property; and (ii) all customer lists and accounts of Seller. Seller has, and after the Closing, Buyer will have, the right to use such Intangible Property, free and clear of any royalty or other payment obligations. Seller's use of the Intangible Property does not conflict with, violate or infringe upon any rights of any other Person, and no Person is violating or infringing on any of Seller's rights with respect to the Intangible Property.

4.10 Contracts. Schedule 1.2 identifies all of the Contracts, and such schedule separately identifies the Assumed Contracts (including the Leases to be assumed). Sellers shall deliver to Buyer true and complete copies of all written Contracts and true and complete memoranda of all oral Contracts (including any and all amendments and other modifications to such Contracts). Other than the Assumed Contracts, Seller requires no contract or agreement to

enable Seller to carry on the Business in all material respects as presently and heretofore conducted. All of the Assumed Contracts are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally or by court-applied equitable principles. Seller is not in material breach, nor to the Knowledge of Seller is any other party in material breach, of the terms of any such Assumed Contracts. Except as expressly set forth in Schedule 1.2, Seller is not aware of any intention by any party to any Assumed Contract (i) to terminate such contract or amend the terms thereof, (ii) to refuse to renew the same upon expiration of its term, or (iii) to renew the same upon expiration only on terms and conditions which are more onerous than those pertaining to such existing contract. Except for any third party consents, which Seller agrees to obtain from such third parties where required (in accordance with Section 6.7 hereto), Seller has full legal power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability, and continuation of any of the Assumed Contracts.

4.11 Litigation. Except as described on Schedule 4.11, there is no litigation, proceeding (arbitral or otherwise), claim or investigation of any nature pending or, to Seller's Knowledge, threatened against Seller, the Business or the Assets. There are no writs, injunctions, decrees, arbitration decisions, unsatisfied judgments or similar orders outstanding against Seller, the Business or the Assets.

4.12 Financial Statements. Schedule 4.12 sets forth true, correct and complete copies of (i) the unaudited balance sheet and related statements of Seller for the two (2) years ended December 31, 1996 (the "Annual Financials"), and (ii) the unaudited monthly balance sheets and related statements for Seller for the period January through September 1997 (the "Monthly Financials," and together with the Annual Financials, the "Financial Statements"). The Financial Statements are in accordance with the books and records of Seller, and present fairly the financial condition of Seller at the respective dates thereof.

4.13 Liabilities. Seller has no material liabilities, obligations or commitments of any nature (whether absolute, accrued, contingent or otherwise and whether matured or unmatured), including without limitations tax liabilities due or to become due, except liabilities that are reflected and reserved against on the Financial Statements.

4.14 Tax Matters. Except as disclosed on Schedule 4.14 hereto: (a) Seller has filed all tax returns and reports required to have been filed by or for it; (b) all material information set forth in such returns or reports is accurate and complete; (c) Seller has paid or made adequate provision for all taxes, additions to tax, penalties, and interest payable by the Seller; (d) no unpaid tax deficiency has been asserted against or with respect to Seller by any taxing authority; and (e) Seller has collected or withheld all amounts required to be collected or withheld by it for any taxes, and all such amounts have been paid to the appropriate governmental agencies or set aside in appropriate accounts for future payment when due.

4.15 Insolvency Proceedings. Neither Seller nor any of the Assets is the subject of any pending or, to Seller's Knowledge, threatened, insolvency proceedings of any character.

Seller has not made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings. Seller is not insolvent and will not become insolvent as a result of entering into this Agreement.

4.16 Employees; Employee Benefit Plans.

(a) Schedule 4.16 contains a true and complete list of all of the employees of Seller, each such employee's title or capacity in which employed, and such employee's annual salary or wages, and a complete list and summary of Seller's employee benefit plans and any bonus compensation plans or policies (including all retirement, pension, profit sharing, bonus, severance pay, disability, health, vacation and sick leave benefits). Seller is not a party to any collective bargaining agreement covering any of its employees. There is no material dispute between Seller and any of its employees related to compensation, severance pay, vacation or pension benefits, or discrimination.

(b) Except as set forth on Schedule 4.16, Seller does not maintain, sponsor or contribute to, nor has Seller maintained, sponsored or been obligated to contribute to, within the last six years, any "employee benefit plan" which is subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 412 of the Code.

4.17 Insurance. Schedule 4.17 lists all insurance policies (by policy number, insurer, location or property insured, annual premium, premium payment dates, expiration date and type of coverage) held by Seller relating to the business, properties and employees of the Business, copies of which have been provided to Buyer. All such insurance policies are in full force and effect and in such amounts and provide coverages that are reasonable and customary in light of the business, operations and properties of the Business.

4.18 Environmental Matters.

(a) As used in this Agreement "Hazardous Material" shall mean: (i) any "hazardous substance" as now defined pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. ss. 9601(14); (ii) any "pollutant or contaminant" as defined in 42 U.S.C. ss. 9601(33); (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 261; (iv) any petroleum, including crude oil and any fraction thereof; natural or synthetic crude oil and any fraction thereof; (v) natural or synthetic gas usable for fuel; (vi) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910; (vii) any asbestos, polychlorinated biphenyl ("PCB"), or isomer of dioxin, or any material or thing containing or composed of such substance or substances; (viii) any infectious organism or biological or medical waste; or (ix) any other substance, regardless of physical form, that is subject to any Environmental Laws.

(b) As used in this Agreement, "Environmental Laws" shall mean any statutes, regulations, requirements, orders, ordinances, rules of liability or standards of conduct of any foreign, federal, state, local government, or common law relating to the protection of human health, plant life, animal life, natural resources, the environment or property from the presence in

the environment of any solid, liquid, gas, odor or any form of energy, from whatever source, including, without limitation, any emissions, discharges, releases, or threatened releases of Hazardous Material into the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface or building structures), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, generation, disposal, transport or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

(c) Except as set forth on Schedule 4.18, and to the best of Seller's Knowledge and without any independent investigation by Seller, (i) there are no environmental conditions related to the Real Property or the business and other assets of Seller that could have a Material Adverse Effect on Seller, including any such conditions relating to the use, treatment, storage, release or disposal of any Hazardous Material; (ii) Seller has not manufactured, processed, distributed, used, treated, stored, disposed of, transported or handled any Hazardous Material in a manner that could have a Material Adverse Effect on such entity; (iii) there is no ambient air, surface water, groundwater or land contamination or contamination within building structures, within, under, originating from or relating to any Real Property or any other location related to the Real Property such that the contamination affects such other locations and none of such properties has been used for the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Material in a manner that could have a Material Adverse Effect on Seller; and (iv) Seller has no obligation or liability, known or unknown, matured or not matured, absolute or contingent, assessed or unassessed, imposed or based upon the failure to comply with any provision under any federal, state or local law, rule, or regulation or common law, or under any code, order, decree, judgment or injunction applicable to Seller and Seller has not received any notice, or request for information issued, promulgated, approved or entered thereunder, or under the common law, or any tort, nuisance or absolute liability theory, relating to public health or safety, worker health or safety, or pollution, damage to or protection of the environment, including, without limitation, the Environmental Laws, where such obligation or liability could have a Material Adverse Effect on Seller.

(d) To the best of Seller's Knowledge, Seller possesses and is in compliance in all material respects with all permits, licenses, certificates, franchises and other authorizations relating to the Environmental Laws necessary to conduct their businesses or required by environmental regulations.

4.19. Real Property.

(a) Leased Real Property. Schedule 1.2 contains a complete and accurate list of all Contracts pursuant to which Seller is either the lessor or lessee of Real Property, including all leases associated with the Towers ("Leases"). All such Leases are valid, binding and enforceable in accordance with their terms and are in full force and effect; no event of default has occurred which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default thereunder on the part of Seller; and Seller has no Knowledge of the occurrence of any event of default which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default thereunder by any other party. Seller has provided Buyer with a

complete and correct copy of all of the Leases. Seller has not received notice of any claim for free or reduced rent or for reduction, deduction or set-off against Seller of the rent due or to become due under any of the Leases, and except as set forth in the Leases Seller has granted no rental concessions or abatements. Seller has the sole right to collect the rent under the Leases and neither such right nor any of the Leases has been assigned, pledged, hypothecated (except Leases that would be hypothecated by Seller's, lenders, to be cleared at or before Closing), or otherwise encumbered. Except as is otherwise indicated on Schedule 1.2, Seller has received no payment of rent more than 30 days in advance of the due date therefor.

(b) Owned Real Property. Schedule 1.13 contains a complete and accurate list of all Real Property owned by Seller ("Owned Real Property") and contains accurate and complete copies of preliminary title reports covering all of the Owned Real Property. At the Closing, Seller has and will transfer to Buyer good and marketable fee simple title to all Owned Real Property subject only to the following matters (the "Permitted Liens"): (i) liens for current taxes not yet due; (ii) Liens set forth on Schedule 1.13 (which will be removed on or before the Closing Date); and (iii) any other Liens and other matters affecting title to the Owned Real Property, which do not in the sole judgment of Buyer (A) breach any covenant, representation or warranty of Seller in this Agreement, (B) adversely affect the use or value of the Owned Real Property, (C) render title to the Owned Real Property unmarketable, (D) constitute a Lien in the nature of a mortgage, deed of trust, UCC financing statement, monetary encumbrance or other similar Lien or (E) constitute a lease (other than those Leases listed in Schedule 1.2 and any Leases pending or being negotiated by Seller with new tenants, but unconsummated prior to Closing Date), sublease or other occupancy agreement that gives any third party any right to occupy or use all or any portion of the Owned Real Property. Seller enjoys peaceful and undisturbed possession of all Owned Real Property, to be evidenced by Seller's delivery of tenant estoppel certificates.

(c) Improvements, Fixtures and Equipment. The Towers and the Improvements, including without limitation all leasehold improvements, and all fixtures and equipment and other tangible assets owned, leased or used by Seller at the Real Property are (i) insured to the extent and in a manner customary in the industry, (ii) structurally sound with no known material defects, (iii) in good operating condition and repair, subject to ordinary wear and tear, (iv) not in need of maintenance or repair except for ordinary routine maintenance and repair, the cost of which would not be material, (v) sufficient for the operation of the Business as presently conducted and (vi) in conformity with all applicable laws, ordinances, orders, regulations and other requirements relating thereto currently in effect. None of the Towers or the Improvements is subject to any commitment or other arrangement for their sale or use by any Affiliate of Seller or third parties, except with respect to leases being negotiated in Seller's ordinary course of business. Except as disclosed on Schedule 1.13, all of the Towers on the Real Property are located entirely on such Real Property.

(d) Other Real Property Representations and Warranties.

(i) The Seller has no Knowledge, nor to its Knowledge has it received notice within the past three years, of any existing or threatened violation of any provision of any applicable building, zoning, subdivision, environmental or other governmental ordinance,

resolution, statute, rule, order or regulation, including but not limited to those of environmental agencies or insurance underwriters, with respect to the ownership, operation, use, maintenance or condition of the Owned Real Property or any part thereof, or requiring any repairs or alterations other than those that have been made prior to the date hereof.

(ii) Seller is the sole owner of full legal, equitable and beneficial title to the Owned Real Property and no consent of or joinder by any other person is required for Seller to convey the full legal, equitable and beneficial title to and ownership of the Owned Real Property to Buyer in accordance with this Agreement. There are no outstanding agreements (written or oral) pursuant to which Seller (or any predecessor to or representative of Seller) has agreed to sell or has granted an option or right of first refusal to purchase the Owned Real Property or any part thereof

(iii) Seller has no Knowledge of, nor to its Knowledge has it received any notice of, any special taxes or assessments relating to the Owned Real Property or any part thereof or any planned public improvements that may result in a special tax or assessment against the Owned Real Property.

(iv) Seller has received no notice of any condemnation or eminent domain proceeding pending or threatened against the Owned Real Property or any part thereof. The Seller has no Knowledge of any change or proposed change in the route, grade or width of, or otherwise affecting, any street or road adjacent to or serving the Owned Real Property.

(v) The Owned Real Property complies with all zoning and land use laws, ordinances, regulations and restrictions, and the Improvements and Towers are permitted as a matter of right as a principal use under all laws applicable thereto without the necessity of any special use permit, special exception or other special permit, permission or consent.

(vi) All utilities necessary for the proper and efficient operation of the Real Property in their current manner are installed in and operating at the Real Property.

4.20. FAA Compliance.

(a) Prior to construction of all Towers, (i) the Federal Aviation Administration ("FAA") issued a Determination of No Hazard to Air Navigation ("FAA Tower Clearance"), a true and correct copy of which has been delivered to Buyer or made available for inspection by Buyer prior to the date hereof; and (ii) the Antenna Survey Branch of the Federal Communications Commission ("FCC") issued a clearance (the "FCC Tower Clearance"), a true and correct copy of which has been provided to Buyer or made available for inspection by Buyer prior to the date hereof.

(b) The FAA Tower Clearance and the FCC Tower Clearance are valid, in good standing, and in full force and effect, and constitutes (i) all Permits required by the federal Communications Act of 1934, as amended, and all rules and regulations promulgated

thereunder (the "Communications Act"), for the construction and operation of the Tower and (ii) all of the Permits issued by the FCC and FAA to Seller for or in connection with the Tower.

(c) The Towers were constructed in full compliance with all applicable municipal, state and federal laws, rules and regulations, including, without limitation, the Communications Act, and all FAA's rules and regulations. The Towers have at all times operated in full compliance with all applicable municipal, state and federal laws, rules and regulations, including, without limitation, the Communications Act, and the FAA's rules and regulations.

(d) Seller has no outstanding requests for information from either the FAA or FCC. Seller has responded fully and timely to each past inquiry or request for information from the FAA or the FCC. Seller has no Knowledge of any condition imposed by the FCC or the FAA on the Towers which is not (i) set forth on the face of the FAA Tower Clearance or the FCC Tower Clearance as issued by the FAA or FCC or (ii) applicable to communications towers generally. Each Tower currently is and at all relevant times has been painted and lighted in accordance with all FAA and FCC rules, regulations and policies, and all relevant permits and clearances issued by the FAA or the FCC. Each Tower is not now and never has been operating under a Notice of Extinguishment or Improper Functioning of Lights, as specified in the FCC's rules.

4.21. No Brokers. Seller has not entered into any contract, agreement, arrangement or understanding with any Person to act as a finder or broker in connection with the transactions contemplated hereby.

4.22. No Other Agreements to Sell. Seller has no legal obligation, absolute or contingent, to any other Person to sell the Assets or the Business (in whole or in part), or effect any merger, consolidation or other reorganization of Seller, or to enter into any agreement with respect thereto.

4.23. Financing Statements. All of the Assets to be conveyed are and have been located in the State of Arizona since the Assets were acquired by Seller. To Seller's Knowledge, and assuming that any current UCC filing searches required to consummate the transaction contemplated herein have been conducted by Buyer, all unreleased UCC financing statements filed by any person with respect to the Assets are listed on Schedule 4.23.

4.24. Transactions with Certain Persons. No partner, officer, director or employee of Seller nor any member of any such person's immediate family is presently, or within the three (3) years has been, a party to any transaction with Seller relating to the Business, including without limitation, any contract, agreement or other arrangement (a) providing for the furnishing of services by, (b) providing for the rental of real or personal property from, or (c) otherwise requiring payments to (other than for services as partners, officers, directors, consultants or employees of Seller) any such person or corporation, partnership, trust or other entity in which any such person has an interest as a shareholder, officer, director, trustee or partner.

4.25. Bulk Sales. Seller represents, in accordance with opinion of Seller's local counsel, that "bulk sales" laws do not apply to this transaction.

4.26 Disclosure. To Seller's Knowledge and without any independent investigation by Seller, no representations or warranties by Seller in this Agreement, nor any document, exhibit, statement, certificate or schedule heretofore or hereinafter furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, including without limitation the Schedules, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make the statements or facts contained therein not misleading. To Seller's Knowledge and without any independent investigation by Seller, Seller has disclosed all events, conditions and facts materially affecting the Business, prospects and financial condition of Seller.

5. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants to Seller as follows, which representations and warranties have been relied upon by Seller in entering into this Agreement.

5.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business and is qualified or registered to do business in each jurisdiction where it is required to do so. Buyer has full corporate power and authority to carry on its business as now conducted and to enter into and to perform this Agreement.

5.2 Corporate Authorization. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Buyer's board of directors.

5.3 Binding Agreement. This Agreement has been duly executed by Buyer and delivered to Seller and constitutes the valid and binding agreements of Buyer, enforceable against Buyer in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

5.4 No Breach. The execution, delivery and performance of this Agreement by Buyer will not violate Buyer's certificate of incorporation or bylaws or any Law to which Buyer is subject or by which Buyer may be bound or (with or without giving notice or the lapse of time or both) breach or conflict with any contract, agreement, or other commitment to which Buyer is a party or by which Buyer is or may be bound.

5.5 Litigation; Compliance with Law. There is no litigation, proceeding (arbitral or otherwise), claim or investigation of any nature, pending or, to Buyer's Knowledge, threatened, against Buyer that reasonably could be expected to adversely affect Buyer's ability to perform in accordance with the terms of this Agreement.

5.6 No Brokers. Other than a brokerage agreement with Kalil & Company, Inc. (for which Buyer shall be responsible), Buyer has not entered into any contract, agreement,

arrangement or understanding with any person or entity to act as a finder or broker in connection with the transactions contemplated hereby.

6. COVENANTS. Between the date of this Agreement and the Closing Date:

6.1 Maintenance of Business. Seller shall conduct the operations of the Business and use the Assets only in the ordinary course of business, consistent with past practices with the intent of preserving the ongoing operations of the Business and the Assets, including, without limitation, maintaining in its employ all key employees of the Business who are performing satisfactorily. Seller shall not sell or agree to sell or otherwise dispose of any of the Assets except in the ordinary course of business, consistent with past practice.

6.2 Adverse Developments. Seller shall promptly notify Buyer of any materially adverse developments that occur prior to Closing with respect to the Assets or the operation of the Business. Seller shall keep Buyer informed of all material operational matters and business developments with respect to the Business and its markets.

6.3 Potential Breach. Each party will promptly notify the other party of the occurrence of any event, or the existence of any fact, of which such party becomes aware that is not permitted by this Agreement and that results in the inaccuracy in any material respect of any representation or warranty of such party in this Agreement as of any time prior to the Closing, and such party will use its reasonable best efforts to cure such matter.

6.4 Access. Seller will provide Buyer, its counsel, accountants, financing sources and other representatives ("Buyer's Representatives") with access to the books and records of the Business, to the Assets and to the officers, employees, agents and accountants of Seller with respect to matters relating to the Business during normal business hours, upon reasonable notice and at a mutually agreeable time, provided that such access does not materially disrupt the operations of the Business and will provide Buyer and Buyer's Representatives with such information concerning the Assets and the Business as they reasonably may request.

6.5 Financial Statements and Other Reports. Between the date of this Agreement and the Closing Date, as soon as the same are available, Seller will provide Buyer with copies of the Business' regularly prepared sales reports and any periodic financial statements or reports.

6.6 No Negotiations. Seller will refrain, and will cause each other person acting for or on behalf of Seller to refrain, from taking, directly or indirectly, any action (a) to seek or encourage any offer or proposal from any person to acquire any assets (other than in ordinary course of business consistent with past practices) or shares of capital stock or other securities of Seller or any interests therein (other than in connection with intra-family transfers for the purpose of estate-planning purposes, or in connection with transfers to corporations or other entities wholly-owned by Sellers or its limited partners, provided that any such transfer be made expressly subject to this Agreement); and (b) to merge, consolidate, or combine, or to permit any other person to merge, consolidate or combine, with Seller.

6.7 Third Party Consents. Seller shall use its best efforts to obtain the third party consents identified on Schedule 1.2 as being necessary for the assignment of the Assumed Contracts to Buyer and to satisfy all other conditions precedent thereof.

6.8 Updated Schedules. Not less than five (5) days before the date scheduled for the Closing, Seller shall deliver to Buyer a list of any changes to Schedule 1.2 which are necessary to reflect the termination, expiration or entry into Contracts, or any changes to Schedule 4.16 relating to employee matters, occurring in accordance with the provisions of this Agreement following the date hereof.

6.9 Leases; Security Interests. Seller will cooperate in all reasonable respects with (i) Buyer's efforts to record any and all Leases in the appropriate land records so that Buyer may seek to obtain leasehold title insurance or grant leasehold mortgages on such Leases at Buyer's expense; (ii) Buyer's efforts to obtain the consents of any parties to the grant by Buyer to its lenders of a security interest in the Assumed Contracts, Real Property or other Assets at Buyer's expense; and (iii) Buyer's efforts to obtain title insurance and a survey with respect to the Real Property at Buyer's expense.

6.10 Tax, Lien, and Judgment Searches. No earlier than fifteen (15) days prior to the Closing Date, Buyer shall have the right to obtain at Buyer's expense a report on the results of a search for UCC financing statements, tax liens, judgment liens, and similar filings in the Secretary of State's records for the State of Arizona and in the records of those jurisdictions where the Assets are located.

6.11 Environmental Assessments.

(a) Buyer shall be permitted to conduct an environmental site assessment for each parcel of Real Property (the "Site Assessments"). Any Site Assessments shall be prepared by Buyer's environmental consultant at Buyer's expense, and Buyer shall furnish Seller with the name, address and telephone number of its environmental consultant preparing such Site Assessments. Buyer shall furnish Seller with a copy of any Site Assessments within ten (10) days of Buyer's receipt of such Site Assessments.

(b) In conducting any Site Assessments, Buyer shall keep the Real Property free of all mechanics or similar liens and shall not interfere with the normal operation of Seller's business. Buyer shall restore the Real Property to its former condition following the completion of any Site Assessments. Buyer shall hold Seller harmless for any claim that may arise as a result of the acts or omissions of Buyer's environmental consultant in conducting any Site Assessments.

(c) If the Site Assessments conclude that environmental remediation is required, Seller hereby agrees to pay the first $25,000 towards remediation expense. Seller shall perform all such remediation as is required to satisfy any Environmental Laws relating to Hazardous Materials, under the supervision of a licensed site professional and to the reasonable satisfaction of Buyer, provided that Seller shall not be required to expend more than $25,000. If the cost of required remediation exceeds $25,000, then Buyer at its option may accept a credit of

$25,000 on the purchase price and complete remediation at its own expense, or terminate the Agreement by giving written Notice to Buyer within ten (10) days of receipt of the Site Assessments.

6.12 Governmental Consents. Promptly following the execution of this Agreement, Seller and Buyer, at Buyer's expense and with Seller's reasonable cooperation, shall proceed to prepare and file with the appropriate governmental authorities such requests for approvals or waivers, reports or notifications as may be required in connection with this Agreement; provided, if the transaction is not consummated, Buyer shall restore all such filings to their original condition and reverse any filings made in order to consummate the transaction, and Buyer shall hold Seller harmless from any liability or expense arising from such filings.

6.13 Confidentiality. Buyer and Seller shall each keep confidential and not directly or indirectly reveal, report, publish, disclose or transfer any information obtained by it with respect to the other in connection with this Agreement and the negotiations preceding this Agreement (the "Confidential Information"), and each will use such Confidential Information solely in connection with the transactions contemplated by this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining any copies thereof, any schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby and shall cause all of its officers, employees, agents, accountants, attorneys and other representatives to whom it may have disclosed such Confidential Information to do the same. Notwithstanding the foregoing limitation, neither party shall be required to keep confidential or return any Confidential Information that (i) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party, (ii) is or becomes publicly known or generally known in the industry through no fault of the receiving party or its agents, (iii) is required to be disclosed pursuant to Law (provided the other party is given reasonable prior notice), and (iv) is developed by the receiving party independently of the disclosure by the disclosing party.

6.14 No Inconsistent Action. Neither Buyer nor Seller shall take any action which is materially inconsistent with its obligations under this Agreement or that would hinder or delay the consummation of the transaction contemplated by this Agreement.

6.15 Audited Financials. Following execution of this Agreement, the Financial Statements will be audited by a nationally-recognized independent accounting firm selected by Buyer, at the expense of Buyer, and Seller will cooperate fully in such audit.

7. CONDITIONS TO BUYER'S OBLIGATION. The obligation of Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

7.1 Representations and Warranties. The representations and warranties of Seller to Buyer contained herein and in any certificates delivered by Seller pursuant hereto will be true and correct in all material respects as of the Closing Date (except for representations and warranties that are qualified as to materiality, which shall be true and correct in all respects), in each case as if made again on and as of such date.

7.2 Compliance with Covenants. All of the covenants to be complied with or performed by Seller on or before the Closing Date shall have been duly complied with and performed in all material respects.

7.3 Closing Documents. On the Closing Date, Seller shall have delivered to Buyer duly executed closing documents as specified in Section 10.1 in a form reasonably acceptable to Buyer. Buyer shall receive a legal opinion of Seller's counsel in form and substance reasonably satisfactory to Buyer and substantially in the form attached hereto as Schedule 7.3.

7.4 Receipt of Third Party Consents. For each Contract that is identified on Schedule 1.2, Seller shall have obtained all required consents of third parties, whether actual or deemed, waived or approved by such third parties in the absence of estoppel certificates (as indicated on Schedule 1.2), in a form reasonably acceptable to Buyer without modification of any material provision of any such Contract, to Buyer's assumption thereof.

7.5 Governmental Consents. Any approval required pursuant to Section 6.12 shall have been obtained prior to Closing. Seller shall have registered the Towers with the FCC pursuant to the Communications Act. Buyer shall use reasonable efforts to cooperate with Seller in obtaining all approvals required under this Section 7.5. Such approvals and registrations required to consummate the transaction shall be Buyer's responsibility and shall be obtained at Buyer's expense with Seller's reasonable cooperation.

7.6 Absence of Litigation. As of the Closing Date, no action, claim, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of this Agreement shall be pending before any court or any other governmental authority; provided, however, that this condition may not be invoked by Buyer if any such action, suit or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of Buyer.

7.7 No Material Adverse Development. There shall not have been any material adverse change in the business or prospects of any of the Business or the condition of the Assets. No material adverse development shall have occurred with respect to the Business that results in a significant impairment to the ability of the Business to operate as they are currently operated or represents a substantial impairment of the aggregate value of the Business or Assets being conveyed.

7.8 Settlement of Claims. Seller shall have settled any and all pending or threatened claims, litigation or proceedings against Seller that affect or concern the Assets.

7.9 Release of Liens. Buyer shall be reasonably satisfied that all Liens on the Assets have been released and removed. Without limiting the generality of the foregoing, Seller shall have delivered to Buyer executed releases or terminations under the UCC and any other applicable laws of any financing or similar statements filed against any Assets in (a) the jurisdictions in which the Assets are and have been located since such Assets were acquired by Seller, and (b) any other location specified or required by applicable Law. A UCC search, as of the Closing Date, of the public records of the State of Arizona and the counties where the Assets are located shall reveal no inconsistencies with Seller's representations and warranties hereunder.

7.10 Title Policy. The title insurance company shall be irrevocably committed to issue to Buyer, at Buyer's expense, an ALTA Owner's Policy of Title Insurance (1970 Form) at its regular rate dated as of the exact date and time of the recording of the deed insuring Buyer's good and marketable fee simple title to the Owned Real Property, subject only to those exceptions permitted under this Agreement, and with such endorsements as Buyer shall require.

7.11 Survey. Buyer shall have received, at Buyer's expense, a survey which shall be certified to Buyer and the title company, which survey shall show no matters which materially adversely affect the use or value of the Owned Real Property or render title thereto unmarketable and shall show (i) no encroachments that materially impair the value or use of the Owned Real Property, (ii) that the Improvements are entirely located on the owned Real Property to be conveyed to Buyer, and (iii) that the Owned Real Property has access to all adjacent roads and that such roads are publicly dedicated.

7.12 Site Assessments. Any remediation required by Section 6.11 shall have been completed to Buyer's reasonable satisfaction or the cost of any remediation required by Section 6.11 shall not exceed the amounts set forth therein.

7.13 Nonforeign Affidavit. Seller shall furnish Buyer an affidavit, stating, under penalty of perjury, the transferor's United States taxpayer identification number and that the transferor is not a foreign person, pursuant to Section 1445(b)(2) of the Code.

7.14 Board Approval. Buyer shall have obtained approval of its Board of Directors to consummate the transactions contemplated by this Agreement within five (5) business days of Seller's execution of this Agreement.

7.15 Bank Approval. Buyer shall have obtained approval of its lenders to consummate the transactions contemplated by this Agreement within five (5) business days of Seller's execution of this Agreement.

7.16 Audited Financials. Buyer shall have received the audited Financial Statements contemplated by Section 6.15 and such audited Financial Statements shall not deviate in any material respect from the Financial Statements furnished by Seller pursuant to Section 4.12 herein.

8. CONDITIONS TO SELLER'S OBLIGATION. Buyer shall have used its best efforts in conducting its due diligence investigations into the matters contained herein, such that Buyer shall have acquired Knowledge (as defined herein) of Seller's representations and warranties. The obligation of Seller to consummate this Agreement is subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

8.1 Representations and Warranties. The representations and warranties of Buyer to Seller contained herein and in any certificates delivered by Buyer pursuant hereto shall be true and correct in all material respects as of the Closing Date (except for representations and warranties that are qualified as to materiality which shall be true and correct in all respects), in each case as if made again on and as of such date.

8.2 Compliance with Covenants. All of the covenants to be complied with or performed by Buyer on or before the Closing Date shall have been duly complied with and performed in all material respects.

8.3 Closing Documents. On the Closing Date, Buyer shall have delivered to Seller duly executed closing documents as specified in Section 10.2 below in a form reasonably acceptable to Seller.

8.4 Governmental Consents. Any approval required pursuant to the Section 6.12 shall have been obtained by Buyer as a condition to Seller's obligations under this Agreement.

8.5 Absence of Litigation. As of the Closing Date, no action, claim, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of this Agreement shall be pending before any court or any other governmental authority; provided, however, that this condition may not be invoked by Seller if any such action, suit, or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, Seller.

8.6 Payment. At the Closing, Buyer shall deliver to Seller the Cash Payment, as provided in Section 3.1. First American Title Company, Inc. in Tucson, Arizona shall serve as escrow agent with respect to the Cash Payment and with respect to the general warranty deed conveying title to the Owned Real Property to Buyer.

9. CLOSING.

9.1 Timing.

(a) The closing of the purchase and sale of the Assets (the "Closing") shall take place on November 1, 1997 or another date mutually agreed to by Buyer and Seller (the "Closing Date"). The Closing will commence on the Closing Date at 10:00 (local time) at the offices of First American Title Company, Inc., 1880 East River Road, Suite 120, Tucson, Arizona, 85718, telephone (520) 577-8707, telecopy (520) 577-0236, or such other place as Buyer and Seller may agree in writing. By mutual agreement of the parties, Closing may take place by conference call and telecopy with exchange of original signatures by overnight mail.

(b) If, as of the Closing Date, any condition precedent described in Section 7 or 8 has not been satisfied, the party who is entitled to require such condition be satisfied may (in its sole discretion) notify the other party(ies) of the absence of such condition precedent at or before the Closing and simultaneously therewith postpone the Closing until a date ten (10) days after all such conditions have been (or are able to be) performed, but not later than December 31, 1997, and such postponed date shall constitute the new Closing Date for all purposes hereunder.

9.2 Deliveries. On the Closing Date, (a) Seller shall deliver or cause to be delivered to Buyer good and marketable title to and ownership of the Assets, free and clear of all Liens free and clear of all Liens except for Permitted Liens; (b) Buyer shall deliver to Seller the

Cash Payment; and (c) the parties shall deliver to each other the closing documents described in Section 10.

10. CLOSING DOCUMENTS.

10.1 Closing Documents To Be Delivered by Seller. On the Closing Date, Seller shall deliver to Buyer (in form and substance reasonably satisfactory to Buyer), and acknowledge with cross-receipts therefore:

(a) one or more bills of sale conveying to Buyer all of the Personal Property;

(b) One or more general warranty deeds conveying the Owned Real Property to Buyer in a form usual and customary in the jurisdiction where such property is located; the description of the Owned Real Property shall be by courses and distances as shown upon Buyer's survey, and shall include any and all appurtenant easements or other beneficial appurtenant rights;

(c) One or more assignments assigning the Assumed Contracts to Buyer, together with each consent obtained by Seller necessary for the assignments of those Assumed Contracts identified on Schedule 1.2;

(d) Certified copies of resolutions of Seller's limited and general partner authorizing the execution, delivery and performance of this Agreement and of Seller's partnership agreement;

(e) One or more assignments conveying to Buyer the Permits, Intangible Property and Business Records;

(f) A certificate executed by Seller attesting to Seller's compliance with the matters set forth in Sections 7.1 and 7.2;

(g) The Business Records;

(h) A general assignment by Seller to Buyer of all the Assets to be conveyed hereunder, other than the Excluded Assets;

(i) Such agreements, affidavits or other documents as may be required by Buyer's title company to issue the title policies required hereunder;

(j) An affidavit of the Seller under section 1445 of the Code certifying that Seller is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the related regulations), and a certificate of Seller as to the reporting of certain real estate transactions as required by section 6045(e) of the Code, each in form and substance satisfactory to Buyer and its title company;

(k) Estoppel letters from all of the tenants under the Leases in a form reasonably acceptable to Buyer or any document setting forth an appropriate "deemed estoppel" or tenant waiver provision;

(l) Written notice executed by Seller notifying all interested parties, including all tenants under the Leases, that the Real Property has been conveyed to Buyer and directing that all payments, inquiries and the like be forwarded to Buyer at the address to be provided by Buyer;

(m) Payoff letters for all monetary Liens at Closing authorizing the title company to pay off all such encumbrances on behalf of Seller and confirming the amounts required to pay off each such encumbrance;

(n) Clearance certificates or similar document(s) that may be required by any state taxing authority in order to relieve Buyer of any obligation to withhold any portion of the Purchase Price;

(o) Such other instruments and further assurances of conveyance and such other certificates or other documentation as Buyer may reasonably request; and

(p) a legal opinion of Seller's counsel in form and substance reasonably satisfactory to Buyer and substantially in the form attached hereto as Schedule 7.3.

10.2 Closing Documents To Be Delivered By Buyer. On the Closing Date, Buyer shall deliver to Seller (in form and substance reasonably satisfactory to Seller) and acknowledge with cross-receipts therefore:

(a) one or more agreements by which Buyer assumes the Assumed Liabilities and agrees to perform, from and after the Closing Date, all of the Assumed Liabilities;

(b) certified copies of resolutions of Buyer's Board of Directors authorizing the execution, delivery and performance of this Agreement, and of Buyer's bylaws and articles of incorporation;

(c) a certificate executed by Buyer attesting to Buyer's compliance with the matters set forth in Sections 8.1 and 8.2;

(d) the Cash Payment to Seller; and

(e) a legal opinion of Buyer's counsel in form and substance reasonably satisfactory to Seller and substantially in the form attached hereto as Schedule 10.2.

10.3 Other Closing Documents. The parties will also execute such other documents and perform such other acts, before and after Closing, as may be necessary for the implementation and consummation of this Agreement.

11 RISK OF LOSS. The risk of loss or damage to the Assets shall be upon Seller at all times prior to the Closing Date unless caused by an act of Buyer. In the event of such loss or damage, Seller will promptly notify Buyer and Seller shall use its best efforts to repair, replace or restore the Assets to their former condition as soon as possible.

12 BREACH; TERMINATION.

12.1 Breach. If either party believes the other to be in breach hereunder, the nonbreaching party shall provide the breaching party with notice specifying in reasonable detail the nature of such breach. If such breach has not been cured by the earlier of: (a) the Closing Date, or (b) within seven (7) days after delivery of such notice, then the party giving such notice may (i) terminate this Agreement for breach; (ii) extend the Closing Date if such breach has not been cured by the Closing Date (but no such extension shall constitute a waiver of such nondefaulting party's right to terminate as a result of such default) to no later than December 31, 1997; (iii) exercise the remedies available to such party pursuant to Section 12.2, subject to the right of the other party to contest such action through appropriate proceedings; and/or (iv) proceed to Closing, but such Closing shall not constitute a waiver of such breach, and the nondefaulting party may seek indemnification from the breaching party pursuant to Section 13 of this Agreement.

12.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 12.1, neither Seller nor Buyer shall be relieved of any liability hereunder for its breach of this Agreement prior to termination.

(b) Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer would be irreparably injured if this Agreement is not specifically enforced after breach if a Seller shall have committed a material breach. Therefore, Buyer shall have the right to specifically enforce Seller's obligation to convey the Assets to Buyer under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. Buyer shall be entitled to seek to recover the damages it incurs resulting from either Seller's default.

13. INDEMNIFICATION.

13.1 Representations and Warranties. All representations and warranties contained in this Agreement shall be deemed continuing representations and warranties, and together with the covenants contained herein, shall survive the Closing Date for a period of two (2) years after the Closing Date (the "Survival Period"). No claim for indemnification may be made under this Article 13 (except for claims under Section 13.3(b)) after the expiration of the Survival Period. Any investigations by or on behalf of a party hereto shall not constitute a waiver of such party's right to enforce any representation or warranty by the other party contained herein, unless a party shall have actual Knowledge of any misrepresentation or breach of warranty at the Closing on the part of the other party, and such Knowledge shall (i) have been discoverable

during Buyer's due diligence investigation, or (ii) have been assured by third party reports or surveys obtained by Buyer, or (iii) have been obtained by Buyer from Buyer's physical inspection of the premises, or (iv) be documented in writing at the Closing, in which case the party having such Knowledge shall be deemed to have waived such misrepresentation or breach.

13.2 Indemnification by Sellers. Seller shall indemnify and hold Buyer harmless against and with respect to, and shall reimburse Buyer for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenants by Seller contained herein or in any certificate delivered to Buyer hereunder;

(b) Any and all obligations of Seller not assumed by Buyer pursuant to the terms hereof;

(c) Any and all losses, liabilities, or damages resulting from Seller's operation of the Business or ownership of the Assets prior to the Closing Date, including any and all liabilities arising under the Assumed Contracts which relate to events occurring or conditions existing prior to the Closing Date; and

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, and reasonable costs and expenses incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof.

13.3. Indemnification by Buyer. Buyer shall indemnify and hold Seller harmless against and with respect to, and shall reimburse Seller for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenants by Buyer contained herein or in any certificate delivered to Seller hereunder;

(b) Any damage to the Real Property resulting from the Site Assessments performed by Buyer in accordance with Section 6.11(b) above;

(c) Any and all losses, liabilities, or damages resulting from Buyer's operation of the Business or ownership of the Assets on or after the Closing Date, including any and all liabilities or obligations arising under the Assumed Contracts which relate to events occurring or conditions existing on or after the Closing Date or otherwise assumed by Buyer under this Agreement; and

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, and reasonable costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof.

13.4. Procedures for Indemnification. The procedures for indemnification shall be as follows:

(a) The party claiming the indemnification (the "Indemnified Party") shall promptly give notice to the party from whom the indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party against the Indemnified Party, specifying (i) the factual basis for such claim, and (ii) the amount of the claim. If the claim relates to an action, suit, or proceeding filed by a third party against the Indemnified Party such notice shall be given by the Indemnified Party to the Indemnifying Party within five (5) days after written notice of such action, suit, or proceeding shall have been given to the Indemnified Party.

(b) Following receipt of notice from the Indemnified Party of a claim, the Indemnifying Party shall have thirty (30) days in which to make such investigation of the claim as the Indemnifying Party shall deem necessary or desirable. For the purposes of such investigation, the Indemnified Party agrees to make available to the Indemnifying Party and/or its authorized representative(s) the information relied upon by the Indemnified Party to substantiate the claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of said thirty (30) day period (or any agreed upon extension thereof) to the validity and amount of such claim, or if the Indemnifying Party does not respond to such notice, the Indemnifying Party shall immediately pay to the Indemnified Party the full amount of the claim. Buyer shall be entitled to apply any or all of the Accounts Receivable collected on behalf of Sellers to a claim as to which Buyer is entitled to indemnification hereunder. If the Indemnified Party and the Indemnifying Party do not agree within said period (or within any agreed-upon extension thereof), the Indemnified Party may seek appropriate legal remedy.

(c) With respect to any claim by a third party as to which the Indemnified Party is entitled to indemnification hereunder, the Indemnifying Party shall have the right at its own expense to participate in or to assume control of the defense of such claim, and the Indemnified Party shall cooperate fully with the Indemnifying Party, subject to reimbursement for reasonable actual out-of-pocket expense incurred by the Indemnified Party as the result of a request by the Indemnifying Party to so cooperate. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Indemnified Party shall have the right to participate in the defense of such claim at its own expense.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make all reasonable efforts to reach a decision with respect thereto as expeditiously as possible.

(e) If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third-party claim, the Indemnifying Party shall be bound by the results obtained in good faith by the Indemnified Party with respect to such claim.

(f) The indemnification rights provided in Sections 13.2 and 13.3 hereof shall extend to the partners, shareholders, directors, officers, members, partners, agents, employees,

and representatives of the Indemnified Party, although for the purpose of the procedures set forth in this Section 13.4, any indemnification claims by such parties shall be made by and through the Indemnified Party.

14 POST CLOSING MATTERS.

(a) Books and Records. Each party agrees that it will cooperate with and make available (or cause to be made available) to the other party, during normal business hours, all books and records, information and employees (without substantial disruption of employment) retained and remaining in existence after the Closing which are necessary or useful in connection with any tax inquiry, audit, or dispute, any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose (a "Permitted Use"). The party requesting any such books and records, information or employees shall bear all of the out-of-pocket costs and expenses reasonably incurred in connection with providing such books and records, information or employees. All information received pursuant to this Section 14(a) shall be kept confidential pursuant to Section 6.12 by the party receiving it, except to the extent that disclosure is reasonably necessary in connection with any Permitted Use.

(b) Cooperation and Records Retention. Seller and Buyer shall each (i) provide the other with such assistance as may reasonably be requested by either of them in connection with the preparation of any return, audit, or other examination by any taxing authority or judicial or administrative proceedings relating to liability for any taxes; (ii) retain and provide the other with any records or other information that may be relevant to such return, audit or examination, proceeding or determination; and (iii) provide the other with any final determination of any such audit or examination, proceeding, or determination that affects any amount required to be shown on any Tax return of the other for any period.

(c) Payments. Following the Closing Date, Seller shall pay promptly when due all of their debts and liabilities, including any liability for taxes with respect to periods ending on or before the Closing Date.

15. ADDITIONAL INSURANCE. Buyer shall cause any of its employees or agents entering the premises to conduct any Site Assessments or other due diligence investigations to carry adequate injury/accident insurance, and Buyer shall hold Seller harmless for any claims arising from such due diligence investigations.

16. EXPENSES. Except as otherwise expressly set forth in this Agreement, each party shall bear its own legal and other fees and expenses incurred in connection with its negotiating, executing and performing this Agreement. Buyer shall pay all expenses specifically in connection with Closing. Buyer shall bear all applicable sales, transfer or similar taxes, if any (other than income or capital gains taxes which shall have come due to Seller under federal or state laws), which are due as a result of the transfer of the Assets in accordance herewith.

17. FURTHER ASSURANCES. From time to time at or after the Closing, at the request of the other, Seller and Buyer will execute and deliver such other instruments of

conveyance, assignment, transfer and delivery and take such other action as the other reasonably may request in order to consummate, complete and carry out the purposes of the transactions contemplated hereby, including the execution and delivery of such instruments and agreements as may be reasonably necessary or advisable to fully effect the transfer to Buyer of the Assets.

18. BENEFIT AND ASSIGNABILITY. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other person or entity shall have any right (whether third party beneficiary or otherwise) hereunder. This Agreement may not be assigned by any party without the prior written consent of the other party; provided, however, that Buyer may assign all or any portion of this Agreement to any Affiliate of Buyer, provided that Buyer shall remain obligated for the performance of this Agreement.

19. NOTICES. All notices demands and other communications pertaining to this Agreement ("Notices") shall be in writing addressed as follows:

If to Seller:	Tucson Communications Company, L.P. 8445 Camino Santa Fe, Suite 101 San Diego, California 92121 Telephone: (619) 558-0333 Telecopy: (619) 558-0416 Attn: Robert H. Davis
with a copy to:	James McGowan, Jr., Esquire Attorney at Law P.O. Box 1885 La Jolla, California 92038 Telephone: (619) 454-0142 Telecopy: (619) 454-7858
and a copy to:	H. Victor Sucher, Jr. 600B Clubhouse Avenue Newport Beach, California 92663 Telephone: (714) 675-3839 Telecopy: (714) 675-3839
If to Buyer	American Tower Systems, Inc. 10800 Main Street Fairfax, Virginia 22030 Telephone: (703) 934-1215 Telecopy: (703) 934-1200 Attn: Alan Box

with a copy to: Hunton & Williams
1751 Pinnacle Drive
Suite 1700
McLean, Virginia 22102
Telephone: (703) 714-7440
Telecopy: (703) 714-7410
Attn: Joseph W. Conroy, Esquire

Notices shall be deemed given three (3) business days after being mailed by certified or registered United States mail, postage prepaid, return receipt requested, or on the first business day after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery, or upon oral confirmation of receipt of a telecopy transmission of any Notices. Any party may change the address to which Notices under this Agreement are to be sent to it by giving written notice of a change of address in the manner provided in this Agreement for giving Notice.

20. WAIVER. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by any other shall be valid unless in writing and acknowledged by an authorized representative of the nondefaulting party, and no such waiver shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

21. ENTIRE AGREEMENT. This Agreement (including the Exhibits and Schedules hereto, which are incorporated by reference herein) constitutes the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties (written or oral) with respect to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

22. COUNTERPARTS. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

23. CONSTRUCTION. The headings of the Articles and Sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

24. EXHIBITS AND SCHEDULES. The Exhibits and Schedules to this Agreement are a material part of this Agreement.

25. SEVERABILITY. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. Any illegal

or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

26. CHOICE OF LAW; VENUE. This Agreement is to be construed and governed by the laws of the State of Arizona, without regard for the choice of law rules utilized in that state. Subject to the provisions of Section 12.2, if there is any dispute between the parties to this Agreement which remains unresolved for thirty (30) days or more, either party may, upon written notice to the other, submit such dispute to binding arbitration in Tucson, Arizona in accordance with the commercial rules of the American Arbitration Association ("AAA") before a panel of three arbitrators Knowledgeable in the tower communications industry, one arbitrator chosen by Buyer, one chosen by Seller and the third as mutually agreed upon by the two arbitrators so appointed, or in the absence of such agreement, by the President of the Arizona Chapter of the AAA, and the decision of such panel shall, in the absence of fraud, be conclusively binding on the parties.

27. PUBLIC STATEMENTS. Prior to the Closing Date, neither Seller nor Buyer shall, without the prior written approval of the other party, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except (i) Seller and Buyer shall issue a mutually agreeable press release promptly after the signing of this Agreement; and (ii) to the extent required by law, in which case the other party shall be so advised as far in advance as possible.

28. ATTORNEYS' FEES. If any party initiates any litigation against any other party involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

29. COUNSEL. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

30. DELIVERY OF SCHEDULES. The parties acknowledge that as of the date of execution of this Agreement, the Seller has not delivered to the Buyer the scheduled called for in Section 4 of this Agreement (the "Schedules"). Within five (5) business days after the date of execution of this Agreement, the Seller shall deliver the Schedules to the Buyer and the Buyer shall have five (5) business days thereafter (the "Review Period") to review the Schedules. If (1) during the Review Period, the Buyer shall notify the Seller in writing that the Schedules are not acceptable (in the Buyer's sole discretion), or (2) the Seller shall fail required five (5) business day period, then this Agreement shall immediately terminate without liability to any party hereto.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AMERICAN TOWER SYSTEMS, INC.

By: /s/ Alan Box
Alan Box
President

TUCSON COMMUNICATIONS COMPANY,
a California limited partnership

By: Delta Development I, a California limited partnership, its General Partner

By: Dyna-Plex, Inc., a California corporation, its General Partner

By: /s/ Robert H. Davis,
Robert H. Davis,
President

By: /s/ Euphenia B. Davis
Assistant Secretary

By: /s/ H. Victor Sucher, Jr.
H. Victor Sucher, Jr.
An individual General Partner of Tuscon Communications Company, a California limited partnership

SCHEDULES

Schedule 1.2	Contracts; Assumed Contracts
Schedule 1.7	Intangible Property
Schedule 1.11	Permits
Schedule 1.13	Real Property
Schedule 1.12	Personal Property
Schedule 4.6	Compliance with Laws
Schedule 4.7	Asset Liens
Schedule 4.11	Litigation
Schedule 4.12	Financial Statements
Schedule 4.14	Tax Matters
Schedule 4.16	Employees; Employee Benefit Plans
Schedule 4.17	Insurance
Schedule 4.18	Environmental Matters
Schedule 4.23	Financing Statements
Schedule 7.3	Form of Legal Opinion of Seller's Counsel
Schedule 10.2	Form of Legal Opinion of Buyer's Counsel

EXHIBIT 10.26

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AMERICAN TOWER SYSTEMS CORPORATION

1997 Stock Option Plan

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AMERICAN TOWER SYSTEMS CORPORATION
1997 STOCK OPTION PLAN

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AMERICAN TOWER SYSTEMS CORPORATION

1997 STOCK OPTION PLAN

1. PURPOSE

The purpose of this 1997 Stock Option Plan (the "Plan") is to encourage directors, consultants and employees of American Tower Systems Corporation (the "Company") and its Subsidiaries (as hereinafter defined) to continue their association with the Company and its Subsidiaries, by providing opportunities for such persons to participate in the ownership of the Company and in its future growth through the granting of stock options (the "Options") which may be options designed to qualify as incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") (an "ISO"), or options not intended to qualify for any special tax treatment under the Code (a "NQO"). The term "Subsidiary" as used in the Plan means a corporation or other business organization of which the Company owns, directly or indirectly through an unbroken chain of ownership, fifty percent (50%) or more of the total combined voting power of all classes of stock.

2. ADMINISTRATION OF THE PLAN

The Plan shall be administered by a committee (the "Committee") consisting of two or more members of the Company's Board of Directors (the "Board"). The Committee shall from time to time determine to whom options or other rights shall be granted under the Plan, whether options granted shall be incentive stock options ("ISOs") or nonqualified stock options ("NSOs"), the terms of the options or other rights, and the number of shares that may be granted under options. The Committee shall report to the Board the names of individuals to whom stock or options or other rights are to be granted, the number of shares covered, and the terms and conditions of each grant. The determinations described in this Section 2 may be made by the Committee or by the Board, as the Board shall direct in its discretion, and references in the Plan to the Committee shall be understood to refer to the Board in any such case.

The Committee shall select one of its members as Chairman and shall hold meetings at such times and places as it may determine. A majority of the Committee shall constitute a quorum, and acts of the Committee at which a quorum is present, or acts reduced to or approved in writing by all the members of the Committee, shall be the valid acts of the Committee. The Committee shall have the authority to adopt, amend, and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan. All questions of interpretation and application of such rules and regulations, of the Plan and of options granted thereunder (the "Options"), shall be subject to the determination of the Committee, which shall be final and binding. The Plan shall be administered in such a manner as to permit those Options granted hereunder and specially designated under Section 5 hereof as an ISO to qualify as incentive stock options as described in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

For so long as Section 16 of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"), is applicable to the Company, each member of the Committee shall be

a "non-employee director" or the equivalent within the meaning of Rule 16b-3 under the Exchange Act, and, for so long as Section 162(m) of the Code is applicable to the Company, an "outside director" within the meaning of Section 162 of the Code and the regulations thereunder.

With respect to persons subject to Section 16 of the Exchange Act ("Insiders"), transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successor under the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed to be modified so as to be in compliance with such Rule, or, if such modification is not possible, it shall be deemed to be null and void, to the extent permitted by law and deemed advisable by the Committee.

3. OPTION SHARES

The stock subject to Options under the Plan shall be shares of Class A and Class B Common Stock, par value $.01 per share (the "Stock"). The total amount of the Stock with respect to which Options may be granted (the "Option Pool"), shall not exceed in the aggregate 10,000,000 shares; provided, however, such aggregate number of shares shall be subject to adjustment in accordance with the provisions of Section 17. In the event that any outstanding Option shall expire for any reason or shall terminate by reason of the death or severance of employment of the Optionee, the surrender of any such Option, or any other cause, the shares of Stock allocable to the unexercised portion of such Option may again be subject to an option under the Plan. The maximum number of shares of Stock subject to Options that may be granted to any Optionee in the aggregate in any calendar year shall not exceed 5,000,000 shares.

4. AUTHORITY TO GRANT OPTIONS

The Committee may determine, from time to time, which employees of the Company or any Subsidiary or other persons shall be granted Options under the Plan, the terms of the Options (including without limitation whether an Option shall be an ISO or a NQO) and the number of shares which may be purchased under the Option or Options. Without limiting the generality of the foregoing, the Committee may from time to time grant: (a) to such employees (other than employees of a Subsidiary which is not a corporation) as it shall determine an Option or Options to buy a stated number of shares of Stock under the terms and conditions of the Plan which Option or Options will to the extent so designated at the time of grant constitute an ISO; and (b) to such eligible directors, employees or other persons as it shall determine an Option or Options to buy a stated number of shares of Stock under the terms and conditions of the Plan which Option or Options shall constitute a NQO. Subject only to any applicable limitations set forth elsewhere in the Plan, the number of shares of Stock to be covered by any Option shall be as determined by the Committee.

5. WRITTEN AGREEMENT

Each Option granted hereunder shall be embodied in an option agreement (the "Option Agreement") substantially in the form of Exhibit 1, which shall be signed by the Optionee and by the Chief Executive Officer, Chief Financial Officer or the Corporate Controller of the Company for and in the name and on behalf of the Company. An Option Agreement may contain such

restrictions on exercisability and such other provisions not inconsistent with the Plan as the Committee in its sole and absolute discretion shall approve.

6. ELIGIBILITY

The individuals who shall be eligible for grant of Options under the Plan shall be employees (including officers who may be members of the Board), directors who are not employees and other individuals, whether or not employees, who render services of special importance to the management, operation, or development of the Company or a Subsidiary, and who have contributed or may be expected to contribute materially to the success of the Company or a Subsidiary. An employee, director or other person to whom an Option has been granted pursuant to an Option Agreement is hereinafter referred to as an "Optionee."

7. OPTION PRICE

The price at which shares of Stock may be purchased pursuant to an Option shall be specified by the Committee at the time the Option is granted, but shall in no event be less than the par value of such shares and, in the case of an ISO, except as set forth in the following sentence, one hundred percent (100%) of the fair market value of the Stock on the date the ISO is granted. In the case of an employee who owns (or is considered under Section 424(d) of the Code as owning) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, the price which shares of Stock may be so purchased pursuant to an ISO shall be not less than one hundred and ten percent (110%) of the fair value of the Stock on the date the ISO is granted.

For purposes of the Plan, the "fair market value" of a share of Stock on any date specified herein, shall mean (a) the last reported sales price, regular way, or, in the event that no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case (i) as reported on the New York Stock Exchange Composite Tape, or (ii) if the Stock is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which such security is listed or admitted to trading, or (iii) if not then listed or admitted to trading on any national securities exchange, on the NASDAQ National Market System; or (b) if the Stock is not quoted on such National Market System, (i) the average of the closing bid and asked prices on each such day in the over-the-counter market as reported by NASDAQ, or (ii) if bid and asked prices for such security on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by the Committee; or (c) if the Stock is not then listed or admitted to trading on any national exchange or quoted in the over-the-counter market, the fair value thereof determined in good faith by the Committee as of a date which is within thirty (30) days of the date with respect to which the determination is to be made; provided, however, that any method of determining fair market value employed by the Committee with respect to an ISO shall be consistent with any applicable laws or regulations pertaining to "incentive stock options."

8. DURATION OF OPTIONS

The duration of any Option shall be specified by the Committee in the Option Agreement, but no ISO shall be exercisable after the expiration of ten (10) years, and no NQO shall be exercisable after the expiration of ten (10) years and one (1) day, from the date such Option is granted. 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 (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, no ISO shall be exercisable after the expiration of five (5) years from the date such Option is granted. The Committee, in its sole and absolute discretion, may extend any Option theretofore granted subject to the aforesaid limits and may provide that an Option shall be exercisable during its entire duration or during any lesser period of time.

9. VESTING PROVISIONS

Each Option may be exercised so long as it is valid and outstanding from time to time, in part or as a whole, in such manner and subject to such conditions as the Committee, in its sole and absolute discretion, may provide in the Option Agreement.

10. EXERCISE OF OPTIONS

Options shall be exercised by the delivery of written notice to the Company setting forth the number of shares of Stock with respect to which the Option is to be exercised, accompanied by payment of the option price of such shares, which payment shall be made, subject to the alternative provisions of this Section, in cash or by such cash equivalents, payable to the order of the Company in an amount in United States dollars equal to the option price of such shares, as the Committee in its sole and absolute discretion shall consider acceptable. Such notice shall be delivered in person to the Secretary of the Company or shall be sent by registered mail, return receipt requested, to the Secretary of the Company, in which case delivery shall be deemed made on the date such notice is deposited in the mail.

Alternatively, if the Option Agreement so specifies, and subject to such rules as may be established by the Committee, payment of the option price may be made through a so-called "cashless exercise" procedure, under which the Optionee shall deliver irrevocable instructions to a broker to sell shares of Stock acquired upon exercise of the Option and to remit promptly to the Company a sufficient portion of the sale proceeds to pay the option price and any tax withholding resulting from such exercise.

Alternatively, payment of the option price may be made, in whole or in part, in shares of Stock owned by the Optionee; provided, however, that the Optionee may not make payment in shares of Stock that he acquired upon the earlier exercise of any ISO (or other "incentive stock option"), unless and until he has held the shares until at least two (2) years after the date the ISO (or such other incentive stock option) was granted and at least one (1) year after the date the ISO (or such other option) was exercised. If payment is made in whole or in part in shares of Stock, then the Optionee shall deliver to the Company in payment of the option price of the shares with respect of which such Option is exercised (a) certificates registered in the name of such Optionee representing a number of shares of Stock legally and beneficially owned by such Optionee, free of

all liens, claims and encumbrances of every kind, and having a fair market value on the date of delivery of such notice equal to the option price of the shares of Stock with respect to which such Option is to be exercised, such certificates to be accompanied by stock powers duly endorsed in blank by the record holder of the shares of Stock represented by such certificates; and (b) if the option price of the shares with respect to which such Option is to be exercised exceeds such fair market value, cash or such cash equivalents payable to the order to the Company, in an amount in United States dollars equal to the amount of such excess, as the Committee in its sole and absolute discretion shall consider acceptable. Notwithstanding the foregoing provisions of this Section, the Committee, in its sole and absolute discretion (i) may refuse to accept shares of Stock in payment of the option price of the shares of Stock with respect to which such Option is to be exercised and, in that event, any certificates representing shares of Stock which were delivered to the Company with such written notice shall be returned to such Optionee together with notice by the Company to such Optionee of the refusal of the Committee to accept such shares of Stock and (ii) may accept, in lieu of actual delivery of stock certificates, an attestation by the Optionee substantially in the form attached herewith as Exhibit C or such other form as may be deemed acceptable by the Committee that he or she owns of record the shares to be tendered free and clear of all liens, claims and encumbrances of every kind.

Alternatively, if the Option Agreement so specifies, payment of the option price may be made in part by a promissory note executed by the Optionee and containing the following terms and conditions (and such others as the Committee shall, in its sole and absolute discretion determine from time to time): (a) it shall be collaterally secured by the shares of Stock obtained upon exercise of the Option; (b) repayment shall be made on demand by the Company and, in any event, no later than three (3) years from the date of exercise; and (c) the note shall bear interest at a rate as determined by the Committee, payable monthly out of a payroll deduction provision; provided, however, that notwithstanding the foregoing (i) an amount not less than the par value of the shares of Stock with respect to which the Option is being exercised must be paid in cash, cash equivalents, or shares of Stock in accordance with this Section, and (ii) the payment of such exercise price by promissory note does not violate any applicable laws or regulations, including, without limitation, Delaware corporate law or applicable margin lending rules. The decision as to whether to permit partial payment by a promissory note for shares of Stock to be issued upon exercise of any Option granted shall rest entirely in the sole and absolute discretion of the Committee.

As promptly as practicable after the receipt by the Company of (a) written notice from the Optionee setting forth the number of shares of Stock with respect to which such Option is to be exercised and (b) payment of the option price of such shares in the form required by the foregoing provisions of this Section, the Company shall cause to be delivered to such Optionee certificates representing the number of shares with respect to which such Option has been so exercised (less a number of shares equal to the number of shares as to which ownership was attested under the procedure described in clause (ii) of the next preceding paragraph).

11. TRANSFERABILITY OF OPTIONS

Options shall not be transferable by the Optionee otherwise than by will or under the laws of descent and distribution, and shall be exercisable during his or her lifetime only by the Optionee, except that the Committee may specify in an Option Agreement that pertains to an NQO that the Optionee may transfer such NQO to a member of the Immediate Family of the Optionee, to a trust

solely for the benefit of the Optionee and the Optionee's Immediate Family, or to a partnership or limited liability company whose only partners or members are the Optionee and members of the Optionee's Immediate Family. "Immediate Family" shall mean, with respect to any Optionee, such Optionee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships.

12. TERMINATION OF EMPLOYMENT OR INVOLVEMENT OF OPTIONEE WITH THE COMPANY

For purposes of this Section, employment by or involvement with (in the case of an Optionee who is not an employee) a Subsidiary shall be considered employment by or involvement with the Company. Except as otherwise set forth in the Option Agreement, after the Optionee's termination of employment with the Company other than by reason of death or disability, including his retirement in good standing from the employ of the Company for reasons of age under the then established rules of the Company, the Option shall terminate on the earlier of the date of its expiration or three (3) months after the date of such termination or retirement. After the death of the Optionee, his or her executors, administrators or any persons to whom his or her Option may be transferred by will or by the laws of descent and distribution shall have the right to exercise the Option to the extent to which the Optionee was entitled to exercise the Option. In the event that such termination is a result of disability, the Optionee shall have the right to exercise the Option pursuant to its terms as if such Optionee continued as an employee.

Authorized leave of absence or absence on military or government service shall not constitute severance of the employment relationship between the Company and the Optionee for purposes of the Plan, provided that either (a) such absence is for a period of no more than ninety (90) days or (b) the Employee's right to re-employment after such absence is guaranteed either by statute or by contract.

For Optionees who are not employees of the Company, options shall be exercisable for such periods following the termination of the Optionee's involvement with the Company as may be set forth in the Option Agreement.

13. REQUIREMENTS OF LAW

The Company shall not be required to sell or issue any shares of Stock upon the exercise of any Option if the issuance of such shares shall constitute or result in a violation by the Optionee or the Company of any provisions of any law, statute or regulation of any governmental authority. Specifically, in connection with the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities or "blue sky" law (a "Blue Sky Law"), upon exercise of any Option the Company shall not be required to issue such shares unless the Committee has received evidence satisfactory to it to the effect that the holder of such Option will not transfer such shares except pursuant to a registration statement in effect under the Securities Act and Blue Sky Laws or unless an opinion of counsel satisfactory to the Company has been received by the Company to the effect that such registration and compliance is not required. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall not be obligated to take any action in order to cause the exercise of an Option or the issuance of shares of Stock pursuant thereto

to comply with any law or regulations of any governmental authority, including, without limitation, the Securities Act or applicable Blue Sky Law.

Notwithstanding any other provision of the Plan to the contrary, the Company may refuse to permit transfer of shares of Stock if in the opinion of its legal counsel such transfer would violate federal or state securities laws or subject the Company to liability thereunder. Any sale, assignment, transfer, pledge or other disposition of shares of Stock received upon exercise of any Option (or any other shares or securities derived therefrom) which is not in accordance with the provisions of this Section shall be void and of no effect and shall not be recognized by the Company.

Legend on Certificates. The Committee may cause any certificate
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representing shares of Stock acquired upon exercise of an Option (and any other shares or securities derived therefrom) to bear a legend to the effect that the securities represented by such certificate have not been registered under the Federal Securities Act of 1933, as amended, or any applicable state securities laws, and may not be sold, assigned, transferred, pledged or otherwise disposed of except in accordance with the Plan and applicable agreements binding the holder and the Company or any of its stockholders.

14. NO RIGHTS AS STOCKHOLDER

No Optionee shall have any rights as a stockholder with respect to shares covered by his or her Option until the date of issuance of a stock certificate for such shares; except as otherwise provided in Section 17, no adjustment for dividends or otherwise shall be made if the record date therefor is prior to the date of issuance of such certificate.

15. EMPLOYMENT OBLIGATION

The granting of any Option shall not impose upon the Company or any Subsidiary any obligation to employ or continue to employ any Optionee, or to engage or retain the services of any person, and the right of the Company or any Subsidiary to terminate the employment or services of any person shall not be diminished or affected by reason of the fact that an Option has been granted to him or her. The existence of any Option shall not be taken into account in determining any damages relating to termination of employment or services for any reason.

16. FORFEITURE AS A RESULT OF TERMINATION FOR CAUSE

Notwithstanding any provision of the Plan to the contrary, if the Committee determines, after full consideration of the facts presented on behalf of the Company and an Optionee, that

(a) the Optionee has been engaged in fraud, embezzlement, theft, commission of a felony or dishonesty in the course of his or her employment by or involvement with the Company or a Subsidiary, which damaged the Company or a Subsidiary, or has made unauthorized disclosure of trade secrets or other proprietary information of the Company or a Subsidiary or of a third party who has entrusted such information to the Company or a Subsidiary, or

(b) the Optionee's employment or involvement was otherwise terminated for "cause," as defined in any employment agreement with the Optionee, if applicable, or if there is no such agreement, as determined by the Committee, which may determine that "cause" includes among other matters the willful failure or refusal of the Optionee to perform and carry out his or her assigned duties and responsibilities diligently and in a manner satisfactory to the Committee,

then the Optionee's right to exercise an Option shall terminate as of the date of such act (in the case of (a)) or such termination (in the case of (b)) and the Optionee shall forfeit all unexercised Options. If an Optionee whose behavior the Company asserts falls within the provisions of (a) or (b) above has exercised or attempts to exercise an Option prior to a decision of the Committee, the Company shall not be required to recognize such exercise until the Committee has made its decision and, in the event of any exercise shall have taken place, it shall be of no force and effect (and void ab initio) if the
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Committee makes an adverse determination; provided, however, if the Committee finds in favor of the Optionee then the Optionee will be deemed to have exercised such Option retroactively as of the date he or she originally gave written notice of his or her attempt to exercise or actual exercise, as the case may be. The decision of the Committee as to the cause of an Optionee's discharge and the damage done to the Company or a Subsidiary shall be final, binding and conclusive. No decision of the Committee, however, shall affect in any manner the finality of the discharge of such Optionee by the Company or a Subsidiary.

17. CHANGES IN THE COMPANY'S CAPITAL STRUCTURE

The existence of outstanding Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business or any merger or consolidation of the Company or any issue of bonds, debentures, preferred or preference stock, whether or not convertible into the Stock or other securities, ranking prior to the Stock or affecting the rights thereof, or warrants, rights or options to acquire the same, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

The number of shares of Stock in the Option Pool (less the number of shares theretofore delivered upon exercise of Options) and the number of shares of Stock covered by any outstanding Option and the price per share payable upon exercise thereof (provided that in no event shall the option price be less than the par value of such shares) shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Stock resulting from any subdivision, split, combination or consolidation of shares of Stock or the payment of a dividend in shares of stock or other securities of the Company on the Stock. The decision of the Board as to the adjustment, if any, required by the provisions of this Section shall be final, binding and conclusive.

If the Company merges or consolidates with a wholly-owned subsidiary for the purpose of reincorporating itself under the laws of another jurisdiction, the Optionees will be entitled to acquire shares of Stock of the reincorporated Company upon the same terms and conditions as were in effect immediately prior to such reincorporation (unless such reincorporation involves a change in the number of shares or the capitalization of the Company, in which case proportional adjustments shall

be made as provided above) and the Plan, unless otherwise rescinded by the Board, will remain the Plan of the reincorporated Company.

Except as otherwise provided in the preceding paragraph, if the Company is merged or consolidated with another corporation, whether or not the Company is the surviving entity, or if the Company is liquidated or sells or otherwise disposes of all or substantially all of its assets to another entity while unexercised Options remain outstanding under the Plan, or if other circumstances occur in which the Board in its sole and absolute discretion deems it appropriate for the provisions of this paragraph to apply (in each case, an "Applicable Event"), then (a) each holder of an outstanding Option shall be entitled, upon exercise of such Option, to receive in lieu of shares of Stock, such stock or other securities or property as he or she would have received had he exercised such option immediately prior to the Applicable Event; or (b) the Board may, in its sole and absolute discretion, waive, generally or in one or more specific cases, any limitations imposed pursuant to Section 9 so that some or all Options from and after a date prior to the effective date of such Applicable Event, specified by the Board, in its sole and absolute discretion, shall be exercisable in full; or (c) the Board may, in its sole and absolute discretion, cancel all outstanding and unexercised Options as of the effective date of any such Applicable Event; or (d) the Board may, in its sole discretion, convert some or all Options into options to purchase the stock or other securities of the surviving corporation pursuant to an Applicable Event; or (e) the Board may, in its sole and absolute discretion, assume the outstanding and unexercised options to purchase stock or other securities of any corporation and convert such options into Options to purchase Stock, whether pursuant to this Plan or not, pursuant to an Applicable Event; provided, however, notice of any such cancellation pursuant to clause (c) shall be given to each holder of an Option not less than thirty (30) days preceding the effective date of such Applicable Event, and provided further, however, that the Board may, in its sole and absolute discretion, waive, generally or in one or more specific instances, any limitations imposed pursuant to Section 9 with respect to any Option so that such Option shall be exercisable in full or in part, as the Board may, in its sole and absolute discretion, determine, during such thirty (30) day period.

Except as expressly provided herein, the issue by the Company of shares of Stock or other securities of any class or series or securities convertible into or exchangeable or exercisable for shares of Stock or other securities of any class or series for cash or property or for labor or services either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number, class or price of shares of Stock then subject to outstanding Options.

18. AMENDMENT OR TERMINATION OF PLAN

The Board may, in its sole and absolute discretion, modify, revise or terminate the Plan at any time and from time to time; provided, however, that without the further approval of the holders of at least a majority of the outstanding shares of Stock, the Board may not (a) materially increase the benefits accruing to Optionees under the Plan or make any "modifications" as that term is defined under Section 424(h)(3) (or its successor) of the Code if such increase in benefits or modifications would adversely affect (i) the availability to the Plan of the protections of Section 16(b) of the Exchange Act, if applicable to the Company, or (ii) the qualification of the Plan or any Options for "incentive stock option" treatment under Section 422 of the Code; (b) change the aggregate number of shares of Stock which may be issued under Options pursuant to the provisions

of the Plan either to any one employee or in the aggregate; or (c) change the class of persons eligible to receive ISOs. Notwithstanding the preceding sentence, the Board shall in all events have the power and authority to make such changes in the Plan and in the regulations and administrative provisions hereunder or in any outstanding Option as, in the opinion of counsel for the Company, may be necessary or appropriate from time to time to enable any Option granted pursuant to the Plan to qualify as an incentive stock option or such other stock option as may be defined under the Code, as amended from time to time, so as to receive preferential federal income tax treatment.

19. EFFECTIVE DATE AND DURATION OF THE PLAN

The Plan shall become effective and shall be deemed to have been adopted on November 5, 1997, unless the Plan shall have terminated earlier, the Plan shall terminate on the tenth (10th) anniversary of its effective date, and no Option shall be granted pursuant to the Plan after the day preceding the tenth (10th) anniversary of its effective date.

AMERICAN TOWER SYSTEMS CORPORATION

Stock Option Agreement

Option Certificate: No.

Specific Terms of the Option
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Subject to the terms and conditions hereinafter set forth and the terms and conditions of the American Tower Systems Corporation 1997 Stock Option Plan (the "Plan"), American Tower Systems Corporation, a Delaware corporation (the "Company" which term shall include, unless the context otherwise clearly requires, all Subsidiaries [as defined in the Plan] of the Company) hereby grants the following option to purchase shares of Common Stock, par value $.01 per share (the "Stock") of the Company:

1. Name of Person to Whom the Option is granted (the "Optionee"):

2. Date of Grant of Option:

3. Number of shares of Stock:

4. Option Exercise Price (per share): $

5. Term: Subject to Section 10, this Option expires at 5:00 p.m. Eastern Time on

6. Exercisability: Provided that on the dates set forth below the Optionee is still employed by the Company or, if the Optionee is not employed by the Company the Optionee is still actively involved in the Company (as determined by the Committee) the Option will become exercisable as follows and as provided in Section 9 below:

Date	Number of Shares	Cumulative Number

American Tower Systems Corporation

By:_____ X_____
Title:_____ (Signature of Optionee)
Date:_____

Optionee's Address:

OTHER TERMS OF THE OPTION
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WHEREAS, the Board of Directors (the "Board") has authorized the grant of stock options upon certain terms and conditions set forth in the Plan and herein; and

WHEREAS, the Compensation Committee (the "Committee") has authorized the grant of this stock option pursuant and subject to the terms of the Plan, a copy of which is available from the Company and is hereby incorporated herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Optionee, intending to be legally bound, covenant and agree as set forth on the first page hereof and as follows:

7. Grant. Pursuant and subject to the Plan, the Company does hereby grant to the Optionee a stock option (the "Option") to purchase from the Company the number of shares of Stock set forth in Section 3 on the first page hereof upon the terms and conditions set forth in the Plan and upon the additional terms and conditions contained herein. This Option is a [INCENTIVE] [NONQUALIFIED] stock option and [IS] [IS NOT] intended to qualify for special federal income tax treatment as an "incentive stock option" pursuant to Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

8. Option Price. This Option may be exercised at the option price per share of Stock set forth in Section 4 on the first page hereof, subject to adjustment as provided herein and in the Plan.

9. Term and Exercisability of Option. This Option shall expire on the date determined pursuant to Section 5 on first page hereof and shall be exercisable prior to that date in accordance with and subject to the conditions set forth in the Plan and those conditions, if any, set forth in Section 6 on first page hereof. If before this Option has been exercised in full, the Optionee ceases to be an employee of the Company for any reason other than a termination for a reason specified in Section 16 of the Plan, the Optionee may exercise this Option to the extent that he or she might have exercised it on the date of termination of his or her employment, but only during the period ending on the earlier of (a) the date on which the Option expires in accordance with Section 5 of this Agreement or (b) three (3) months after the date of termination of the Optionee's employment with the Company. However, if the Optionee dies before the date of expiration of this Option and while in the employ of the Company or during the three month period described in the preceding sentence, or in the event of the retirement of the Optionee for reasons of disability (within the meaning of Code (S) 22(e)(3)), the Option shall terminate only on such date of expiration. If the Optionee dies before this Option has been exercised in full, the personal representative of the Optionee may exercise this Option as set forth in the preceding sentence.

10. Method of Exercise. To the extent that the right to purchase shares of Stock has accrued hereunder, this Option may be exercised from time to time by written notice to the Company substantially in the form attached hereto as Exhibit A, stating the number of shares with respect to which this Option is being exercised, and accompanied by payment in full of the option price for the number of shares to be delivered, by means of payment acceptable to the Company in accordance with Section 10 of the Plan. As soon as practicable after its receipt of such notice, the Company

shall, without transfer or issue tax to the Optionee (or other person entitled to exercise this Option), deliver to the Optionee (or other person entitled to exercise this Option), at the principal executive offices of the Company or such other place as shall be mutually acceptable, a certificate or certificates for such shares out of theretofore authorized but unissued shares or reacquired shares of its Stock as the Company may elect; provided, however, that the time of such delivery may be postponed by the Company for such period as may be required for it with reasonable diligence to comply with any applicable requirements of law. Payment of the option price may be made in cash or cash equivalents or, in accordance with the terms and conditions of Section 10 of the Plan, (a) in whole or in part in shares of Common Stock of the Company, whether or not through the attestation procedure in the Plan, or (b) in part by promissory note of the Optionee in the form attached hereto as Exhibit B; provided, however, that the Board reserves the right upon receipt of any written notice of exercise from the Optionee to require payment in cash with respect to the shares contemplated in such notice. If the Optionee (or other person entitled to exercise this Option) fails to pay for and accept delivery of all of the shares specified in such notice upon tender of delivery thereof, his or her right to exercise this Option with respect to such shares not paid for may be terminated by the Company.

11. Nonassignability of Option Rights. This Option shall not be assignable or transferable by the Optionee except by will or by the laws of descent and distribution. During the life of the Optionee, this Option shall be exercisable only by him or her.*

12. Compliance with Securities Act. The Company shall not be obligated to sell or issue any shares of Stock or other securities pursuant to the exercise of this Option unless the shares of Stock or other securities with respect to which this Option is being exercised are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and applicable state securities laws. In the event shares or other securities shall be issued which shall not be so registered, the Optionee hereby represents, warrants and agrees that he or she will receive such shares or other securities for investment and not with a view to their resale or distribution, and will execute an appropriate investment letter satisfactory to the Company and its counsel.

13. Legends. The Optionee hereby acknowledges that the stock certificate or certificates evidencing shares of Stock or other securities issued pursuant to any exercise of this Option will bear a legend setting forth the restrictions on their transferability described in Section 13 hereof.

14. Rights as Stockholder. The Optionee shall have no rights as a stockholder with respect to any shares of Stock or other securities covered by this Option until the date of issuance of a certificate to him or her for such shares or other securities. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

15. Withholding Taxes. The Optionee hereby agrees, as a condition to any exercise of this Option, to provide to the Company an amount sufficient to satisfy its obligation to withhold certain federal, state and local taxes arising by reason of such exercise (the "Withholding Amount") by (a) authorizing the Company to withhold the Withholding Amount from his or her cash compensation,

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* Use different language for an Option transferable to family members.

or (b) remitting the Withholding Amount to the Company in cash; provided, however, that to the extent that the Withholding Amount is not provided by one or a combination of such methods, the Company in its sole and absolute discretion may refuse to issue such shares of Stock or may withhold from the shares of Stock delivered upon exercise of this Option that number of shares having a fair market value, on the date of exercise, sufficient to eliminate any deficiency in the Withholding Amount.

16. Notice of Disqualifying Disposition. If this Option is an incentive stock option, the Optionee agrees to notify the Company promptly in the event that he sells, transfers, exchanges or otherwise disposes of any shares of Stock issued upon exercise of the Option, before the later of (i) the second anniversary of the date of grant of the Option and (ii) the first anniversary of the date the shares were issues upon his exercise of the Option.

17. Termination or Amendment of Plan. The Board may in its sole and absolute discretion at ant time terminate or from time to time modify and amend the Plan, but no such termination or amendment will affect rights and obligations under this Option.

18. Effect Upon Employment. Nothing in this Option or the Plan shall be construed to impose any obligation upon the Company to employ or retain in its employ, or continue its involvement with, the Optionee.

19. Time for Acceptance. Unless the Optionee shall evidence his or her acceptance of this Option by execution of this Agreement within seven (7) days after its delivery to him or her, the Option and this Agreement shall be null and void.

20. General Provisions.

(a) Amendment; Waivers. This Agreement, including the Plan, contains the full and complete understanding and agreement of the parties hereto as to the subject matter hereof and may not be modified or amended, nor may any provision hereof be waived, except by a further written agreement duly signed by each of the parties. The waiver by either of the parties hereto of any provision hereof in any instance shall not operate as a waiver of any other provision hereof or in any other instance.

(b) Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and, to the extent provided herein and in the Plan, their respective heirs, executors, administrators, representatives, successors and assigns.

(c) Construction. This Agreement is to be construed in accordance with the terms of the Plan. In case of any conflict between the Plan and this Agreement, the Plan shall control. The titles of the sections of this Agreement and of the Plan are included for convenience only and shall not be construed as modifying or affecting their provisions. The masculine gender shall include both sexes; the singular shall include the plural and the plural the singular unless the context otherwise requires.

(d) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of The Commonwealth of Massachusetts except to the extent the laws of any other jurisdiction are mandatorily applicable.

(e) Notices. Any notice in connection with this Agreement shall be deemed to have been properly delivered if it is in writing and is delivered in hand or sent by registered mail to the party addressed as follows, unless another address has been substituted by notice so given:

To the Optionee: To his or her address as listed on the books of the Company.

To the Company: American Tower Systems Corporation
116 Huntington Avenue
Boston, MA 02116
Attention: Chief Financial Officer

and

Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attention: Norman A. Bikales

Exhibit A to Stock Option

[FORM FOR EXERCISE OF STOCK OPTION]

American Tower Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116

RE: Exercise of Option under American Tower Systems Corporation 1997 Stock Option Plan

Gentlemen:

Please take notice that the undersigned hereby elects to exercise the stock option granted to _____ (the "Employee") pursuant and subject to the terms and conditions of the Stock Option Agreement between the Employee and the Company dated as of , 199 (the "Option Agreement") by and to the extent of purchasing shares of [CLASS A OR CLASS B] Common Stock, par value $.01 per share, of American Tower Systems Corporation (the "Company") for the option price of
$_____ per share.

The undersigned encloses herewith payment, in cash or in such other property as is permitted under the Plan of the purchase price for said shares. If the undersigned is making payment of any part of the purchase price by delivery of shares of Common Stock of the Company, he or she hereby confirms that he or she has investigated and considered the possible income tax consequences to him or her of making such payments in that form. The undersigned hereby agrees to provide the Company an amount sufficient to satisfy the obligation of the Company to withhold certain taxes, as provided in Section 15 of the Option Agreement.

The undersigned hereby specifically confirms to American Tower Systems Corporation that he or she is acquiring said shares for investment and not with a view to their sale or distribution, and that said shares shall be held subject to all of the terms and conditions of said Stock Option Agreement.

Very truly yours

_____ _____

Date (Signed by the Employee or other party duly exercising option)

Exhibit B to Stock Option

[FORM OF TERM NOTE IN PAYMENT OF EXERCISE PRICE OF OPTIONS]

PROMISSORY NOTE

$_____ Date:_____

FOR VALUE RECEIVED, the undersigned (the "Payor") hereby promises to pay to the order of American Tower Systems Corporation (the "Payee") at the principal office of Payee in Boston, Massachusetts ON DEMAND and in any event on or before 19 the sum of ($) with interest from the date hereof on the principal amount hereof from time to time unpaid at the rate of ___ percent (___%) per annum. Interest on the outstanding principal amount hereof shall be due and payable monthly on the last business day of each month in each year during the term of this Note, and at maturity commencing with the month end immediately following the date of this Note. The Payor authorizes the Payee to withhold such interest from his regular monthly or other salary payment or other compensation and to apply such withheld amount to interest due hereon and also agrees to execute such instruments and other documents as the Payee may from time to time request to reflect such right of withholding. [THE PAYOR SHALL ON OF EACH YEAR, COMMENCING IN , PAY AN AMOUNT EQUAL TO PERCENT (%) OF THE ORIGINAL PRINCIPAL AMOUNT OF THIS NOTE, TOGETHER WITH ALL ACCRUED AND UNPAID INTEREST THEREON.]

All payments on this Note shall be first applied against accrued but unpaid interest to the extent thereof, and then to the outstanding principal amount.

The Payor shall have the right to prepay the principal amount of this Note in whole or in part at any time without penalty, but together with all but unpaid accrued interest on the outstanding principal amount. No such prepayment shall affect the obligation of the Payor to make the payments required by the last sentence of the first paragraph of this Note.

Payor shall pay principal, interest, and other amounts under, and in accordance with the terms of, this Note, free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges, withholdings, and all liabilities with respect thereto, excluding taxes measured by income.

Should the indebtedness evidenced by this Note or any part thereof be collected by legal action, or in bankruptcy, receivership or other court proceedings, or should this Note be placed in the hands of attorneys for collection after default, Payor agrees to pay, upon demand by Holder, in addition to principal and interest and other sums, if any, due and payable hereon, court costs and reasonable attorneys' fees and other reasonable collection charges, to the maximum extent permitted by applicable law.

This Note represents the obligation of the Payor to pay on an installment basis the balance of the purchase price of shares of Common Stock of the Payee to be issued to the Payor promptly after the date hereof (the "Shares"), plus interest on such purchase price, pursuant to a stock option granted pursuant to the Stock Option Agreement dated , 199 (the "Agreement").

Upon the occurrence of any of the following events (an "acceleration event"):

(a) Failure of the Payor to perform or observe any of his obligations under this Note or the Agreement, or acceleration of the payor's obligation to make payment of the purchase price of the Shares pursuant to the provisions of the Agreement; or

(b) Commencement of voluntary or involuntary proceedings in respect of the Payor under any federal or state bankruptcy, insolvency, receivership or other similar law; or

(c) Termination of the Payor's employment by the Payee;

then, and in any such event, the holder of this Note at its election may forthwith declare the entire principal amount of this Note, together with accrued interest thereon, immediately due and payable, and this Note shall thereupon forthwith become so due and payable without presentation, protest or further demand or notice of any kind, all of which are expressly waived.

The Payor hereby waives the presentment, demand, notice of protest and all other demands and notices in connection with delivery, acceptance, performance, default or enforcement hereof. No delay or omission on the part of the holder of this Note in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder, no course of dealing between the Payor and the holder shall operate as a waiver of any of the holder's rights hereunder unless set forth in a writing signed by the holder, and a waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. The Payor further agrees to pay the costs, fees and expenses (including reasonable attorneys' fees) of collection and enforcement of this Note.

Any provision of this Note to the contrary notwithstanding, changes in or additions to this Note may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of Holder and Payor, and each such change, addition or waiver shall be binding upon each future holder of the Note and Payor. Any consent may be given subject to satisfaction of conditions stated therein.

This Note shall be binding upon and shall inure to the benefit of the Payor and the Payee and their respective successors and assigns, including, without limitation, successors by operation of law pursuant to any merger, consolidation or sale of assets involving any of the parties.

This Note shall be deemed to be a contract made under and to be construed in accordance with and governed by the applicable law of the United States of America and the laws (other than the law governing conflict of law matters) of The Commonwealth of Massachusetts.

If the last or appointed day for taking of any action required or permitted hereby (other than the payment of principal of or interest or premium, if any, hereon) shall be a Saturday, Sunday or legal holiday in Boston, Massachusetts, or a day on which banking institutions in Boston, Massachusetts are authorized by law or executive order to close, then such action may be taken on the next succeeding business day for banking institutions in such city.

This Note is executed as, and shall be effective as, a sealed instrument and shall be binding upon the estate and any successor of the Payor.

Witness:_____ _____

Print Name: Print Name:

Exhibit C to Stock Option

ATTESTATION FORM

Pursuant to the Notice of Exercise submitted herewith, I have elected to purchase _____ shares of American Tower Systems Corporation (the "Company") [Class A or Class B] Common Stock at $____ per share, as stated in the Stock Option agreement dated _____. I hereby attest to ownership of the shares under the certificate(s) listed below and hereby tender such shares in full or partial payment of the total Option Price of $_____.

I also certify that I either (i) have held the shares I am tendering for at least one year after acquiring such shares through the exercise of an ISO, or (ii) have not obtained such shares through the exercise of an ISO.

Although the Company has not required me to make actual delivery of my certificates, as a result of which I (and the joint owner, if any, of the shares listed below) will retain ownership of the shares, I represent that I, with the consent of the joint owner (if any) of the shares, have full power to deliver and convey the certificates to the Company and therefore could have caused the Company to become sole owner of the shares. The joint owner of the shares, by signing this form, consents to the above representations and the exercise of the stock option by this notice.

[Class A or Class B] Common Stock Certificate(s)	No. of Shares Represented	Acquired by Stock Option Plan Exercise (Yes/No)	Date of Acquisition
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

You are hereby instructed to apply toward the Option Price: (Check one)

The maximum number of whole shares necessary to pay the Option Price, or, if fewer, the total number of shares represented by the listed certificate(s), with any remaining amount to be paid by check accompanying this Attestation Form.

_____ of the listed shares, with any remaining amount to be paid by check accompanying this Attestation Form.

If I have paid only a portion of the total Option Price by tendering Company [Class A or Class B] Common Stock, enclosed herewith is a check payable to Company in the amount of $_____ for the balance of the Option Price.

EXHIBIT 10.27

AMERICAN TOWER SYSTEMS CORPORATION

STOCK PURCHASE AGREEMENT

THIS AGREEMENT (this "Agreement") is made as of January 8, 1998 by and among American Tower Systems Corporation, a Delaware corporation ("ATS"), and each of the undersigned individuals (individually a "Purchaser" and collectively, the "Purchasers").

WHEREAS, the Purchasers desire to purchase, and ATS is willing to sell, shares of Class A Common Stock, par value $.01 per share, of ATS (the "Class A Common Stock"), shares of Class B Common Stock, par value $.01 per share, of ATS (the "Class B Common Stock), and shares of Class C Common Stock, par value $.01 per share, of ATS (the "Class C Common Stock and, collectively with the Class A Common Stock and the Class B Common Stock, the "ATS Common Stock"), all on the terms and subject to the conditions of this Agreement; and

WHEREAS, ATS is party to an Agreement and Plan of Reorganization (as heretofore amended, the "Gearon Merger Agreement"), dated as of November 21, 1997, with Gearon & Company, Inc., a Georgia corporation ("Gearon"), pursuant to which Gearon will be merged (the "Gearon Merger") with and into ATS and it is a condition of the consummation of the Gearon Merger that an agreement of the nature contemplated hereby shall have been executed, delivered and consummated; and

WHEREAS, ATS is party to an Agreement and Plan of Reorganization (the "ATC Merger Agreement"), dated as of December 12, 1997, with American Tower Corporation, a Delaware corporation ("ATC"), pursuant to which ATC will be merged (the "ATC Merger") with and into ATS and it is a condition of the consummation of the ATC Merger that an agreement of the nature contemplated hereby shall have been executed, delivered and consummated; and

WHEREAS, ATS is a wholly-owned subsidiary of American Radio Systems Corporation, a Delaware corporation ("ARS"); and

WHEREAS, ATS and the Purchasers wish to provide for the terms and conditions of the purchase and sale of the ATS Common Stock and certain related matters;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, in order to satisfy a condition to consummation of each of the Gearon Merger and the ATC Merger, and other valuable consideration, the receipt and adequacy whereof are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

SECTION 1. Authorization and Closing.

(a) Authorization of the Securities. ATS has authorized the issue and sale to the Purchasers, and the Purchasers, severally and not jointly, have agreed to purchase, the respective number of shares of ATS Common Stock set forth below opposite the names of the Purchasers (collectively, the "Subject Shares") at a purchase price equal to $10.00 per share.

Name of Purchaser	Number of Shares	Class of Stock
Stephen B. Dodge*	4,000,000	Class B
Alan Box*	450,000	Class A
Charlton H. Buckley	300,000	Class A
Chase Equity Associates	2,000,000	Class C
James S. Eisenstein	25,000	Class A
Arthur C. Kellar	400,000	Class A
Steven J. Moskowitz	25,000	Class A
Thomas H. Stoner*	465,000	Class B
Katharine E. Stoner*	22,500	Class B
Theodore A. Stoner	15,000	Class A
Thomas H. Stoner, Jr	26,550	Class A
Thomas H. Stoner Irrevocable Trust	80,000	Class B
Ruth H. Stoner Irrevocable Trust	82,450	Class B
Alden Elizabeth Stoner 35 Trust	22,500	Class A
Thomas and Katharine Stoner Foundation	36,000	Class A
Ruth Rochelle Stoner	50,000	Class A

* Indicates that payment to be made in the form of a Purchaser Note (collectively, the "Note Purchasers").

(b) Purchase and Sale of the Subject Stock. At the Closing, subject to the terms and conditions set forth herein, ATS shall issue to each of the Purchasers, and each of the Purchasers, severally and not jointly, shall acquire from ATS, the respective number of Subject Shares set forth in Section 1(a). The obligation of each of the Purchasers shall not be conditioned on any other Purchaser satisfying its obligations under this Agreement. Payment of the purchase price shall be made by the delivery by each Purchaser as follows:

(i) each of the Purchasers, other than the Note Purchasers, will make payment in the form of a wire transfer of immediately available funds or bank cashier's or certified check; and

(ii) each of the Note Purchasers will make payment in the form of a promissory note (individually, a "Purchaser Note" and collectively, the "Purchaser Notes") substantially in the form of Exhibit A attached hereto and made a part hereof. Each Purchaser Note shall be secured by a pledge of shares of Common Stock, par value $.01 per share, of ARS (the "ARS Common Stock"), pursuant to the provisions of a pledge agreement (individually a "Pledge Agreement" and collectively the "Pledge Agreements") substantially in the form of Exhibit B attached hereto and made a part hereof.

(c) The Closing. The closing (the "Closing") of the issue and acquisition of the Subject Shares shall take place at the offices of Sullivan & Worcester, New York, New York at 10:00 a.m. simultaneously with the effectiveness of the Gearon Merger, or at such other date and place as may be mutually agreeable

to ATS and a majority in interest of the Purchasers. At the Closing, ATS shall deliver to each of the Purchasers, against delivery of cash or the appropriate Purchaser Notes and Pledge Agreements, as the case may be, stock certificates evidencing the Subject Shares to which the respective Purchasers are entitled, registered in the name of such Purchaser or his or its nominee. Any wire transfer of funds shall be made to such bank account in the United States as shall have been designated in writing by ATS not less than two (2) business days prior to the Closing. ATS shall promptly notify each of the Purchasers of the proposed date of consummation of the Gearon Merger.

SECTION 2. Conditions of each Purchaser's Obligation. The obligation of each Purchaser to acquire the Subject Shares to be purchased by such Purchaser at the Closing is subject to the satisfaction (or waiver in writing by such Purchaser) as of the Closing of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties contained in Section 4 shall be true and correct in all material respects at and as of the Closing as though then made, except to the extent of changes caused by the transactions expressly contemplated herein, and ATS shall have performed in all material respects all of the covenants required to be performed by it hereunder prior to the Closing.

(b) CBS Merger Agreement. ARS, R Acquisition Corp., a Delaware corporation ("CBS Sub"), a wholly-owned subsidiary of CBS Corporation (formerly Westinghouse Electric Corporation), a Pennsylvania corporation ("CBS")) and CBS have heretofore entered into an Agreement and Plan of Merger, dated as of September 19, 1997, as amended and restated by an Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997 (as so amended and restated, the "CBS Merger Agreement"), and the CBS Merger Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified in any respect materially adverse to ATS.

(c) Gearon Merger Agreement. The Gearon Merger Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified in any respect materially adverse to ATS, and the Gearon Merger shall have been or simultaneously to the Closing will be consummated substantially in accordance with the terms of the Gearon Merger Agreement.

(d) ATC Merger Agreement. The ATC Merger Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified in any respect materially adverse to ATS.

(e) Registration Rights Agreement. ATS shall have executed and delivered to each of the Purchasers an agreement substantially in the form of Exhibit C attached hereto and made a part hereof (the "Registration Rights Agreement").

(f) Blue Sky Clearance. ATS shall have made all filings under applicable state securities laws necessary to consummate the issue of the Subject Shares pursuant to this Agreement in compliance with such laws.

(g) Legal Opinion. ATS shall have delivered to each of the Purchasers an opinion of Sullivan & Worcester LLP, counsel for ATS, as to the due organizations and corporate existence of ATS, the due authorization, execution, delivery and binding effect of this Agreement, and the due authorization and valid issuance of the Subject Shares and their fully paid and nonassessable status.

(h) Proceedings. All corporate and other proceedings taken or required to be taken by ATS in connection with the transactions contemplated hereby to be consummated at or prior to the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchasers and their counsel.

(i) Closing Documents. ATS shall have delivered to each of the Purchasers all of the following documents:

(i) an officer's certificate, dated the date of the Closing, stating that the conditions specified in paragraphs (a) through (f) of this Section have been satisfied in all material respects;

(ii) certified copies of the resolutions duly adopted by the ATS board of directors and, to the extent applicable, ARS, as the sole stockholder of ATS, authorizing the execution, delivery and performance of this Agreement, the CBS Merger Agreement, the Gearon Merger Agreement, the ATC Merger Agreement and each of the other agreements contemplated hereby, the issuance of the Subject Shares, and the consummation of all other transactions contemplated by this Agreement;

(iii) certified copies of the Restated Certificate of Incorporation (the "Restated Certificate") and the bylaws of ATS, each as in effect at the Closing;

(iv) certified copies of the CBS Merger Agreement, the Gearon Merger Agreement and the ATC Merger Agreement as in effect at the Closing;

(v) copies of all third party and governmental consents, approvals and filings required in connection with the consummation of the transactions contemplated hereby (including, without limitation, all state securities law filings); and

(vi) such other documents, instruments and certificates relating to the transactions contemplated by this Agreement as any Purchaser or his or its counsel may reasonably request.

SECTION 3. Conditions of ATS' Obligation. The obligation of ATS to issue and sell the Subject Shares to each Purchaser at the Closing is subject to the satisfaction (or waiver in writing by ATS) as of the Closing of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of such Purchaser contained in Section 5 shall be true and correct in all material respects at and as of the Closing as though then made, except to the extent of changes caused by the transactions expressly contemplated herein, and such Purchaser shall have performed in all material respects all of the covenants required to be performed by him or it hereunder prior to the Closing.

(b) CBS Merger Agreement. The CBS Merger Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified in any respect materially adverse to ATS.

(c) Gearon Merger Agreement. The Gearon Merger Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified in any respect materially

adverse to ATS, and the Gearon Merger shall have been or proposed simultaneously with the Closing to be consummated substantially in accordance with the terms of the Gearon Merger Agreement.

(d) ATC Merger Agreement. The ATC Merger Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified in any respect materially adverse to ATS.

(e) Registration Rights Agreement. Each of the Purchasers shall have executed and delivered to ATS the Registration Rights Agreement.

(f) Blue Sky Clearance. The issue and sale of the Subject Stock shall not be in violation of any applicable state securities laws.

(g) Proceedings. All corporate and other proceedings taken or required to be taken by such Purchaser in connection with the transactions contemplated hereby to be consummated at or prior to the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to ATS and its counsel.

(h) Closing Documents. Such Purchaser shall have delivered to ATS such documents, instruments and certificates relating to the transactions contemplated by this Agreement as ATS or its counsel may reasonably request and, in the case of the Note Purchasers, the Purchaser Note and the Pledge Agreement, together with evidence of the pledge of shares of ARS Common Stock contemplated by the Pledge Agreement.

SECTION 4. Representations and Warranties of ATS. As a material inducement to the Purchasers to enter into this Agreement and purchase the Subject Shares, ATS hereby makes the following representations and warranties to each of the Purchasers.

(a) Organization and Corporate Power. ATS and each of its subsidiaries is an Entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and is qualified to do business in each jurisdiction in which the failure so to qualify would reasonably be expected to have a material adverse effect on the business, financial condition or results of operation of ATS and its subsidiaries taken as a whole. ATS and each of its subsidiaries has all requisite corporate and other power and authority and all material licenses, permits and authorizations necessary to own and operate its properties, to carry on its businesses as now conducted and presently proposed to be conducted and, in the case of ATS, to execute and deliver and consummate the transactions contemplated by this Agreement.

(b) Material Statements and Omissions; Absence of Events. The information with respect to ATS included in the ATS Information Statement/Prospectus, dated December, 1997 heretofore delivered by ATS to each of the Purchasers (the "ATS Information Statement/Prospectus") does not and will not contain any untrue statement of a material fact and does not and will not 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. Since the date of the most recent financial statements set forth in the ATS Information Statement/Prospectus, except to the extent described in the ATS Information Statement/Prospectus, there has been no material adverse change in ATS.

(c) Capital Stock and Related Matters.

(i) The authorized and issued capital stock of ATS is as set forth in the ATS Information Statement/Prospectus. ATS does not have outstanding any stock or securities convertible or exchangeable for any shares of its capital stock or containing any profit participation features, nor does it have outstanding any rights or options to subscribe for or to purchase its capital stock or any stock or securities convertible into or exchangeable for its capital stock or any stock appreciation rights or phantom stock plans, except as set forth in the ATS Information Statement/Prospectus. ATS is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its capital stock or any warrants, options or other rights to acquire its capital stock. All of the outstanding shares of the ATS Common Stock are, and all of the Subject Shares and the Exchanged Shares will, upon issuance pursuant to the provisions of this Agreement, be, duly authorized, validly issued, fully paid and nonassessable.

(ii) There are no statutory or, to the best of ATS' knowledge, contractual stockholder preemptive rights or rights of refusal with respect to the issuance of the Subject Shares or the Exchanged Shares. ATS has not violated any applicable federal or state securities laws in connection with the offer, sale or issuance of any of its capital stock, and, based on the representations and warranties of the Purchasers set forth in Section 5(g), the offer, sale and issuance of the Subject Shares and the Exchanged Shares hereunder do not require registration under the Securities Act of 1933, as amended (the "Securities Act") or any applicable state securities laws.

(d) Authorization; No Breach. The execution, delivery and performance of this Agreement, the CBS Merger Agreement, the ATS Merger Agreement, the Registration Rights Agreement and all other agreements contemplated hereby to which ATS is or will be a party have been duly authorized by ATS. This Agreement, the CBS Merger Agreement, the Gearon Merger Agreement, the ATC Merger Agreement, the Registration Rights Agreement and all other agreements contemplated hereby each constitutes a valid and binding obligation of ATS, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other laws of general applicability affecting the enforcement of creditors' or secured parties' rights or debtors' obligations generally and (ii) the availability of specific performance or other equitable remedies may be limited by equitable principles of general applicability (whether such matter is considered in a proceeding at law or in equity). The (x) execution and delivery by ATS of this Agreement, the Registration Rights Agreement and the Pledge Agreement, (y) offering, sale and issuance of the Subject Shares and the Exchanged Shares hereunder, and (z) fulfillment of and compliance with the respective terms hereof and thereof by ATS, do not and shall not, except in respect of clause (z) above, for filings and other actions to be performed upon the occurrence of certain future events, as contemplated by the Registration Rights Agreement, (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in the creation of any lien, security interest, charge or encumbrance upon ATS' or any subsidiary's capital stock or assets pursuant to, (iv) give any third party the right to modify, terminate or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body pursuant to, the charter or by-laws or other organizational documents of ATS or any subsidiary, or any law, statute, rule or regulation to which ATS or any subsidiary is subject, or any contract, agreement, instrument, order, judgment or decree to which ATS or any subsidiary is subject, which such authorization, consent, approval, exemption, action or notice has not been obtained, except in all cases for such exceptions as would not, individually or in the aggregate, have a material adverse effect on the business, financial conditions or results of operation of ATS and its subsidiaries taken as a whole.

(e) Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement binding upon ATS or any subsidiary. ATS shall pay, and hold each of the Purchasers harmless against, any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

(f) Governmental Consent, etc. No permit, consent, approval or authorization of, or declaration to or filing with, any governmental authority is required in connection with the execution, delivery and performance by ATS of this Agreement or the other agreements contemplated hereby, or the consummation by ATS of any other transactions contemplated hereby or thereby, except as expressly contemplated herein or therein or in the exhibits hereto or thereto.

SECTION 5. Representations and Warranties of each Purchaser. As a material inducement to ATS to enter into this Agreement and issue and sell the Subject Shares and exchange the Exchanged Shares, each of the Purchasers, severally and not jointly with respect to himself or itself, hereby makes the following representations and warranties to ATS and each of the other Purchasers.

(a) Organization and Power. Such Purchaser, if a corporation, partnership, trust or other legal entity, is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite corporate, partnership, trust or other power and authority to execute and deliver and consummate the transactions contemplated by this Agreement.

(b) Authorization; No Breach. The execution, delivery and performance of this Agreement, the Registration Rights Agreement and all other agreements contemplated hereby (including without limitation in the case of the Note Purchasers, the Purchaser Note and Pledge Agreement to be delivered by such Purchaser) to which such Purchaser is or will be a party have been duly authorized by such Purchaser. This Agreement, the Registration Rights Agreement and all other agreements contemplated hereby (including without limitation in the case of the Note Purchasers, the Purchaser Note and Pledge Agreement to be delivered by such Purchaser) to which such Purchaser is or will be a party each constitutes a valid and binding obligation of such Purchaser, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other laws of general applicability affecting the enforcement of creditors' or secured parties' rights or debtors' obligations generally and (ii) the availability of specific performance or other equitable remedies may be limited by equitable principles of general applicability (whether such matter is considered in a proceeding at law or in equity). The (x) execution and delivery by such Purchaser of this Agreement, the Registration Rights Agreement and all other agreements contemplated hereby (including without limitation in the case of the Note Purchasers, the Purchaser Note and Pledge Agreement to be delivered by such Purchaser) to which such Purchaser is or will be a party, and (y) fulfillment of and compliance with the respective terms hereof and thereof by such Purchaser, do not and shall not, except in respect of clause (y) above, for filings and other actions to be performed upon the occurrence of certain future events, as contemplated by the Registration Rights Agreement, (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in the creation of any lien, security interest, charge or encumbrance upon such Purchaser's assets pursuant to, (iv) give any third party the right to modify, terminate or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body pursuant to, any law, statute, rule or regulation to which such Purchaser is subject, or any contract, agreement, instrument, order, judgment or decree to which such Purchaser is subject, which such authorization, consent, approval, exemption, action or notice has not been obtained.

(c) Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement binding upon such Purchaser. Such Purchaser shall pay, and hold each of ATS and the other Purchasers harmless against, any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

(d) ARS Common Stock. All shares of ARS Common Stock pledged by each Note Purchaser pursuant to the provisions of such Purchaser's Pledge Agreement, have, to such Purchaser's knowledge, been duly authorized, validly issued, fully paid and nonassessable; such Purchaser owns such shares free and clear of all liens and encumbrances, other than those created by such Pledge Agreement.

(e) Governmental Consent, etc. No permit, consent, approval or authorization of, or declaration to or filing with, any governmental authority is required in connection with the execution, delivery and performance by such Purchaser of this Agreement or the other agreements contemplated hereby, or the consummation by such Purchaser of any other transactions contemplated hereby or thereby, except as expressly contemplated herein or therein or in the exhibits hereto or thereto.

(f) Investment Representation. Such Purchaser is an "accredited investor" as such term is defined in Rule 501 of Regulation D ("Regulation D") promulgated under the Securities Act. The Subject Shares and, if applicable, the Exchanged Shares to be acquired by such Purchaser are being acquired solely for the account of such Purchaser for purposes of investment and not with a view to the sale, transfer or other distribution thereof, as those terms are used in the Securities Act and the rules and regulations promulgated thereunder; provided, however, that nothing contained herein shall prevent such Purchaser and subsequent holders of Subject Shares or, if applicable, Exchanged Shares from transferring such securities in compliance with the applicable provisions of the Securities Act (including without limitation Rule 144 promulgated thereunder) and applicable state securities laws. Each Purchaser, severally and not jointly, covenants and agrees that he or it will not sell, assign, transfer or otherwise dispose of any of the Subject Share or, if applicable, Exchanged Shares to be acquired by such Purchaser in violation of the Securities Act or applicable state securities laws. Each certificate for Subject Shares and Exchanged Shares shall be imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN THE STOCK PURCHASE AGREEMENT, DATED AS OF JANUARY 8, 1998, BETWEEN THE ISSUER ("ATS") AND THE PURCHASERS NAMED THEREIN, AND ATS RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO SUCH TRANSFER. A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY ATS TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE."

SECTION 6. Miscellaneous.

(a) Termination. This Agreement may be terminated with the mutual consent of the Purchasers and ATS.

(b) Amendment. This Agreement may be amended, from time to time, by the parties hereto at any time prior to the Closing Date but only by an instrument in writing signed by the parties hereto or their respective successors or assigns.

(c) Waiver. At any time prior to the Closing Date, the parties may, either generally or in a particular instance and either retrospectively or prospectively, extend the time for the performance of any of the obligations or other acts of the other, and waive compliance by the other with any of the agreements, covenants, conditions or other provisions 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.

(d) Expenses. ATS agrees to pay the reasonable out-of-pocket expenses of the Purchasers incident to the negotiation, preparation, performance and enforcement of this Agreement (including all reasonable fees and expenses of Purchasers' counsel (not to exceed in the aggregate $20,000), accountants and other consultants, advisors and representatives for all activities of such persons undertaken pursuant to this Agreement).

(e) 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:

If to ATS: 116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn, Chief Financial 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; and

If to any of the Purchasers, at the address set forth in the stock records of ATS;

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.

(f) Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the other party should refuse to perform any of its obligations under this Agreement, 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.

(g) Survival of Representations, Warranties, Covenants and Agreements. All of the representations, warranties, covenants and agreements set forth in this Agreement shall survive the Closing.

(h) 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 effect of which is to affect materially and adversely either the Purchasers or ATS, 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 intent and purpose of this Agreement is fulfilled and consummated to the maximum extent possible.

(i) 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 such counterparts.

(j) 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.

(k) 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 Commonwealth of Massachusetts 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, litigation or other proceeding, 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, litigation or other proceeding.

(l) 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 other agreements, instruments or other 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.

(m) Entire Agreement. This Agreement (together with the other agreements, instruments and other documents 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, understandings, inducements, representations and negotiations, expressed or implied, oral or written, among 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. Each of the parties is a sophisticated investor or 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 (i) none of the parties has relied or will 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 (or such of the foregoing as are delivered at the Closing, (ii) there are no covenants or agreements by or on behalf of any party or any of its respective affiliates or representatives other than those expressly set forth in this Agreement and the other agreements, instruments and other documents delivered in connection herewith, and (iii) 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 and such other agreements, instruments and other documents. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT AND, IN THE CASE OF THE NOTE PURCHASERS, THE PLEDGE AGREEMENT, NONE OF THE PARTIES MAKES ON BEHALF OF ITSELF AND ITS DIRECTORS, OFFICERS, STOCKHOLDERS, PARTNERS, TRUSTEES, BENEFICIARIES AND OTHER AFFILIATES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH HEREBY DISCLAIMS ON BEHALF OF ITSELF AND ITS OFFICERS, DIRECTORS, STOCKHOLDERS, PARTNERS, TRUSTEES, BENEFICIARIES AND OTHER AFFILIATES ANY OTHER REPRESENTATIONS OR WARRANTIES MADE BY ITSELF OR ANY OF ITS OFFICERS, DIRECTORS, STOCKHOLDERS, PARTNERS, TRUSTEES, BENEFICIARIES, 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.

(n) Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and be binding upon any successor to each party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and, in the case of the Purchasers, their respective executors, trustees, and heirs, and any person to whom any of them shall have transferred any of the Subject Shares or the Exchanged Shares not in violation of this Agreement. Notwithstanding the foregoing, ATS may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

(o) Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of the parties 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 6(n).

(p) Certain Definitions. 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. 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" are intended to refer to the entire section or article and not a particular subsection thereof.

(q) Mutual Drafting. This Agreement is the result of the joint efforts of ATS and the Purchasers, 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. Each of the parties is a sophisticated legal entity or individual that was advised by experienced counsel and, to the extent it deemed necessary, other advisors in connection with this Agreement.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, each of the parties hereto had caused this Agreement to be duly executed and delivered as of the day and year first above written.

American Tower Systems Corporation

By:_____
Name:
Title:

_____
Alan L. Box

_____
Charlton H. Buckley

Chase Equity Associates, L.P.
By Chase Capital Partners, General Partner

_____
Name:
Title:

_____
Steven B. Dodge

_____
James S. Eisenstein

_____
Arthur C. Kellar

_____
Steven J. Moskowitz

_____
Katharine E. Stoner

_____
Ruth Rochelle Stoner

_____
Theodore A. Stoner

_____
Thomas H. Stoner

Thomas H. Stoner and Bessemer Trust Company,
Trustees of Ruth H. Spencer Irrevocable Trust

By:_____
Name:
Title:

Bessemer Trust Company, Trustee of
Thomas H. Stoner Irrevocable Trust

By:_____
Name:
Title:

Thomas and Katharine Stoner Foundation

By:_____
Name:
Title:

_____
Thomas Stoner, Jr.

Bessemer Trust Company, Trustee of
Alden Elizabeth Stoner 35 Trust

By:_____
Name:
Title:

EXHIBIT 10.28

EMPLOYMENT AGREEMENT

AGREEMENT made as of January 22, 1998, by and between American Tower Systems (Delaware), Inc., a Delaware corporation formerly known as American Tower Systems, Inc. ("ATSI"), and J. Michael Gearon, Jr., an individual resident of the State of Georgia ("Gearon");

WHEREAS, ATSI and Gearon & Co., Inc., a Georgia corporation ("Gearco"), among others, are parties to an agreement and plan of merger, dated as of November 21, 1997 (the "Merger Agreement"), pursuant to which Gearco will merge with and into ATSI; and

WHEREAS, Gearon is the principal stockholder and the chief executive officer of Gearco and it is a condition of ATSI's obligation to consummate the transactions contemplated by the Merger Agreement that Gearon shall enter into an employment agreement substantially in the form hereof;

NOW, THEREFORE, in consideration of the sum of One Dollar ($1.00), as a condition to the obligation of ATSI to consummate the transactions contemplated by the Merger Agreement, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do covenant and agree as follows:

Section 1. Term of Employment. ATSI agrees to employ Gearon from the date hereof until December 31, 2000 as an Executive Vice President of ATSI and the Chief Executive Officer of the division of ATSI which will continue the business heretofore conducted by Gearco (the "Gearon Division"). At the end of the initial term of employment, the period of employment will be automatically renewed for successive one (1) year terms, unless written notice to the contrary is given by ATSI to Gearon, or by Gearon to ATSI, at least three (3) months before the end of the initial term or any renewal thereof. Gearon represents and warrants to ATSI that he is not now under any obligations to any Person and has no investment or other interest which is inconsistent or in conflict with any provision of this Agreement, or which would prevent, limit or impair, in any way, the performance by him of any of the covenants or duties of his employment as herein set forth.

Section 2. Compensation. ATSI agrees to pay Gearon for his services during the term of his employment hereunder at an annual rate of Two Hundred Thousand Dollars ($200,000) (the "Base Salary"), payable in accordance with standard ATSI practice, but in any event not less often than monthly, subject only to such payroll and withholding deductions as are required by Law. The Board of Directors shall review the Base Salary no less frequently than once a year and may, but shall not be obligated to, increase the Base Salary; provided, however, that in no event shall the Base Salary be reduced unless as part of an overall general reduction of all senior executive officers of ATSI and then only commensurate with such other reductions.

Section 3. Office and Duties. Gearon shall have the usual duties of an Executive Vice President of ATSI and shall be responsible, subject to the Board of Directors and the Chief Executive Officer and the Chief Operating Officer of ATSI, for participating in the management and direction of the business and operations of ATSI, shall perform all duties incident to such office and shall perform such specific other tasks, consistent with his position with ATSI, as may from time to time be assigned to him by the Board of Directors or the Chief Executive Officer or the Chief Operating Officer of ATSI. Gearon shall be responsible, subject to supervision by the Board of Directors and the Chief Executive Officer of ATSI, for the management and direction of the Gearon Division. Effective on the date hereof, Gearon shall be appointed a member of the Board of Directors of American Tower Systems Corporation, the parent of ATSI ("ATS"). Gearon shall devote substantially all of his business time, labor, skill, undivided attention and best ability to the performance of his duties hereunder in a manner which will faithfully and diligently further the business and interests of ATSI. During the term of his employment, Gearon shall not directly or indirectly pursue any

other business activity which involves a Proscribed Activity or which unreasonably interferes with the performance of his duties and responsibilities hereunder. Gearon may serve on civic or other charitable boards or committees, and manage personal investments, so long as such activities do not involve a Proscribed Activity and do not interfere in any material respect with the performance of his duties and responsibilities hereunder. Gearon agrees that he will travel to whatever extent is reasonably necessary or desirable in the conduct of the business of ATSI and its Affiliates.

Section 4. Expenses. Commencing on the date hereof, Gearon shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by him on behalf of ATSI (in accordance with the policies and procedures established by the Board of Directors from time to time for ATSI's executive officers) in performing services hereunder during the term of his employment hereunder, provided that Gearon properly accounts therefor in accordance with ATSI's policies and procedures, including without limitation those relating to federal and state income tax matters.

Section 5. Vacation During Employment. Gearon shall be entitled to such reasonable vacations as may be allowed by ATSI in accordance with general practices established from time to time for personnel similarly situated, but in any event not less than three (3) weeks during each twelve (12) month period, and shall also be entitled to all paid holidays given by ATSI to its personnel similarly situated.

Section 6. Additional Benefits. Commencing on the date hereof, Gearon shall, to the extent he is otherwise eligible, be entitled to participate in ATSI's stock option plan and in all group insurance programs or other fringe benefit plans which ATSI may from time to time in its sole and absolute discretion make available generally to its personnel, or for personnel similarly situated with ATSI or any of its subsidiaries, but ATSI shall not be required to establish or maintain any such program or plan, except as otherwise specifically provided in this Section. In the event ATSI adopts a stock purchase or other stock ownership plan or program, Gearon shall be entitled to participate in such plan or program on a level commensurate with his compensation and position with ATSI.

Section 7. Termination of Employment. Notwithstanding any other provision of this Agreement, this Agreement may be terminated as follows:

(a) Cause. By ATSI for Cause.

(b) Disability. By ATSI in the event of Gearon's Disability.

(c) Death. Automatically in the event of Gearon's death.

(d) Good Reason. By Gearon for Good Reason.

(e) Expiration. By ATSI or Gearon by notice given in accordance with the provisions of Section 1.

(f) Other. By ATSI other than for any of the reasons set forth in paragraphs (a), (b), (c) or (e) or by Gearon other than for any of the reasons set forth in paragraphs (d) or (e), upon not less than thirty (30) days' prior written notice.

In the event of any termination of this Agreement pursuant to this Section or otherwise, anything in this Agreement to the contrary notwithstanding, ATSI shall not be liable to Gearon (or his legal representatives) pursuant to the provisions of this Agreement, except as follows:

A. Cause or Early Termination by Gearon. If ATSI shall terminate Gearon's employment pursuant to the provisions of paragraph (a), or if Gearon shall terminate his employment pursuant to the provisions of paragraph (f), ATSI shall have no further obligations to Gearon under this Agreement, except with respect to the Base Salary and expense reimbursements through the date of such termination, such payments to be made in accordance with the applicable provisions of this Agreement.

B. Disability. If ATSI shall terminate Gearon's employment pursuant to the provisions of paragraph (b), (i) ATS shall pay Gearon (or his legal representative) any unpaid Base Salary and expense reimbursements through the date of termination and (ii) Gearon (or his legal representative) shall continue to receive the Base Salary for the month in which such termination occurs until the earlier to occur of (A) the end of the six-month period following the date of such termination or (B) such time as Gearon (or his legal representative) is entitled to receive benefits under any disability insurance carried by ATSI or any Affiliate for the benefit of Gearon, such payments to be made in accordance with the applicable provisions of this Agreement. Gearon shall be obligated, in the event of any cessation of his disability, to accept reemployment in a senior managerial position with ATSI if ATSI shall, in its sole and absolute discretion, offer such employment.

C. Death. If Gearon's employment shall terminate pursuant to the provisions of paragraph (c), ATSI shall pay the legal representatives of Gearon an amount equal to (i) the Base Salary earned through the date of such termination and any unpaid expense reimbursements, and (ii) any death benefits payable to the legal representatives or beneficiaries of Gearon under any insurance carried by ATSI for the benefit of Gearon, including without limitation under any group insurance plan or program, such payment to be made in a single payment as promptly as practicable after the death of Gearon.

D. Good Reason or Early Termination by ATSI. If Gearon shall terminate his employment pursuant to the provisions of paragraph (d), or if ATSI shall terminate Gearon's employment pursuant to the provisions of paragraph (f), ATSI shall pay Gearon an amount equal to the sum of (x) the Base Salary earned through the date of termination and any unpaid expense reimbursements, (y) additional compensation equal to any amount Gearon would have received (with respect to the year in which the termination occurs) under any and all incentive, bonus, and other special compensation plans and arrangements in which Gearon is a participant at the date of termination, multiplied by a fraction, the numerator of which is the number of days that have elapsed in such year through the date of termination, and the denominator of which is 365, and (z) additional compensation equal to the total Base Salary Gearon would have received (assuming the Base Salary as in effect on the date of such termination) for the greater of (A) the period from the date of termination through the remainder of his term of employment under this Agreement (but not to exceed, in any event, twelve (12) months), or (B) the six-month period following the date of termination. In addition, Gearon shall be entitled to participate in such medical, dental, disability, hospitalization, and life insurance plans in which Gearon is participating as of the date on which Gearon's employment is terminated for so long as Gearon is receiving any Base Salary pursuant to this Section 7.D. Payment of the foregoing amounts shall be made in accordance with the applicable provisions of this Agreement (which in the case of clause (z) shall mean the provisions of and at the times set forth in Section 2).

E. Expiration. If the employment of Gearon shall terminate pursuant to the provisions of paragraph (e), ATSI shall have no further obligations to Gearon under this Agreement, except with respect to (x) Base Salary earned through the date of such termination and any unpaid expense reimbursements, and (y) additional compensation equal to any amount Gearon would have received (with respect to the year in which the termination occurs) under any and all incentive, bonus, and

other special compensation plans and arrangements in which Gearon is a participant at the date of termination, multiplied by a fraction, the numerator of which is the number of days that have elapsed in such year through the date of termination, and the denominator of which is 365, such payments to be made in accordance with the applicable provisions of this Agreement.

F. Tax Withholding. Each amount paid pursuant to this Section 7 shall be paid after deducting such payroll and withholding deductions as are required by Law.

G. Other Matters. Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, the provisions of Sections 8, 9 and 10 shall survive, in accordance with their respective terms and for the respective periods, if any, therein set forth, termination of the employment of Gearon pursuant to the provisions of this Section or otherwise, whether by ATSI, by Gearon, upon the expiration of the term of this Agreement in accordance with the provisions of Section 1, or otherwise.

Section 8. Disclosure and Assignment of Intellectual Property. Gearon shall promptly disclose to ATSI and any successor or assign, and grant to ATSI, and its successors and assigns (without any separate remuneration or compensation other than that received by him from time to time in the course of his employment) his entire right, title and interest throughout the world in and to all Intellectual Property. It is understood and agreed that Gearon has heretofore disclosed to ATSI, and assigned to it, all Intellectual Property now known to him over which he has any control. Gearon agrees to execute all appropriate patent applications securing all United States and foreign patents on all Intellectual Property, and to do, execute and deliver any and all acts and instruments that may be necessary or proper to vest all Intellectual Property in ATSI or its nominee or designee and to enable ATSI, or its nominee or designee, to obtain all such patents; and Gearon agrees to render to ATSI, or its nominee or designee, all such reasonable assistance as it may require in the prosecution of all such patent applications and applications for the reissue of such patents, and in the prosecution or defense of all interferences which may be declared involving any of said patent applications or patents, but the expense of all such assignments and patent applications, or all other proceedings referred to herein above, shall be borne by ATSI. Gearon shall be entitled to fair and reasonable compensation for any such assistance requested by ATSI or its nominee or designee and furnished by him after the termination of his employment.

Section 9. Confidentiality. Gearon shall not, either during the period of his employment with ATSI or thereafter, reveal or disclose to any person outside ATSI or use for his own benefit, without ATSI's specific prior written authorization, whether by private communication or by public address or publication or otherwise, any Confidential Information, except as required in the performance of his duties. All originals and copies of any Confidential Information, relating to the business of ATSI, however and whenever produced, shall be the sole property of ATSI, not to be removed from the premises or custody of ATSI (which shall include any ATSI office located in Atlanta, Georgia) without in each instance first obtaining prior written consent or authorization of ATSI, except as required in the performance of Gearon's duties. Upon the termination of Gearon's employment in any manner or for any reason, Gearon shall promptly surrender to ATSI all copies of any Confidential Information, together with any other documents, materials, data, information and equipment belonging to or relating to ATSI's business and in his possession, custody or control, and Gearon shall not thereafter retain or deliver to any other Person, any Confidential Information or any summary or memorandum thereof.

Section 10. Restriction. ATSI intends to continue and expand the business heretofore conducted by Gearco and ATSI and in connection therewith ATSI has invested, and ATSI will in the future be required to invest, substantial sums of money, directly or indirectly, and as Gearon recognizes that ATSI, would be substantially injured by Gearon disclosing to others, or by Gearon using for his own benefit, any Intellectual Property or any other Confidential Information he has obtained or shall obtain as an employee of ATSI, or

which he may now possess and which he has made available to ATSI, Gearon agrees that during the Restricted Period:

(a) Neither he nor any member of his Immediate Family will be interested, directly or indirectly, as an investor in any other Entity, business or enterprise, other than American Tower Systems Corporation, the parent of ATSI, and its Subsidiaries, which does business or operates within the Covered Territory which is engaged in any Proscribed Activity (except as an investor in securities listed on a national securities exchange or actively traded over the counter so long as such investments do not exceed one percent (1%) of the outstanding securities of the issuer of the same class or issue); and

(b) He will not, directly or indirectly, for his own account or as employee, officer, director, partner, trustee, principal, member, joint venturer, agent, adviser, consultant or otherwise, engage within or with respect to the Covered Territory, in any phase of any Proscribed Activity.

Gearon further agrees that during the Restricted Period, he will not, directly or indirectly, (i) solicit business within the Covered Territory, other than on behalf of ATSI, its Affiliates or any of their respective successors or assigns, for a Proscribed Activity from any Person, business or enterprise which is, or proposes to be, a customer of ATSI, its Affiliates or any of their respective successors or assigns, or from any Person, business or enterprise with which ATSI, its Affiliates or any of their respective successors or assigns is negotiating or holding discussion or to which it has made a proposal, (ii) induce any such Person, business or enterprise not to undertake, or to curtail or cancel, business with ATSI, its Affiliates or any of their respective successors or assigns, (iii) induce or attempt to induce any employee of ATSI, its Affiliates or any of their respective successors or assigns to terminate his or her employment therewith, or (iv) divulge or utilize for the direct or indirect benefit (financial or other) of himself or any other Person, business or enterprise, other than ATSI, its Affiliates or any of their respective successors or assigns, any Intellectual Property or any other Confidential Information he has obtained or shall obtain as an employee of ATSI, or which he may now possess and which he has made available to ATSI.

This Agreement shall be deemed to consist of a series of separate covenants, one for each line of business carried on by ATSI and each region included within the geographic areas referred to in this Section. Gearon and ATSI are of the belief that the Restricted Period, the Proscribed Activity and the Covered Territory herein specified are reasonable, in light of the circumstances as they exist on the date upon which this Agreement has been executed, including without limitation the nature of the business in which ATSI is engaged and proposes to engage, the state of its product development and Gearon's knowledge of such business and his prior affiliations with and interest in ATSI. However, if such period, activity or area should be adjudged unreasonable in any Legal Action, then the Restricted Period shall be reduced by such period of time, the Proscribed Activity shall be reduced by such activities, or the Covered Territory shall be reduced by such area, or any combination thereof, as are deemed unreasonable, so that this covenant may be enforced in such area, with respect to such activities and during such period of time as is adjudged to be reasonable.

Section 11. Assignment; Successors and Assigns. In the event that ATSI shall be merged with, or consolidated into, any other Entity, or in the event that it shall sell and transfer substantially all of its assets to another Entity, the terms of this Agreement shall inure to the benefit of, and be assumed by, the Entity resulting from such merger or consolidation, or to which ATSI's assets shall be sold and transferred and ATSI may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it. This Agreement shall not be assignable by Gearon, but it shall be binding upon, and to the extent provided in Section 7 shall inure to the benefit of, his heirs, executors, administrators and legal representatives. Nothing in this Agreement expressed or implied is intended to and shall not be construed to confer upon or create in any Person (other than the parties hereto and their permitted successors

and assigns) any rights or remedies under or by reason of this Agreement, including without limitation any rights to enforce this Agreement, except as otherwise provided in Section 7.

Section 12. Specific Performance; Other Rights and Remedies. Gearon recognizes and agrees that ATSI's remedy at law for any breach of the provisions of this Agreement, including without limitation Sections 8, 9 or 10, would be inadequate, and he agrees that for breach of such provisions, ATSI shall, in addition to such other remedies as may be available to it at law or in equity or as provided in this Agreement, be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by 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. Without limiting the generality of the foregoing, in the event of a breach or threatened breach by Gearon of the provisions of this Agreement, ATSI shall be entitled to an injunction restraining Gearon from soliciting employees, customers or suppliers, or from disclosing, in whole or in part, any Confidential Information, or from rendering any services to any Person to whom such information has been disclosed, from engaging, participating or otherwise being connected with any business described in Section 10 or from otherwise violating the terms of this Agreement. Nothing herein contained shall be construed as prohibiting ATSI from pursuing any other remedies available to it or them for such breach or threatened breach, including without limitation the recovery of actual damages from Gearon. The rights and remedies of the parties under this Agreement are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which the parties shall have under or by virtue of any Applicable Law, or any other agreement or obligation between the parties or any of them.

Section 13. Definitions. Capitalized terms used in this Agreement which are not defined herein and are defined in the Merger Agreement shall have the meaning prescribed therefor in the Merger Agreement. 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. References to "hereof", "herein" or similar terms are intended to refer to this Agreement as a whole and not a particular Section, and references to "this Section" are intended to refer to this entire Section and not a particular subsection thereof. The term "any party" shall, unless the context otherwise requires, refer to Gearon and ATSI. As used herein, unless the context otherwise requires, the following terms shall have the respective meanings set forth herein.

"Affiliate", when used with respect to any Person, shall mean (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, five percent (5%) or more on a consolidated basis of the equity or beneficial interest, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, five percent (5%) or more of any class of the capital stock or beneficial interest of such Person, (d) any executive officer or director of such Person, and (e) 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 any member of such individual's Immediate Family. 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.

"Cause" shall mean Gearon's

(a) willful or gross failure or refusal to perform, or any willful or gross misconduct in the performance of, any significant portion of his obligations, duties and responsibilities under this Agreement, which (i) is incapable of cure, or (ii) has not been cured or remedied as promptly as is reasonably possible (and in any event within thirty (30) days) after written notice from the Board of Directors of ATSI to

Gearon specifying in reasonable detail the nature of such failure, refusal or misconduct, or

(b) material breach of the provisions of Section 8, 9 or 10 which (i) is incapable of cure, or (ii) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice from the Board of Directors of ATSI to Gearon specifying in reasonable detail the nature of such breach, or

(c) act or acts of dishonesty in connection with his employment intended by Gearon to result in substantial personal enrichment, or

(d) commission a crime involving moral turpitude or which otherwise materially and adversely affects ATSI or its business or reputation.

"ATSI" is defined in the preambles of this Agreement and shall, for the purposes of Sections 8, 9 and 10, include all Affiliates of ATSI, and, in each case, their respective successors and assigns.

"Confidential Information" shall mean any and all information (excluding information which (i) has been or is obtained by Gearon from a source independent of ATSI or Gearco and is not specifically related to the activities conducted by ATSI (in contrast to the general nature of owning, operating or acquiring communications sites or towers), (ii) is or becomes part of, the public domain other than as a direct or indirect result of any breach by Gearon of Section 9 of this Agreement, or (iii) is independently developed by Gearon without reliance in any way on information provided by ATSI or Gearco and is not specifically related to the activities conducted by ATSI (in contrast to the general nature of owning, operating or acquiring communications sites or towers)) related to the business or businesses of ATSI, any Affiliate of ATSI or any of their respective successors or assigns, including without limitation:

(a) the whole or any portion or phase of any business plans, financial information, purchasing data, tenant or landlord data, accounting data, or computer programs (including source and object codes), tapes, discs, data, software or other information;

(b) the whole or any portion or phase of any marketing or sales information or technique, sales records, tenant lists, landlord or supplier lists, prospective site lists, prices, sales projections or other listings of names, addresses, or telephone numbers, or other lease or sales information;

(c) the whole or any portion or phase of any employee payroll, fringe benefit, salary, bonus, commission or other form of compensation information and all employee personnel information, including information relating to performance evaluations, discipline, employee conduct, complaints and other matters relating to employment of any Person; and

(d) Intellectual Property;

whether or not any of the foregoing has been made, developed and/or conceived by Gearon or by others in the employ of any such Person.

"Covered Territory" shall mean any geographic area or areas in the United States or Canada or any other country in which ATSI or any Affiliate of ATSI or any of their respective successors or assigns engages or has engaged in business activity within twelve (12) months of the time of the enforcement this Agreement and for which Gearon has, or at such time had, significant responsibility.

"Disability" or "Disabled" shall mean a condition (mental or physical or both) which, in the good faith judgment of the Board of Directors of ATSI, renders Gearon, in his capacity as an executive officer of ATSI, and by reason of incapacity (mental or physical or both) unable to perform properly his duties as such executive officer of ATSI for a period of not less than six (6) months during any twenty-four (24) month period.

"Gearon" is defined in the preambles of this Agreement.

"Good Reason" shall mean:

(a) the assignment to Gearon of any duties inconsistent in any material respect with his position, authority, duties or responsibilities as contemplated in Section 3 or any other action by ATSI which results in a diminution, in any material respect, in such position, authority, duties or responsibilities; or

(b) a material reduction in Gearon's Base Salary or in the extent of Gearon's entitlement to the expenses, fringe benefits or perquisites referred to in this Agreement, the result of which is to place Gearon in a materially less favorable position as to such compensation, participation or entitlement, compared to other employees of ATSI and its subsidiaries of similar stature and position; or

(c) any other failure by ATSI to comply in any material respect with any material provision of this Agreement; or

(d) any requirement by ATSI for Gearon to move more than fifty (50) miles from his residence as of the date hereof, without his prior consent; or

(e) any failure by ATS to nominate Gearon for re-election as a member of the Board of Directors of ATS, so long as Gearon continues to hold, directly or indirectly, not less than twenty-five percent (25%) of the shares of ATS common stock received pursuant to the provisions of Section 3.1(b)(ii) of the Merger Agreement;

which (i) is incapable of cure, or (ii) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice to the Board of Directors of ATSI or ATS, as applicable, from Gearon specifying in reasonable detail the nature of such assignment, action, reduction or failure.

"Immediate Family" shall mean spouses and minor children, whether related by blood or by marriage.

"Intellectual Property" shall mean the following, but solely and exclusively to the extent they relate to a Proscribed Activity, and not otherwise: any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, copyrights and applications therefor, trade secrets, drawings, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including object and source codes) owned by Gearon or in which he has an interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by Gearon solely or jointly with others during the period of his employment with ATSI, which relate to the manufacture, production or processing of any products developed or sold by ATSI during the term of this Agreement or which are within the scope of or usable in connection with ATSI's business as it may, from time to time, hereafter be conducted or proposed to be conducted.

"Law" shall mean any (a) administrative, judicial, legislative or other 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 of any Authority, domestic or foreign; (b) the common law, or other legal or quasi-legal precedent; or (c) arbitrator's, mediator's or referee's award, decision, finding or recommendation; including, in each such case or instance, any interpretation, directive, guideline or request, whether or not having the force of law including, in all cases, without limitation any particular section, part or provision thereof.

"Proscribed Activity" shall mean any and all activities related to the ownership and/or operation of communications towers or sites, or the acquisition or management of communications towers or sites for third parties.

"Restricted Period" shall mean the period commencing on the date of this Agreement and ending as follows:

(a) in the event Gearon's employment with ATSI is terminated (i) by Gearon pursuant to paragraph (d) of Section 7 or (ii) by ATSI other than pursuant to paragraphs (a) or (e) of Section 7 -- six (6) months after the effective date of such termination; or

(b) in the event Gearon's employment with ATSI is terminated (i) by Gearon for any reason other than pursuant to paragraphs (d) or (e) of Section 7 or (ii) by ATSI pursuant to paragraph (a) of Section 7 -- eighteen (18) months after the effective date of such termination; or

(c) in the event Gearon's employment with ATSI is terminated because this contract is not renewed pursuant to the provisions of Section 1, six (6) months after the effective date of such termination.

Section 14. Expenses. Each party shall pay its own expenses incident to the negotiation, preparation, performance and enforcement of this Agreement (including all fees and expenses of its counsel, accountants and other consultants, advisors and representatives for all activities of such persons undertaken pursuant to this Agreement), except to the extent, if any, otherwise specifically set forth in this Agreement.

Section 15. Entire Agreement. This Agreement (which term, unless the context otherwise specifically requires, includes any exhibits or schedules hereto and all agreements, instruments, other documents and certificates delivered pursuant hereto or thereto) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements, covenants, promises, conditions, understandings, inducements, representations and negotiations, expressed or implied, oral or written, between them as to such subject matter.

Section 16. Waivers; Amendments. Anything in this Agreement to the contrary notwithstanding, amendments to and modifications of this Agreement may be made, required consents and approvals may be granted, compliance with any term, covenant, agreement, condition or other provision set forth herein may be omitted or waived, either generally or in a particular instance and either retroactively or prospectively with, but only with, the written consent of the party entitled to the benefit thereof. No delay on the part of any party at any time or times in the exercise of any right or remedy shall operate as a waiver thereof. Any consent may be given subject to satisfaction of conditions stated therein. The failure of a party hereto at any time or times to insist upon strict compliance with any term, covenant, agreement, condition or other provision or to exercise any right or remedy with respect to such failure or to require performance of any thereof shall in no manner affect its right at a later time to enforce the same or constitute a waiver of any such term, covenant, agreement, condition or other provision or any breach or default in connection therewith. The waiver of any

covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

Section 17. 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, (b) sent by telex, telegram, telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, postage prepaid) 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: (i) in the case of ATSI, at the addresses and to the persons (including copies) set forth in the Merger Agreement; and (ii) in the case of Gearon, at the addresses and to the persons (including copies) set forth in the Merger Agreement, and/or to such other person(s), telex or facsimile number(s) or as the party to receive any such communication or notice may have designated by written notice to the other parties. A notice delivered in person shall be deemed delivered when given; a notice sent by mail shall be deemed delivered on the earlier of the date of receipt or refusal to accept or the third business day after it has been mailed; a notice sent by telex, telegram, telecopy or other form of rapid transmission shall be deemed delivered when receipt of such transmission is acknowledged or other evidence of receipt is evident; provided, however, that the failure to deliver a copy of any such notice or other communication to the person(s) designated to receive copies shall not affect the validity, force or effect of any notice or other communication or subject a person so failing to deliver a copy to any liability.

Section 18. Severability. If any 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.

Section 19. 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 the parties hereto. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

Section 20. 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.

Section 21. 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 agreements, assignments, instruments, other documents and assurances, as any 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.

Section 22. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the applicable laws of the United States of America and the domestic substantive laws of the State of New York 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.

Section 23. Consultation with Counsel; No Representations. Gearon agrees and acknowledges that he has had a full and complete opportunity to consult with counsel of his own choosing concerning the terms, enforceability and implications of this Agreement, and that ATSI has made no representations or warranties to him concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as a sealed instrument as of the date first above written.

American Tower Systems (Delaware), Inc.

By:_____
Name:
Title:

_____
J. Michael Gearon, Jr.

EXHIBIT 10.29

ASSET PURCHASE AGREEMENT

by and among

AMERICAN TOWER SYSTEMS, INC.,

MIDCONTINENT MEDIA, INC.,

MICONTINENT TELEPORT CO.

WIT COMMUNICATIONS, INC., and

WASHINGTON INTERNATIONAL TELEPORT, INC.

Dated January 23, 1998

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 23rd day of January, 1998 by and among AMERICAN TOWER SYSTEMS, INC., a Delaware corporation ("Buyer"), and 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 ("WIT"), and WASHINGTON INTERNATIONAL TELEPORT, INC., a Delaware corporation and a wholly-owned subsidiary of WIT ("Teleport", and, together with Midcontinent, MTC and WIT, collectively "Seller").

RECITALS

A. Seller owns, leases and operates a satellite transmission business in the Washington, DC metropolitan area (the "Business").

B. Seller desires to sell and assign and Buyer desires to purchase substantially all of the assets of Seller used or held for use in the operation of the Business.

AGREEMENT

In consideration of the foregoing and of the mutual promises and covenants set forth below, the adequacy of which are acknowledged, the parties agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms will have the meaning set forth below:

1.1. Affiliate. "Affiliate" means any person or entity who directly or indirectly controls, is controlled by, or is under common control with, such person or entity. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.2. Assumed Contracts. "Assumed Contracts" means that subset of all of Contracts listed on Schedule 1.2 hereto which are identified thereon as Contracts to be assumed by Buyer at Closing.

1.3. Business Records. "Business Records" means all records of Seller including, but not limited to, all maintenance and compliance records and all books of account, customer lists, supplier lists, file materials, logs, consultants' reports, budgets, financial reports and sales, operating and business plans, relating to or used or held for use in the operation of the Business, except such portions thereof pertaining solely to Seller's internal corporate affairs.

1.4. Code. "Code" means the Internal Revenue Code of 1986, as amended.

1.5. Contracts. "Contracts" means all contracts, agreements, and leases (including the Ground Lease and the Land Sale Contract), written or oral (including any amendments and other modifications thereto) to which Seller is a party or which are binding upon Seller and relate to the Assets (as defined in Section 2.1 below) or the Business, and (i) which are in effect on the date hereof and listed on Schedule 1.2, or (ii) which are entered into by Seller in the ordinary course of business between the date hereof and the Closing Date. True and complete copies of each of the Contracts have previously been provided to the Buyer.

1.6. FCC Licenses. "FCC Licenses" means all licenses and other authorizations granted to Teleport by the Federal Communications Commission in connection with the operation of the Business, including, without limitation the FCC Licenses listed on Schedule 1.6 and any such licenses and other authorizations granted to Teleport before the Closing Date.

1.7. Ground Lease. "Ground Lease" means that certain Master Agreement between Teleport and National Cable Satellite Corporation dated May 15, 1991, as amended by that certain First Amendment to Master Agreement dated June 23, 1992, by which Teleport leased the Leased Real Property.

1.8. Improvements. "Improvements" means all buildings and related improvements and fixtures located on the Real Property.

1.9. Intangible Property. "Intangible Property" means all of Seller's computer programs, business lists, trade secrets, sales and operating plans, warranties, guarantees and other intangible property rights used or held for use in the operation of the Business, and all goodwill associated with the foregoing, including, without limitation, the Intangible Property listed on Schedule 1.9.

1.10. Knowledge. "Knowledge" means (i) the actual knowledge of such party's partners, officers, directors, principals, Affiliates or agents; and (ii) the knowledge that a business person would have obtained in the conduct of his or her business after exercising reasonable diligence with respect to the particular matter in question.

1.11. Land Sale Contract. "Land Sale Contract" means that purchase agreement, dated as of June 3, 1997, between 5775 General Washington Drive L.P. and Teleport, as amended on September 2, 1997 and as of January 19, 1998, relating to the acquisition by Teleport of approximately 5.875 acres of real property adjacent to the Owned Real Property for a purchase price of $850,000.

1.12. Land Sale Property. "Land Sale Property" means the real property that is the subject of the Land Sale Contract.

1.13. Leased Real Property. "Leased Real Property" means that portion of Parcel E-1, Shell Office Park, Fairfax County, Virginia, described in Exhibit H to the Ground

Lease, together with all easements, rights, privileges, remainders, reversions and appurtenances thereunto belonging or in any way appertaining, and all of Seller's estate, right, title, interest, claim and demand therein, in the streets and ways adjacent thereto and in the beds thereof, either at law or in equity, in possession or expectancy.

1.14. Leases. "Leases" means the Office Lease and the Microwave Leases, collectively.

1.15. Liens. "Liens" means mortgages, deeds of trust, collateral assignments, security interests, financing statements, conditional or other sales agreements, claims, options, restrictions, liens, pledges, hypothecations, encumbrances and adverse interests or other defects of title of any kind, as identified in Schedule 1.15.

1.16. Material Adverse Effect. "Material Adverse Effect" means, with respect to any person or entity, any event, fact, condition, occurrence or effect, which is materially adverse to the business, properties, assets, financial condition, operations, licenses or other franchises or results of operations of such person or entity, considered as a whole.

1.17. Microwave Leases. "Microwave Leases" means those certain written Leases of space for installation of microwave relay equipment, more fully described in Schedule 1.17.

1.18. Office Lease. "Office Lease" means that certain Lease, dated April 3, 1991, between Teleport and Public Storage Properties XVIII, Ltd. relating to the lease of approximately 5,468 square feet of space at 5600 General Washington Drive, Alexandria, Virginia 22312 for office purposes.

1.19. Owned Real Property. "Owned Real Property" means that real property owned by Seller, as described more fully on Schedule 1.19, including the Improvements located thereon, together with all easements, rights, privileges, remainders, reversions and appurtenances thereunto belonging or in any way appertaining, and all of Seller's estate, right, title, interest, claim and demand therein, in the streets and ways adjacent thereto and in the beds thereof, either at law or in equity, in possession or expectancy.

1.20. Permits. "Permits" means all licenses, permits, franchises, approvals, authorizations, certificates of occupancy, consents or orders of, or filings with, any governmental authority, whether federal, state or local, or any other person, necessary or desirable for the operation of the Business and/or the construction, ownership, operation, leasing, occupancy, maintenance or use of the Real Property including, without limitation, the Permits listed on Schedule 1.20.

1.21. Personal Property. "Personal Property" means all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, spare parts, the Due Diligence Materials (as defined Section 6.23) and other tangible personal property which are owned or leased by the Seller and used or useful as of the date hereof in the conduct of the Business or the operations of the Business including, without limitation, the Personal

Property identified on Schedule 1.21, plus such additions thereto and deletions
therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

1.22. Real Property. "Real Property" means the Owned Real Property and the Leased Real Property, collectively.

1.23. Third Party Property. "Third Party Property" means all personal property and fixtures located on the Real Property and not owned by the Seller identified in Schedule 1.23.

1.24. Title Commitment. "Title Commitment" shall mean an irrevocable commitment to issue a Title Policy.

1.25. Title Company. "Title Company" means a title insurance company selected by Buyer to issue the Title Policies.

1.26. Title Policy. "Title Policy" means an ALTA Owner's Policy of Title Insurance (Form 1992) insuring that Buyer owns good and marketable title to the Real Property (or a leasehold interest in the Leased Real Property), subject only to the Permitted Liens (as defined in Section 4.19(a), together with such endorsements thereto as Buyer shall require.

1.27. Warranties. "Warranties" means all of Seller's rights under manufacturers' and vendors' warranties relating to (i) the Improvements; and (ii) items included in the Personal Property.

2. ASSETS TO BE CONVEYED; ASSUMED LIABILITIES.

2.1. Assets to be Conveyed. Subject to the terms and conditions of this Agreement, on the Closing Date (as defined in Section 9.1 below), Seller will assign, transfer and deliver to Buyer and Buyer shall purchase from Seller all of Seller's right, title and interest in and to all of the assets described in this Section 2.1 (collectively, the "Assets"):

(a) Assumed Contracts, including the Land Sale Contract;

(b) Originals or copies of the Business Records;

(c) Intangible Property;

(d) Permits and FCC Licenses except Permits and FCC Licenses which, under the rules of the applicable governmental entity, are not assignable;

(e) Personal Property;

(f) Real Property;

(g) Leases; and

(h) Warranties.

2.2. Excluded Assets. The following assets are "Excluded Assets" and are not among the Assets purchased or transferred pursuant to this Agreement:

(a) Seller's cash, cash equivalents, certificates of deposit, money market funds and other marketable securities on hand or in banks or other financial institutions;

(b) Any Contracts other than the Assumed Contracts;

(c) All of the accounts receivable of the Seller arising out of the operation of the Business prior to the Closing Date; and

(d) Seller's record books and charter documents and other books and records pertaining solely to Seller's internal corporate affairs, including tax matters, or financing arrangements.

2.3. Assumed Liabilities. As of the Closing Date, Buyer shall assume all obligations and liabilities under the Assumed Contracts (including the Land Sale Contract) accruing, arising or relating to activities, events or occurrences happening on or after the Closing Date (collectively, the "Assumed Liabilities"). Buyer shall assume no obligations or liabilities of Seller, its predecessors or Affiliates whatsoever, including any taxes (the "Retained Liabilities") except for the Assumed Liabilities. Without limiting the generality of the foregoing, Buyer shall have no obligation to hire any employees of Seller and Seller shall be solely responsible for all salaries, benefits, severance and other compensation which will or may become payable to all of Seller's employees in respect of any period of employment by Seller prior to the Closing Date and Seller shall make such payments at or before the Closing. Buyer will not assume any obligations under Seller's existing vacation, sick leave, severance or other employee welfare or benefit plans or policies with respect to Seller's employees. At least ten days prior to the Closing, Buyer shall notify Seller of the employees of Seller whom Buyer intends to hire.

2.4. Delivery of Certain Documents. Not later than five (5) days after the date of this Agreement, Seller shall deliver to Buyer copies of each of the following relating to the Real Property to the extent in the possession or control of Seller or its counsel: (a) title reports, commitments or policies; (b) surveys; (c) environmental reports, assessments and studies; (d) soil reports; (e) structural or engineering reports relating to the Improvements; and (f) lien searches and reports.

3. CONSIDERATION; PRORATIONS.

3.1. Consideration. The consideration for the purchase of the Assets (the "Purchase Price") shall consist of (i) a cash payment by Buyer to Teleport in the amount of Twenty-Seven Million Five Hundred Thousand Dollars ($27,500,000) (the "Cash Payment") payable at Closing, plus (ii) an amount equal to Three Million Dollars ($3,000,000) to be held in escrow pursuant to the Indemnity Escrow Agreement (as defined in Section 3.5 below). On the date of execution of this Agreement, Buyer, Seller and The George Mason Bank ("Escrow

Agent") shall enter into the escrow agreement attached to this Agreement as Exhibit A-1 (the "Deposit Escrow Agreement"), pursuant to which Buyer shall make an earnest money deposit of Three Million Dollars ($3,000,000) (the "Cash Deposit"). The Escrow Agent shall hold the Cash Deposit in accordance with the terms and conditions of the Deposit Escrow Agreement.

3.2. Prorations and Adjustments. The operation of the Business and the income and normal operating expenses, including without limitation Assumed Liabilities and prepaid expenses, attributable thereto through 12:01 a.m. on the date of the Closing shall be for the account of Seller and thereafter for the account of Buyer. Adjustments shall be made and paid at Closing to the extent feasible. Seller shall be credited with all prepaid operating expenses (determined in accordance with generally accepted accounting principles) with respect to Assumed Contracts, any earnest money payments on the Land Sale Contract and capital expenditures incurred in connection with any Contracts entered into in accordance with the limitations of Section 6.17. Buyer shall be credited at Closing with an amount equal to the total of all security deposits held by Seller. A final accounting of prorated items shall be made by Buyer and Seller, and the sum due from one party to the other pursuant to this Section 3.2 shall be paid in cash, within sixty (60) days after the Closing Date. The Contracts described on Schedule 3.2 shall be prorated in accordance with the formula set forth on Schedule 3.2. All adjustments pursuant to Schedule 3.2 shall be made and paid at Closing to the extent feasible.

3.3. Allocation of Purchase Price. The Purchase Price shall be allocated among the Assets within thirty (30) days of the Closing, in accordance with an appraisal to be performed by BIA Consulting, Inc. or another appraisal company familiar with the Business at the expense of Buyer. In the event Seller does not agree with the appraisal of BIA Consulting, Inc., another appraiser shall be appointed by the parties, at the expense of Seller, and such appraisal shall control. Buyer and Seller shall file with their respective federal income tax returns for the tax year in which the Closing occurs, IRS Form 8594 containing the information set forth in the allocation. Buyer agrees to report the purchase of the Assets, and Seller agrees to report the sale of such Assets, for income tax purposes in a manner consistent with the information provided pursuant to this Section 3.3 and contained in IRS Form 8594.

3.4. Limited Assignment of Accounts Receivable.

(a) On the Closing Date, Seller will appoint Buyer its agent for the sole purpose of collecting all of Seller's accounts receivable arising from Seller's operation of the Business prior to the Closing Date (the "Receivables"). Buyer will collect the Receivables in the same manner and with the same diligence that Buyer uses to collect its own accounts receivable for a period of ninety (90) days following the Closing Date (the "Collection Period"); provided, however, that Buyer shall not be obligated to institute litigation, employ any collection agency, legal counsel or other third party, or take any other extraordinary means of collection. Neither Seller nor its agents will make any solicitation of such Receivables for collection purposes nor will Seller or its agents institute litigation for the collection of any Receivables during the Collection Period.

(b) During the Collection Period, Buyer will deliver to Seller a monthly accounting of collections made with respect to Receivables, commencing on the 15th day of the month following the Closing Date and on the 15th day of each month thereafter through the month following the month in which the Collection Period expires (in each case with respect to the collections during the preceding month), and will at such time pay over to Seller all amounts collected on account of Receivables. All amounts received by Buyer from payors with accounts included among the Receivables shall be applied first to the Receivables except to the extent that the payor specifically disputes a Receivable in writing and instructs that the payment be otherwise applied. If during the Collection Period a dispute arises between Buyer and an account debtor with respect to an account included among the Receivables, Buyer may return that account to Seller and collect from such account debtor only the amounts owed to Buyer for services provided after the Closing Date. At the conclusion of the Collection Period, any remaining Receivables shall be reassigned to Seller and thereafter Buyer shall have no further obligation with respect to the Receivables.

3.5. Indemnity Escrow Agreement. To secure the indemnification obligations of Seller set forth in Section 13 below, on the Closing Date, Seller and Buyer shall execute the Indemnity Escrow Agreement attached to this Agreement as Exhibit A-2 (the "Indemnity Escrow Agreement"), which provides for Three Million Dollars ($3,000,000) of the Purchase Price to be held in escrow following the Closing Date.

3.6. Non-Competition Agreement. On the Closing Date, Buyer and Seller shall enter into a Non-Competition Agreement, substantially in the form of Exhibit B hereto (the "Non-Competition Agreement").

4. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller jointly and severally represents and warrants to Buyer as follows, which representations and warranties have been relied upon by Buyer in entering into this Agreement.

4.1. Organization. Each of Midcontinent and MTC is a corporation duly incorporated, validly existing and in good standing under the laws of the State of South Dakota. Each of WIT and Teleport is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and Teleport is qualified to do business in the Commonwealth of Virginia, the State of Maryland, the District of Columbia and in each other jurisdiction where it is required to do so. Seller has full corporate power and authority to carry on its business as now conducted and to enter into and to perform this Agreement. The address of Teleport's principal office, and the locations of all tangible personal property included in the Assets are listed in Schedule 4.1. Except as set forth in Schedule 4.1, during the past five (5) years, Seller has not been known by or used any corporate, fictitious or other name in the conduct of the Business or in connection with the use or operation of the Assets.

4.2. Corporate Authorization. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action of Midcontinent, MTC, WIT, and Teleport.

4.3. Binding Agreement. This Agreement has been duly executed by Seller and delivered to Buyer and constitutes the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

4.4. No Breach. Subject to the necessity of obtaining consents of third parties to the assignment of those Assumed Contracts listed on Schedule 1.2, the execution, delivery and performance of this Agreement by Midcontinent, MTC, WIT, and Teleport will not violate or conflict with their respective Certificates of Incorporation or bylaws or any law, statute, rule, regulation, ordinance, code, directive, writ, injunction, decree, judgment or order (collectively, "Laws") to which Midcontinent, MTC, WIT, and Teleport or the Assets is subject, or by which Midcontinent, MTC, WIT, and Teleport or the Assets may be bound, or (with or without giving notice or the lapse of time or both) breach or conflict with any contract, agreement, or other commitment to which Midcontinent, MTC, WIT, or Teleport is a party or by which Midcontinent, MTC, WIT, or Teleport or the Assets may be bound or result in the imposition of a Lien on the Assets.

4.5. Permits. Schedule 1.20 contains a true and complete list of all Permits of Seller associated with the Assets and the Business. Seller has all Permits required to own the Assets and conduct the Business as now being conducted. All Permits of Seller are valid and in full force and effect. Except as set forth on Schedule 1.20, no notice to, declaration, filing or registration with, or Permit from, any domestic or foreign governmental or regulatory body or authority, or any other person or entity, is required to be made or obtained by Seller in connection with the execution, delivery or performance of this Agreement and the consummation of the transactions contemplated hereby.

4.6. Compliance With Laws. Except as set forth in Schedule 4.6, Seller has complied in all material respects with all Laws of any governmental (whether foreign, federal, state, local, or otherwise) agency, court or other body applicable to the Business and the Assets. Specifically, but without limitation, Seller has, in the conduct of the Business, complied in all material respects with all applicable Laws relating to the employment of labor, including those concerning wages, hours, equal employment opportunity, pension and welfare benefit plans (including the Employee Retirement Income Security Act of 1974, as amended and the regulations promulgated thereunder ("ERISA")), the non-compliance with which would have a Material Adverse Effect on Seller, the Assets or the Business, and the payment of Social Security and similar taxes, and Seller is not liable for any arrearages of wages or any tax penalties due to any failure to comply with any of the foregoing.

4.7. Title to and Sufficiency of Assets. WIT and Teleport have good and marketable title to all of the Assets (other than the Real Property, which is addressed in Section 4.19) free and clear of all Liens, except for Liens described on Schedule 1.15 (which will be removed on or before the Closing Date). Midcontinent, MTC, WIT, and Teleport have all necessary corporate authority to transfer ownership of the Assets to Buyer free and clear of all Liens. Other than the Excluded Assets, the Assets to be transferred hereunder constitute all of

the assets, rights and properties that are used in the operation of the Business as they are now conducted or that are used or held by Midcontinent, MTC, WIT, and Teleport for use in the operation of the Business. The Seller owns all Personal Property located on the Real Property other than the Third Party Property.

4.8. Condition of Personal Property. All Personal Property used or useful in the operation of the Business is listed on Schedule 1.21 and, except as specifically indicated on Schedule 1.21, is in operating condition and repair (reasonable wear and tear excepted), and is suitable for its intended use.

4.9. Intangible Property. Schedule 1.9 contains a true and complete list of all Intangible Property. Seller has delivered to Buyer copies of all documents (if any) establishing Seller's rights to use the Intangible Property. Seller has, and after the Closing, Buyer will have, the right to use such Intangible Property, free and clear of any royalty or other payment obligations. The Intangible Property does not conflict with, violate or infringe upon any rights of any other Person, and no Person is violating or infringing on any of Seller's rights with respect to the Intangible Property.

4.10. Contracts. Schedule 1.2 identifies all of the Contracts, and such schedule separately identifies: (i) the Assumed Contracts; (ii) the Assumed Contracts for which third party consents must be obtained; (iii) the Ground Lease; (iv) the Office Lease; and (v) the Microwave Leases. Seller shall deliver to Buyer true and complete copies of all written Contracts and true and complete memoranda of all oral Contracts (including any and all amendments and other modifications to such Contracts). Other than the Assumed Contracts, Seller requires no contract or agreement to enable Seller to carry on the Business in all material respects as presently and heretofore conducted. All of the Assumed Contracts are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally or by court-applied equitable principles. Seller is not in material breach, nor to the Knowledge of Seller is any other party in material breach, of the terms of any such Assumed Contracts. Except as expressly set forth in Schedule 1.2, Seller has not received notice of any intention by any party to any Assumed Contract (i) to terminate such contract or amend the terms thereof, (ii) to refuse to renew the same upon expiration of its term, or (iii) to renew the same upon expiration only on terms and conditions which are more onerous than those pertaining to such existing contract. Except for any third party consents (which consents shall have been obtained by Seller before the Closing Date pursuant to Section 7.4 below), Seller has full legal power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability, and continuation of any of the Assumed Contracts.

4.11. Litigation. Except as described on Schedule 4.11, there is no litigation, proceeding (arbitral or otherwise), claim or investigation of any nature pending or, to Seller's Knowledge, threatened against Seller, the Business or the Assets. There are no writs, injunctions, decrees, arbitration decisions, unsatisfied judgments or similar orders outstanding against Seller, the Business or the Assets.

4.12. Financial Statements. Schedule 4.12 sets forth true, correct and complete copies of (i) the audited consolidated balance sheet of Midcontinent for the year ended August 31, 1997 (the "Midcontinent Financials"), (ii) the unaudited balance sheets and income statements of WIT and Teleport for the year ended August 31, 1997 (the "Subsidiary Financials"); and (iii) the unaudited monthly balance sheets and income statements of WIT and Teleport for the period from September 1, 1997 through November 30, 1997 (the "Monthly Financials" and together with the Midcontinent Financials and the Subsidiary Financials, the "Financial Statements"). The Financial Statements are in accordance with the books and records of Seller, WIT and Teleport, and present fairly the financial condition of Seller, WIT and Teleport (as applicable) at the respective dates thereof and in accordance with generally accepted accounting principles.

4.13. Liabilities. Seller has no material liabilities, obligations or commitments of any nature (whether absolute, accrued, contingent or otherwise and whether matured or unmatured), including without limitation tax liabilities due or to become due, except liabilities that are reflected and reserved against on the Financial Statements.

4.14. Tax Matters. Except as disclosed on Schedule 4.14 hereto: (a) WIT and Teleport have filed all tax returns and reports required to have been filed by or for each entity; (b) all material information set forth in such returns or reports is accurate and complete; (c) WIT and Teleport have paid or made adequate provision for all taxes (including all real estate taxes and assessments), additions to tax, penalties, and interest payable by WIT and Teleport; (d) no unpaid tax deficiency has been asserted against or with respect to WIT or Teleport by any taxing authority; (e) WIT and Teleport have collected or withheld all amounts required to be collected or withheld by each entity for any taxes, and all such amounts have been paid to the appropriate governmental agencies or set aside in appropriate accounts for future payment when due; (f) WIT and Teleport are in compliance with, and their records contain all information and documents necessary to comply with, all applicable information reporting and tax withholding requirements; (g) the balance sheets contained in the Financial Statements fully and properly reflect, as of the dates thereof, the liabilities of Seller, WIT and Teleport (as applicable) for all accrued taxes, additions to tax, penalties, and interest; (h) for periods ending after the date of the most recent Financial Statements, the books and records of WIT and Teleport fully and properly reflect their liabilities for all accrued taxes, additions to tax, penalties, and interest; (i) WIT and Teleport have not granted, nor is either subject to, any waiver of the period of limitations for the assessment of tax for any currently open taxable period; (j) WIT and Teleport have not made or entered into, and hold no asset subject to, a consent filed pursuant to Section 341(f) of the Code and the regulations thereunder or a "safe harbor lease" subject to former Section 168(f)(8) of the Internal Revenue Code of 1954, as amended before the Tax Reform Act of 1986, and the regulations thereunder; (k) Neither WIT nor Teleport is required to include in income any amount for an adjustment pursuant to Section 481 of the Code or the regulations thereunder; and (l) Neither WIT nor Teleport is a party to, or obligated under, any agreement or other arrangement providing for the payment of any amount that would be an "excess parachute payment" under Section 280G of the Code. Schedule 4.14 describes all material tax elections, consents, and agreements affecting WIT and Teleport, and lists all types of taxes paid and tax returns filed by WIT and

Teleport. WIT and Teleport are not, and at all times during the last five years have not been, United States real property holding corporations within the meaning of Section 897 of the Code.

4.15. Insolvency Proceedings. Neither Seller nor any of the Assets is the subject of any pending or, to Seller's Knowledge, threatened, insolvency proceedings of any character. Seller has not made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings. Seller is not insolvent and will not become insolvent as a result of entering into this Agreement.

4.16. Employees; Employee Benefit Plans.

(a) Schedule 4.16 contains a true and complete list of all of the employees of WIT and Teleport, each such employee's title or capacity in which employed, and such employee's annual salary or wages, and a complete list and summary of WIT's and Teleport's employee benefit plans and any bonus compensation plans or policies (including all retirement, pension, profit sharing, bonus, severance pay, disability, health, vacation and sick leave benefits). Neither WIT nor Teleport is a party to any collective bargaining agreement covering any of its employees. There is no material dispute between WIT or Teleport and any of their respective employees related to compensation, severance pay, vacation or pension benefits, or discrimination.

(b) Except as set forth on Schedule 4.16, WIT and Teleport do not maintain, sponsor or contribute to, nor has WIT or Teleport maintained, sponsored or been obligated to contribute to, within the last six years, any "employee benefit plan" which is subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 412 of the Code. Neither WIT nor Teleport nor any trade or business (whether or not incorporated) that is or has ever been under common control, or that is or has ever been treated as a single employer, with WIT or Teleport under Section 414(b), (c), (m) or (o) of the Code (each an "ERISA Affiliate") maintains retiree life or retiree health insurance plans that are "welfare benefit plans" within the meaning of Section 3(1) of ERISA and that provide for continuing benefits or coverage for any participant or any beneficiary of a participant except as may be required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") or at the sole expense of the participant or any participant's beneficiary. Each of WIT, Teleport and any ERISA Affiliate that maintains a "group health plan" within the meaning of Section 5000(b)(1) of the Code has complied in all material respects with the notice and continuation requirements of Section 4980B of the Code, COBRA, Part 6 of Subtitle I of ERISA and the regulations thereunder.

4.17. Insurance. Schedule 4.17 lists all insurance policies (by policy number, insurer, location of property insured, annual premium, premium payment dates, expiration date and type of coverage) held by Seller relating to the Assets and the business, properties and employees of the Business, copies of which have been provided to Buyer. All such insurance policies are in full force and effect.

4.18. Environmental Matters.

(a) As used in this Agreement "Hazardous Material" shall mean: (i) any "hazardous substance" as now defined pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. (S) 9601(14); (ii) any "pollutant or contaminant" as defined in 42 U.S.C. (S) 9601(33); (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 261; (iv) any petroleum, including crude oil and any fraction thereof; natural or synthetic crude oil and any fraction thereof; (v) natural or synthetic gas usable for fuel; (vi) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910; (vii) any asbestos, polychlorinated biphenyl ("PCB"), or isomer of dioxin, or any material or thing containing or composed of such substance or substances; (viii) any infectious organism or biological or medical waste; or (ix) any other substance, regardless of physical form, that is subject to any Environmental Laws.

(b) As used in this Agreement, "Environmental Laws" shall mean any statutes, regulations, requirements, orders, ordinances, rules of liability or standards of conduct of any foreign, federal, state, local government, or common law relating to the protection of human health, plant life, animal life, natural resources, the environment or property from the presence in the environment of any solid, liquid, gas, odor or any form of energy, from whatever source, including, without limitation, any emissions, discharges, releases, or threatened releases of Hazardous Material into the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface or building structures), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, generation, disposal, transport or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

(c) To the best of Seller's Knowledge, except as set forth on Schedule 4.18, (i) there are no environmental conditions related to the Real Property or the Business and Assets that could have a Material Adverse Effect on Seller, including any such conditions relating to the use, treatment, storage, release or disposal of any Hazardous Material; (ii) neither WIT nor Teleport has manufactured, processed, distributed, used, treated, stored, disposed of, transported or handled any Hazardous Material in a manner that could have a Material Adverse Effect on such entity; (iii) there is no ambient air, surface water, groundwater or land contamination or contamination within building structures, within, under, originating from or relating to any Real Property such that the contamination impacts any other locations and none of the Real Property has been used for the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Material in a manner that could have a Material Adverse Effect on Seller; and (iv) Seller has no any obligation or liability, known or unknown, matured or not matured, absolute or contingent, assessed or unassessed, imposed or based upon the failure to comply with any provision under any federal, state or local law, rule, or regulation or common law, or under any code, order, decree, judgment or injunction applicable to Seller and Seller has not received any notice, or request for information issued, promulgated, approved or entered thereunder, or under the common law, or any tort, nuisance or absolute liability theory, relating to public health or safety, worker health or safety, or pollution,

damage to or protection of the environment, including, without limitation, the Environmental Laws, where such obligation or liability could have a Material Adverse Effect on Seller.

(d) Seller possesses and is in compliance in all material respects with all permits, licenses, certificates, franchises and other authorizations relating to the Environmental Laws necessary to conduct the Business.

4.19. Real Property.

(a) Owned Real Property. Schedule 1.19 contains a complete and accurate list of all Owned Real Property. Seller has, to the best of Seller's knowledge, and will transfer to Buyer at Closing good and marketable fee simple title to all Owned Real Property subject only to the following matters (the "Permitted Liens"): (i) Liens for current taxes not yet due; (ii) Liens set forth on Schedule 1.15 (which will be removed on or before the Closing Date); and (iii) any other matters affecting title to the Real Property which do not (A) breach any covenant, representation or warranty of Seller in this Agreement, (B) adversely affect the use or value of the Real Property, (C) render title to the Real Property unmarketable, or (D) constitute a lease, sublease or other occupancy agreement (or a memorandum of the same) that gives any third party any right to occupy or use all or any portion of the Real Property. Seller enjoys peaceful and undisturbed possession of all Owned Real Property. Prior to Closing, and except with respect to monetary Liens affecting the Owned Real Property, Seller shall not be required to expend any money or resort to litigation to cure any title matters which Buyer deems unacceptable, and Buyer's sole remedy prior to Closing with respect to any such unacceptable title matters (other than monetary Liens) which Seller does not agree to cure shall be to terminate this Agreement.

(b) Leased Real Property. The Ground Lease and the Leases are valid, binding and enforceable in accordance with their respective terms and are in full force and effect; no event of default has occurred and is continuing which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default thereunder on the part of Seller; and Seller has no knowledge of the occurrence of any event of default which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default thereunder by any other party. The current annual rental under the Ground Lease is $18,761.16. The term of the Ground Lease expires April 30, 2001. The Ground Lease covers the property described in Exhibit H to the Ground Lease, and has not been expanded pursuant to Section 10.05 thereof.

(c) Improvements, Fixtures and Equipment. The Improvements, including without limitation all leasehold improvements, and all fixtures and equipment and other tangible assets owned, leased or used by Seller at the Real Property are (i) structurally sound with no known material defects, (i) in operating condition and repair, subject to ordinary wear and tear, (ii) not in need of maintenance or repair except for ordinary routine maintenance and repair, (iii) sufficient for the operation of the Business as presently conducted and (iv) except as set forth in Schedule 4.19, in conformity with all applicable Laws relating thereto currently in effect. None of the Improvements are subject to any commitment or other arrangement for their

sale or use by any Affiliate of Seller or third parties, except with respect to leases being negotiated in Seller's ordinary course of business. All of the Improvements on the Real Property are located entirely on such Real Property.

(d) Compliance with Laws. Except as set forth in Schedule 4.19, the Real Property complies in all material respects with all applicable building, zoning, subdivision, or other governmental ordinances, resolutions, statutes, rules, orders or regulations, including but not limited to those of insurance underwriters, with respect to the ownership, operation, use, maintenance or condition of the Real Property. The Improvements are permitted on the Real Property pursuant to approval of a special exception by the Board of Supervisors of Fairfax County, Virginia. Vehicular and pedestrian ingress and egress to and from the Real Property is available via a publicly dedicated road, street or highway or via a perpetual easement acceptable to Buyer in its sole discretion. Seller has received no notices of violations which have not been cured except as set forth in Schedule 4.19.

(e) Taxes. No special taxes or assessments have been assessed relating to the Real Property or any part thereof, and to the best of Seller's knowledge, there are no planned public improvements that may result in a special tax or assessment against the Real Property.

(f) Eminent Domain. There is no condemnation or eminent domain proceeding pending or, to the best of Seller's knowledge, threatened against the Owned Real Property or any part thereof.

(g) Utilities. All utilities necessary for the operation of the Real Property in its current manner are installed in and operating at the Real Property.

(h) Mechanics Liens. All bills and claims for labor performed or materials supplied to or for the benefit of the Real Property have been paid in full and there are no perfected or unperfected mechanics or materialmen's liens on or affecting the Real Property.

(i) Historic Sites. Neither the Real Property, nor any portion thereof, is listed, or eligible to be listed, in any national, state or local register of historic places or areas.

4.20.

(a) FCC Compliance. Schedule 4.20 hereto lists the FCC Licenses. There are no federal communications authorizations issued by the FCC and required for the operation of Seller's business except for the FCC Licenses. The FCC Licenses are in effect for the term set forth on Schedule 4.20 and are held by Teleport. There is no complaint, petition for revocation, investigation or other proceeding pending before the FCC with respect to any of the FCC Licenses or with respect to Teleport. No petitions to deny, objections or other challenges have been filed with the FCC against any pending application of Teleport. Seller shall use its best efforts to obtain grant of all applications for FCC Licenses now pending before the FCC or filed before the Closing Date. Except as set forth on Schedule 4.6, to Seller's Knowledge, Teleport is in compliance with all applicable FCC and state tariffing requirements, reporting requirements,

telecommunications relay service funding obligations and other telecommunications regulations. As of the Closing Date, Teleport shall be in compliance with all applicable FCC and state universal service funding and reporting requirements. Seller is fully qualified to be the assignor of the FCC Licenses.

(b) FAA Compliance. To the best of Seller's Knowledge, Teleport is in compliance with any applicable requirements of the Federal Aviation Administration governing Teleport's facilities, including but not limited to antenna towers.

4.21. No Brokers. Seller has not entered into any contract, agreement, arrangement or understanding with any individual or entity to act as a finder or broker in connection with the transactions contemplated hereby.

4.22. No Other Agreements to Sell. Seller has no legal obligation, absolute or contingent, to any other individual or entity to sell the Assets or the Business (in whole or in part), or effect any merger, consolidation or other reorganization of Seller, or to enter into any agreement with respect thereto.

4.23. Financing Statements. All of the Assets are and have been located in the Commonwealth of Virginia, the District of Columbia and the State of Maryland since the Assets were acquired by Seller.

4.24. Transactions with Certain Persons. No partner, officer, director or employee of Seller nor any member of any such person's immediate family is presently, or within the past three (3) years has been, a party to any transaction with Seller relating to the Business, including without limitation, any contract, agreement or other arrangement (a) providing for the furnishing of services by, (b) providing for the rental of real or personal property from, or (c) otherwise requiring payments to (other than for services as partners, officers, directors or employees of Seller) any such person or corporation, partnership, trust or other entity in which any such person has an interest as a shareholder, officer, director, trustee or partner.

4.25. Bulk Sales. Seller represents that "bulk sales" laws do not apply to this transaction.

4.26. Disclosure. No representations or warranties by Seller in this Agreement, nor any document, exhibit, statement, certificate or schedule heretofore or hereinafter furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, including without limitation the Schedules, (i) contains or will contain any untrue statement of a material fact, or (ii) to Seller's Knowledge, omits or will omit to state any material fact necessary to make the statements or facts contained therein not misleading.

5. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants to Seller as follows, which representations and warranties have been relied upon by Seller in entering into this Agreement.

5.1. Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business and is qualified or registered to do business in each jurisdiction where it is required to do so. Buyer has full corporate power and authority to carry on its business as now conducted and to enter into and to perform this Agreement.

5.2. Corporate Authorization. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Buyer's board of directors.

5.3. Binding Agreement. This Agreement has been duly executed by Buyer and delivered to Seller and constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

5.4. No Breach. The execution, delivery and performance of this Agreement by Buyer will not violate Buyer's certificate of incorporation or bylaws or any Law to which Buyer is subject or by which Buyer may be bound or (with or without giving notice or the lapse of time or both) breach or conflict with any contract, agreement, or other commitment to which Buyer is a party or by which Buyer is or may be bound.

5.5. Litigation; Compliance with Law. There is no litigation, proceeding (arbitral or otherwise), claim or investigation of any nature, pending or, to Buyer's Knowledge, threatened, against Buyer that reasonably could be expected to adversely affect Buyer's ability to perform in accordance with the terms of this Agreement.

5.6. No Brokers. Buyer has not entered into any contract, agreement, arrangement or understanding with any person or entity to act as a finder or broker in connection with the transactions contemplated hereby.

5.7. Financial Statements. Schedule 5.7 sets forth a true, correct and complete copy of the audited Balance Sheet of Buyer as of September 30, 1997.

6. COVENANTS. Between the date of this Agreement and the Closing Date:

6.1. Maintenance of Business. Seller shall conduct the operations of the Business and use the Assets only in the ordinary course of business, consistent with past practices with the intent of preserving the ongoing operations of the Business and the Assets, including, without limitation, the intent of maintaining in its employ all key employees of the Business who are performing satisfactorily. Seller shall not sell or agree to sell or otherwise dispose of any of the Assets except in the ordinary course of business, consistent with past practice.

6.2. Adverse Developments. Seller shall promptly notify Buyer of any materially adverse developments that occur prior to Closing with respect to the Assets or the

operation of the Business. Seller shall keep Buyer informed of all material operational matters and business developments with respect to the Business and its markets, including any competitive changes.

6.3. Potential Breach. Each party will promptly notify the other party of the occurrence of any event, or the existence of any fact, of which such party becomes aware that is not permitted by this Agreement and that results in the inaccuracy in any material respect of any representation or warranty of such party in this Agreement as of any time prior to the Closing, and such party will use its reasonable best efforts to cure such matter.

6.4. Access. Seller will provide Buyer, its counsel, accountants, financing sources and other representatives ("Buyer's Representatives") with access to the books and records of the Business, to the Assets and to the officers, employees, agents and accountants of Seller with respect to matters relating to the Business during normal business hours, upon reasonable notice and at a mutually agreeable time, provided that such access does not materially disrupt the operations of the Business and will provide Buyer and Buyer's Representatives with such information concerning the Assets and the Business as they reasonably may request.

6.5. Financial Statements and Other Reports. Between the date of this Agreement and the Closing Date, as soon as the same are available, Seller will provide Buyer with copies of the Business' monthly sales reports and financial statements.

6.6. No Negotiations. Seller will refrain, and will cause each other individual or entity acting for or on behalf of Seller to refrain, from taking, directly or indirectly, any action (a) to seek or encourage any offer or proposal from any person to acquire any assets (other than in ordinary course of business consistent with past practices) or shares of capital stock or other securities of Teleport or any interests therein; and (b) to merge, consolidate, or combine, or to permit any other person to merge, consolidate or combine, with Teleport.

6.7. Third Party Consents. Seller shall use its best efforts to obtain the third party consents identified on Schedule 1.2 as being necessary for the assignment of the Assumed Contracts to Buyer, and to satisfy all other conditions precedent thereof.

6.8. Updated Schedules. Not less than five (5) days before the date scheduled for the Closing, Seller shall deliver to Buyer a list of any changes to the Schedules which are necessary to reflect any additions to or deletions therefrom occurring after the date of execution hereof.

6.9. Leases; Security Interests. Seller will cooperate (at no out-of-pocket expense to Seller) in all reasonable respects with (i) Buyer's efforts, at Buyer's expense, to obtain the consents of any parties to the grant by Buyer to its lenders of a security interest in the Assumed Contracts, Real Property or other Assets; and (ii) Buyer's efforts to obtain title insurance and surveys with respect to the Real Property.

6.10. Tax, Lien, and Judgment Searches. No earlier than thirty (30) days prior to the Closing Date, Seller shall deliver to Buyer a report on the results of a search for UCC

financing statements, tax liens, judgment liens, and similar filings in the offices of the Secretary of State in each State where the Assets are located and in the appropriate county records of those jurisdictions where the Assets are located.

6.11. Environmental Assessment.

(a) Seller shall retain an independent qualified environmental professional reasonably acceptable to Buyer to conduct a Phase I environmental site assessment in accordance with the ASTM standards currently in force for the performance of Phase I environmental site assessments for each parcel of Owned Real Property and the Land Sale Property (the "Site Assessments"). Such Site Assessments shall (a) be addressed to Seller and Buyer, (b) contain limitations of liability acceptable to Seller and Buyer and (c) be at the sole cost of Seller. If the Site Assessments conclude that there exists recognized environmental conditions, for those sites where it is likely that any federal, state or local governmental authority will require remediation of the recognized environmental conditions, Seller shall retain a qualified environmental professional to conduct a Phase II environmental site assessment in accordance with the standards required by the applicable federal, state and local governmental authority.

(b) Seller shall retain an independent qualified environmental professional reasonably acceptable to Buyer to perform the remediation required by the applicable federal, state, and local governmental authority relating to Hazardous Materials at the sites (the "Required Remediation") under the supervision of the applicable federal, state and local governmental authority. Seller and Buyer shall evenly split the costs of all Required Remediation up to $100,000. The costs of all Required Remediation in excess of $100,000 but less than $500,000 shall be paid solely by Seller. In the event that the costs of all Required Remediation exceed $500,000, the Buyer may elect to pay such costs or terminate this Agreement, unless the Seller agrees to pay such additional costs. In the event the Required Remediation is not completed by the Closing Date (which completion shall be evidenced by a certificate from the qualified environmental professional and a "no further action" letter from the applicable governmental authorities), a portion of the Purchase Price equal to Seller's share of the estimated costs of the Required Remediation shall be held in escrow pending such completion.

6.12. Governmental Consents. Promptly following the execution of this Agreement, Seller and Buyer shall proceed to prepare and file with the appropriate governmental authorities (and diligently pursue) such requests for approvals or waivers, reports or notifications as may be required in connection with this Agreement. Specifically, with respect to:

(a) antitrust matters, Buyer and Seller shall, within thirty (30) days of the date of the execution of this Agreement, complete all documents required to be filed with the Federal Trade Commission and the United States Department of Justice in order to comply with the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the "HSR Act") and file the same with the appropriate governmental entities, and will promptly furnish all materials thereafter requested by any of the governmental entities having jurisdiction over such filings, and

will take all reasonable actions and will file and use reasonable efforts to have declared effective or approved all documents and notifications with any such governmental entity, as may be required under the HSR Act or other federal antitrust laws for the consummation of the transactions contemplated hereby; and

(b) Federal Communications Commission ("FCC") matters, Buyer and Seller shall, within fifteen (15) days of the date of the execution of this Agreement, file applications with the FCC requesting consent to the assignment of the FCC Licenses (the "FCC Applications"). Buyer and Seller agree to take all steps necessary to prosecute the FCC Applications and to submit any additional information required by the FCC.

All costs and expenses associated with such preparations and filings described in paragraphs (a) and (b) above shall be borne 50% by Buyer and 50% by Seller.

6.13. Confidentiality. Buyer and Seller shall each keep confidential and not directly or indirectly reveal, report, publish, disclose or transfer any information obtained by it with respect to the other in connection with this Agreement and the negotiations preceding this Agreement (the "Confidential Information"), and each will use such Confidential Information solely in connection with the transactions contemplated by this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining any copies thereof, any schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby and shall cause all of its officers, employees, agents, accountants, attorneys and other representatives to whom it may have disclosed such Confidential Information to do the same. Notwithstanding the foregoing limitation, neither party shall be required to keep confidential or return any Confidential Information that (i) is known or available through other lawful sources, (ii) is or becomes publicly known or generally known in the industry through no fault of the receiving party or its agents, (iii) is required to be disclosed pursuant to Law (provided the other party is given reasonable prior notice), or (iv) is developed by the receiving party independently of the disclosure by the disclosing party.

6.14. No Inconsistent Action. Neither Buyer nor Seller shall take any action which is materially inconsistent with its obligations under this Agreement, that would cause any representation to be untrue or misleading, that would make it impossible or impracticable for a condition herein to be satisfied, or that would hinder or delay the consummation of the transaction contemplated by this Agreement.

6.15. Leases. Seller shall not, without the prior written consent of Buyer in each instance, (i) modify, amend, renew, terminate or extend, in any manner whatsoever, the Ground Lease or any of the Leases, (ii) consent to the assignment or subletting of the Ground Lease or any Lease, or (iii) enter into any new lease of the Real Property, the Land Sale Property or any portion thereof.

6.16. Permits. Seller shall maintain all Permits in full force and effect, and will file timely, all reports, statements, renewals applications and other filings, and will pay timely all

fees and charges in connection therewith that are required to keep the Permits in full force and effect.

6.17. Contracts. Seller shall not, except for agreements in the ordinary course of Business and agreements not requiring Seller to make capital expenditures in excess of $50,000 in the aggregate, enter into any new Contracts with respect to the Assets or the Business without first obtaining Buyer's prior written consent in each instance, which consent shall not be unreasonably withheld (all permitted new contracts or agreements shall be deemed to be included within the term "Assumed Contracts"). For the purposes of this Section 6.17, Seller may obtain Buyer's consent from Mr. Carl Cangelosi by telecopier at (215) 491-0260.

6.18. Taxes and Assessments. Seller shall (i) pay in a timely fashion all taxes and other public charges against the Real Property (and those which Seller is obligated to pay with respect to the Leases) and (ii) provide Buyer, within ten (10) business days of receipt, copies of any notices Seller receives with respect to any special assessments or proposed increases in the valuation of the Real Property.

6.19. Condemnation Notices. Seller shall provide Buyer, within ten (10) business days of receipt, copies of any notices Seller receives with respect to any condemnation or eminent domain proceedings affecting the Real Property or the Land Sale Property.

6.20. Binding Commitments. Seller shall not make any commitments or representations to any applicable governmental authorities, any adjoining or surrounding property owners, any civic association, any utility or any other person or entity that would in any manner be binding upon Buyer or the Real Property, without Buyer's prior written consent in each instance, which consent Buyer may withhold in its sole discretion.

6.21. Environmental Compliance. Until Closing, Seller shall use its best efforts to comply with all Environmental Laws applicable to the Real Property. Seller shall not (i) manufacture, release, discharge, treat or install any Hazardous Substances on, in, under or from the Real Property or (ii) install in or remove from the Real Property any storage tanks. Seller shall advise Buyer promptly in writing of any notice or other communication, written or oral, from the United States Environmental Protection Agency or any other federal, state or local governmental authority having jurisdiction over the Real Property with respect to (a) any alleged violation of any Environmental Laws, or (b) the handling, packaging, manufacture, transportation, release, use, discharge, treatment, removal, storage or disposal of Hazardous Substances or storage tanks.

6.22. Pre-Approval Sharing/Leasing Agreements. The parties agree to use their best efforts to negotiate, execute, and implement sharing, leasing, or other agreements, consistent with FCC requirements, that would permit Buyer to, upon payment of the Purchase Price, provide service utilizing the Assets prior to grant of the FCC Applications.

6.23. Land Sale Contract.

(a) Seller shall not amend, modify, terminate or exercise any of its rights, remedies and elections under the Land Sale Contract without the prior written consent of Buyer, which may be given or withheld in Buyer's sole and absolute discretion.

(b) At Closing, Seller shall assign and sell to Buyer all plans, studies, reports, plats, permits, surveys, engineering and architectural drawings, title commitments and other materials relating to the acquisition and development of the Land Sale Property (the "Due Diligence Materials"). All of the Due Diligence Materials shall be fully paid for at Closing by Seller, and Seller shall provide Buyer with any third party consents required to permit Buyer to enforce and/or rely upon the Due Diligence Materials (the "Due Diligence Consents").

(c) At Closing, Buyer shall reimburse Seller for the reasonable and actual out-of-pocket costs incurred by Seller with respect to due diligence under the Land Sale Contract and obtaining the special use permit required to lawfully use the Land Sale Property as an earth station (the "SUP"), which amount shall not exceed One Hundred Thousand Dollars ($100,000) unless Buyer has agreed to a higher amount in writing (the "Due Diligence Expenses"). Seller shall provide Buyer with reasonable documentation of the Due Diligence Expenses and Seller's payment thereof. Notwithstanding the foregoing, in the event Buyer elects not to assume the Land Sale Contract due to the failure of the condition set forth in Section 7.17 hereunder, Seller shall not be entitled to reimbursement for any of the Due Diligence Expenses, nor shall Seller be required to assign the Due Diligence Materials to Buyer.

(d) Prior to Closing, Seller shall timely perform all of its obligations under the Land Sale Contract, including, without limitation, diligently seeking the issuance of the SUP. Prior to filing any applications, permit requests, site plans, plats or other similar items or agreeing to proffers or other conditions and/or obligations that would bind Buyer or the Land Sale Property after Closing, Seller shall obtain the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed.

(e) Seller shall promptly provide Buyer with copies of any notices or communications sent or received by Seller with respect to the Land Sale Contract or the Land Sale Property. At Buyer's request from time to time, Seller shall provide a status report on the SUP and such other matters pertaining to the Land Sale Contract and the Land Sale Property as Buyer shall reasonably request.

7. CONDITIONS TO BUYER'S OBLIGATION. The obligation of Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

7.1. Representations and Warranties. The representations and warranties of Seller to Buyer contained herein and in any certificates delivered by Seller pursuant hereto will be true and correct in all material respects as of the Closing Date (except for representations and warranties that are qualified as to materiality, which shall be true and correct in all material

respects), in each case as if made again on and as of such date, and Seller shall deliver to Buyer a certificate of the same.

7.2. Compliance with Covenants. All of the covenants to be complied with or performed by Seller on or before the Closing Date shall have been duly complied with and performed in all material respects.

7.3. Closing Documents. On the Closing Date, Seller shall have delivered to Buyer duly executed closing documents as specified in Section 10.1 in a form reasonably acceptable to Buyer. Buyer shall receive a legal opinion of Seller's counsel in form and substance reasonably satisfactory to Buyer.

7.4. Receipt of Third Party Consents. For each Assumed Contract for which the consent of a third party is required as a condition of its assignment to Buyer, Seller shall have obtained all required consents of third parties (as indicated on Schedule 1.2), in a form reasonably acceptable to Buyer without modification of any material provision of any such Assumed Contract.

7.5. Governmental Consents. Any approval required pursuant to Section 6.12 shall have been obtained.

7.6. Absence of Litigation. As of the Closing Date, no action, claim, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of this Agreement shall be pending before any court or any other governmental authority; provided, however, that this condition may not be invoked by Buyer if any such action, suit or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of Buyer.

7.7. No Material Adverse Development. There shall not have been any material adverse change in the condition of the Assets. No material adverse change or development shall have occurred with respect to the Business that results in a significant impairment to the ability of the Business to operate as it is currently operated or represents a substantial impairment of the aggregate value of the Business or Assets being conveyed, except such change or development affecting the satellite transmission business in the United States generally.

7.8. Settlement of Claims. Seller shall have settled any and all pending or threatened claims, litigation or proceedings against Seller that affect or concern the Assets.

7.9. Release of Liens. Buyer shall be reasonably satisfied that all Liens on the Assets have been released and removed. Without limiting the generality of the foregoing, Seller shall have delivered to Buyer executed releases or terminations under the UCC and any other applicable laws of any financing or similar statements filed against any Assets in (a) the jurisdictions in which the Assets are and have been located since such Assets were acquired by Seller, and (b) any other location specified or required by applicable Law. UCC, tax and judgment searches, as of the Closing Date, of the public records of the States and the counties

where the Assets are located shall reveal no inconsistencies with Seller's representations and warranties hereunder.

7.10. Title Policies. The Title Company shall be irrevocably committed to issue to Buyer a Title Policy for each property constituting part of the Real Property at its regular rate, subject to no exceptions other than the Permitted Liens, dated as of the exact date and time of the recording of the recorded instruments conveying the Real Property to Buyer.

7.11. Surveys. Buyer shall have received surveys which shall be certified to Buyer and the Title Company, which surveys shall show no matters which adversely affect the use or value of any of the Real Property or render title thereto unmarketable and shall show (i) no encroachments that materially impair the value or use of the Real Property, (ii) that the Improvements are entirely located on the Real Property, (iii) that the Real Property has access to all adjacent roads and that such roads are publicly dedicated, and (iv) that each parcel of Real Property consists of an integral land area with no slivers, strips, vacancies, gaps or gores.

7.12. Title to Owned Real Property. Buyer shall have determined that Seller is the sole owner of good and marketable fee simple title to the Owned Real Property, free and clear of all liens, encumbrances, restrictions, conditions and agreements except for the Permitted Liens.

7.13. Site Assessments. Any remediation required by Section 6.11 shall have been completed to Buyer's reasonable satisfaction or the cost of any remediation required by Section 6.11 shall be held in escrow pursuant to an agreement between Buyer and Seller.

7.14. Condemnation. No condemnation or taking in eminent domain shall have occurred or be pending with respect to any of the Real Property.

7.15. Updated Schedules. Buyer shall have determined in the reasonable exercise of its judgment, that the additions and deletions in the Updated Schedules delivered by Seller pursuant to Section 6.8 do not have a Material Adverse Effect on the Business or the Assets.

7.16. FCC Consent. The FCC shall have given its consent in writing to the transactions contemplated hereby and shall have approved the FCC Applications ("FCC Consent"), and such FCC Consent (absent a written notice signed by Seller and Buyer waiving the condition that such consent shall be final) shall have become a Final Order. For purposes of this Agreement, a "Final Order" shall mean action by the FCC granting its consent and approval to the FCC Applications, which action is not reversed, stayed, enjoined or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing, or a notice of appeal is pending, and as to which the time for filing any such request, petition or notice or appeal for review by the FCC on its own motion has expired.

7.17. Land Sale Contract. The representations and warranties of Seller regarding the Owned Real Property set forth in Section 4.18, 4.19(a) (but only with regard to the non-existence of liens and other title defects (other than Permitted Liens) affecting the Land Sale

Property, it being understood that Seller will not own the Land Sale Property at Closing), the first and third sentences of Section 4.19(d), 4.19(f), 4.19(h), 4.19(i) and 6.11 shall be true and correct as of the Closing Date with respect to the Land Sale Property, and Seller shall have delivered to Buyer at Closing a certificate restating such representations and warranties with respect to the Land Sale Property. Seller shall also have delivered to Buyer an estoppel certificate from the seller under the Land Sale Contract, dated not earlier than five (5) days before the Closing Date, consenting to the assignment of the Land Sale Contract to Buyer and stating that the Land Sale Contract is in full force and effect; that Seller is not in default thereunder; and confirming the amount of the deposit posted thereunder (the "Land Sale Contract Estoppel"). In the event the conditions set forth in this Section 7.17 are not satisfied as of the Closing Date, Buyer's sole remedy shall be to elect not to assume the Land Sale Contract, in which event the term "Assumed Contracts" shall exclude the Land Sale Contract.

8. CONDITIONS TO SELLER'S OBLIGATION. The obligation of Seller to consummate this Agreement is subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

8.1. Representations and Warranties. The representations and warranties of Buyer to Seller contained herein and in any certificates delivered by Buyer pursuant hereto shall be true and correct in all material respects as of the Closing Date (except for representations and warranties that are qualified as to materiality which shall be true and correct in all material respects), in each case as if made again on and as of such date.

8.2. Compliance with Covenants. All of the covenants to be complied with or performed by Buyer on or before the Closing Date shall have been duly complied with and performed in all material respects.

8.3. Closing Documents. On the Closing Date, Buyer shall have delivered to Seller duly executed closing documents as specified in Section 10.2 below in a form reasonably acceptable to Seller. Seller shall receive a legal opinion of Buyer's counsel in form and substance reasonably satisfactory to Seller.

8.4. Governmental Consents. Any approval required pursuant to the Section 6.11 shall have been obtained.

8.5. Absence of Litigation. As of the Closing Date, no action, claim, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of this Agreement shall be pending before any court or any other governmental authority; provided, however, that this condition may not be invoked by Seller if any such action, suit, or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, Seller.

8.6. Payment. At the Closing, Buyer shall deliver to Seller the Cash Payment, as provided in Section 3.1.

8.7. FCC Consent. FCC Consent shall have occurred, and such consent (absent a written notice signed by Seller and Buyer waiving the condition that such consent shall be final) shall have become a Final Order.

9. CLOSING.

9.1. Timing.

(a) The closing of the purchase and sale of the Assets (the "Closing") shall take place on April 30, 1998 or another date mutually agreed to by Buyer and Seller (the "Closing Date"). The Closing will commence on the Closing Date at 10:00 a.m. at the offices of Hunton & Williams, McLean, Virginia, or such other place as Buyer and Seller may agree in writing. By mutual agreement of the parties, Closing may take place by conference call and telecopy with exchange of original signatures by overnight mail.

(b) If, as of the Closing Date, any condition precedent described in Section 7 or 8 has not been satisfied, the party who is entitled to require such condition be satisfied may (in its sole discretion) notify the other party(ies) of the absence of such condition precedent at or before the Closing and simultaneously therewith postpone the Closing until a date ten (10) days after all such conditions have been (or are able to be) performed, but not later than May 31, 1998, and such postponed date shall constitute the new Closing Date for all purposes hereunder.

9.2. Deliveries. On the Closing Date, (a) Seller shall deliver or cause to be delivered to Buyer good and marketable title to and ownership of the Assets, free and clear of all Liens; (b) Buyer shall deliver to Seller the Cash Payment; and (c) the parties shall deliver to each other the closing documents described in Section 10.

9.3. Employee Matters.

(a) Seller shall be solely responsible for all salaries, benefits, severance and other compensation which will or may become payable to its employees ("Seller's Employees") in respect of any period of employment by Seller prior to the Closing Date and Seller shall make such payments at or before the Closing and Buyer shall be solely responsible for any salaries, benefits and other compensation which will or may become payable to any of Seller's Employees to which Buyer extends an offer of employment in respect of any period on and after the Closing Date.

(b) Buyer will not assume any obligations under Seller's existing vacation, sick leave, severance or other employee welfare or benefit plans or policies with respect to Seller's Employees.

10. CLOSING DOCUMENTS.

10.1. Closing Documents to be Delivered by Seller. On the Closing Date, Seller shall deliver to Buyer (in form and substance reasonably satisfactory to Buyer):

(a) One or more bills of sale conveying to Buyer all of the Personal Property and Improvements;

(b) One or more general warranty deeds conveying the Owned Real Property to Buyer in a form usual and customary in the jurisdictions where such property is located;

(c) One or more assignments assigning the Assumed Contracts to Buyer, together with each consent obtained by Seller necessary for the assignments of those Assumed Contracts identified on Schedule 1.2;

(d) Certified copies of resolutions of Seller's boards of directors and shareholders (if necessary) authorizing the execution, delivery and performance of this Agreement and of Seller's charter documents reasonably acceptable to Buyer and Title Company;

(e) One or more assignments conveying to Buyer the Permits (to the extent assignable), Intangible Property and Business Records;

(f) A certificate executed by Seller attesting to Seller's compliance with the matters set forth in Section 7.17;

(g) Copies of the Business Records;

(h) A general assignment by Seller to Buyer of all the Assets to be conveyed hereunder, other than the Excluded Assets;

(i) Clearance certificates or similar document(s) that may be required by any state taxing authority in order to relieve Buyer of any obligation to withhold any portion of the Purchase Price;

(j) An executed copy of the Indemnity Escrow Agreement required by Section 3.5 and joint escrow instructions of Buyer and Seller;

(k) An executed copy of each Non-Competition Agreement required by Section 3.6;

(l) A legal opinion of Seller's counsel in form and substance reasonably satisfactory to Buyer;

(m) With respect to the Ground Lease and the Leases, a consent from the landlord (if required) consenting to the assignment of such Lease to Buyer (in form and substance acceptable to Buyer), and an estoppel certificate from such landlord stating (1) attached

to the certificate is a true and correct copy of the lease, together with all modifications and amendments thereto, and that there are no other modifications or amendments, oral or written, except as set forth in the attachment; (2) the lease is in full force and effect; (3) to the best knowledge of landlord, neither landlord nor tenant is in default under the terms and conditions of the lease (except for any defaults listed in an exhibit to the estoppel certificate); (4) to the best knowledge of landlord, tenant has not sublet all or any portion of its premises or assigned the lease (except as set forth in the attachment); (5) the amount of the base annual rent tenant is currently paying is [INSERT APPLICABLE RENT]; (6) the term of the lease expires on [INSERT APPLICABLE LEASE DATE]; and (7) the property covered by the lease.

(n) A non-disturbance agreement, if obtainable, from the mortgagee or beneficiary of any mortgage, deed of trust, or similar instrument on the Leased Real Property agreeing to recognize the Ground Lease and the Office Lease following a foreclosure, deed in lieu of foreclosure, or other exercise of rights under such vender's security instrument.

(o) Such other instruments and further assurances of conveyance and such other certificates or other documentation as Buyer or the Title Company may reasonably request, including without limitation an owner's affidavit in the Title Company's standard form and a non-foreign affidavit complying with Section 1445 of the Code.

(p) The Due Diligence Consents and the Land Sale Contract Estoppel.

(q) One or more assignments to Buyer of the FCC Licenses, provided that Seller shall not deliver such assignments pursuant to a sharing arrangement under Section 6.22 unless the FCC Consent has been granted in accordance with Section 7.16.

10.2. Closing Documents to be Delivered by Buyer. On the Closing Date, Buyer shall deliver to Seller (in form and substance reasonably satisfactory to Seller):

(a) one or more agreements by which Buyer assumes the Assumed Liabilities and agrees to perform, from and after the Closing Date, all of the Assumed Liabilities;

(b) certified copies of resolutions of Buyer's Board of Directors authorizing the execution, delivery and performance of this Agreement, and of Buyer's bylaws and certificate of incorporation;

(c) a certificate executed by Buyer attesting to Buyer's compliance with the matters set forth in Section 8;

(d) an executed copy of the Indemnity Escrow Agreement required by Section 3.5 and joint escrow instructions of Buyer and Seller;

(e) an executed copy of each Non-Competition Agreement required by Section 3.6;

(f) the Cash Payment to Seller; and

(g) a legal opinion of Buyer's counsel in form and substance reasonably satisfactory to Seller.

10.3. Other Closing Documents. The parties will also execute such other documents and perform such other acts, before and after Closing, as may be necessary for the implementation and consummation of this Agreement.

11. RISK OF LOSS. The risk of loss or damage to the Assets shall be upon Seller at all times prior to the Closing Date. In the event of such loss or damage, Seller will promptly notify Buyer and Seller shall use its best efforts to repair, replace or restore the Assets to their former condition as soon as possible provided, however, that if the uninsured portion of the cost of such repair, replacement or restoration is reasonably estimated by Seller to exceed $1,500,000, then Seller may, by written notice to Buyer (within 30 days after such damage) terminate this Agreement. In the event Seller is not able to complete such repair, replacement or restoration by the Closing Date, Buyer may, at its option:

(a) elect to consummate the transaction set forth in this Agreement, in which event Seller shall assign to Buyer all of such Seller's rights under any applicable insurance policies and pay over to Buyer all proceeds of insurance covering such Assets' damage, destruction or loss; or

(b) elect to postpone the Closing Date for such period of time (not to exceed sixty (60) days) as is reasonably necessary for Seller to repair, replace, or restore the lost or damaged property to its former condition. If, after the expiration of that extension period, the lost or damaged property has not been adequately repaired, replaced or restored, Buyer may elect to terminate this Agreement or to consummate the transaction set forth in this Agreement in accordance with Section 11(a) above.

12. TERMINATION; REMEDIES.

12.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of Seller and Buyer;

(b) by Seller, by written notice to Buyer, on any date determined for the Closing in accordance with Section 9.1(a), if on such date each condition set forth in Section 6 and Section 7 has been satisfied by Seller (or will be satisfied by the delivery of documents at the Closing) or waived in writing by such date by Buyer and Buyer has nonetheless refused to consummate the transactions set forth in this Agreement;

(c) by Buyer, by written notice to Seller, on any date determined for the Closing in accordance with Section 9.1(a), if on such date each condition set forth in Section 8 has been satisfied by Buyer (or will be satisfied by the delivery of documents at the Closing) or waived in writing by such date by Seller and Seller has nonetheless refused to consummate the transactions set forth in this Agreement;

(d) by Buyer, by written notice to Seller, on or after May 31, 1998, if the Closing has not occurred and Buyer is not then in breach of this Agreement in any material respect;

(e) by Seller, by written notice to Buyer, on or after May 31, 1998 if the Closing has not occurred and Seller is not then in breach of this Agreement in any material respect;

(f) by Buyer if any governmental consent necessary to effect a complete assignment of the Assets is not obtained on or before the Closing Date;

(g) by Buyer, in accordance with the provisions of Section 6.11; and

(h) by Buyer or Seller, as applicable, pursuant to Section 11.

Buyer may not rely on the failure of any condition precedent set forth in Section 7 to be satisfied if such failure was caused or contributed to by Buyer's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement, and Seller may not rely on the failure of any condition precedent set forth in Section 8 to be satisfied if such failure was caused or contributed to by Seller's failure to act in good faith or a breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

12.2. Effect of Termination. If this Agreement is terminated as provided in Sections 12.1(a), (d), (e), (f), (g) or (h), then this Agreement will forthwith become void and there will be no liability on the part of Buyer or Seller, provided that the obligations of Buyer and Seller described in Section 6.13 will survive any such termination, and no such termination will relieve Buyer or Seller from liability for any misrepresentation or breach of any representation, warranty, covenant or agreement set forth in this Agreement prior to such termination. If this Agreement is terminated by Seller pursuant to Section 12.1(b) or by Buyer pursuant to Section 12.1(c), the terminating party's remedy in respect of such breach of this Agreement will be: (a) the right to terminate this Agreement pursuant to Section 12.1 and receive the sum of $3,000,000 as liquidated damages; (b) as an alternative remedy of Seller, the right to seek actual damages; or (c) as an alternative remedy of Buyer, the right to seek specific performance of this Agreement. Buyer and Seller each acknowledge and agree that $3,000,000 is a reasonable liquidated damages figure in light of the anticipated harm which will be caused by breach of this Agreement, the difficulty of proof of loss, the inconvenience and nonfeasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder. The parties recognize and agree that the Assets and the Business are unique and Buyer has relied on this Agreement and expended considerable effort and resources related to the transactions contemplated hereunder, that the rights and benefits conferred upon Buyer herein are unique, and that in the event of a breach of this Agreement by Seller, money damages may be inadequate and Buyer may have no adequate remedy at law. Accordingly, Seller therefore agrees that Buyer will have the right, in addition to any other rights and remedies existing in its favor, to enforce its right and Seller's obligations hereunder not only by an action or actions for damages but also by

an action or actions for specific performance, injunctive and/or other equitable relief without any requirement of proving actual damages or posting any bond or other security.

13. INDEMNIFICATION.

13.1. Representations and Warranties. All representations and warranties contained in this Agreement shall be deemed continuing representations and warranties, and together with the covenants contained herein, shall survive the Closing Date for a period of two (2) years after the Closing Date (the "Survival Period"). No claim for indemnification may be made under this Section 13 (except for instances of intentional misrepresentation or fraud) after the expiration of the Survival Period. Any investigations by or on behalf of a party hereto shall not constitute a waiver of such party's right to enforce any representation or warranty by the other party contained herein, unless a party shall have actual knowledge of any misrepresentation or breach of warranty at the Closing on the part of the other party, and such knowledge shall be documented in writing at or before the Closing, in which case the party having such knowledge shall be deemed to have waived such misrepresentation or breach.

13.2. Indemnification by Seller. Seller shall jointly and severally indemnify and hold Buyer harmless against and with respect to, and shall reimburse Buyer for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenants by Seller contained herein or in any certificate delivered to Buyer hereunder;

(b) Any and all losses, liabilities, or damages resulting from Seller's operation of the Business or ownership of the Assets prior to the Closing Date, including any and all liabilities arising under the Assumed Contracts which relate to events occurring or conditions existing prior to the Closing Date; and

(c) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, and reasonable costs and expenses incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof.

13.3. Indemnification by Buyer. Buyer shall indemnify and hold Seller harmless against and with respect to, and shall reimburse Seller for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenants by Buyer contained herein or in any certificate delivered to Seller hereunder;

(b) Any and all obligations of Seller assumed by Buyer pursuant to the terms hereof;

(c) Any and all losses, liabilities, or damages resulting from Buyer's operation of the Business or ownership of the Assets on or after the Closing Date, including any and all liabilities or obligations arising under the Assumed Contracts which relate to events

occurring or conditions existing on or after the Closing Date or otherwise assumed by Buyer under this Agreement; and

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, and reasonable costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof.

13.4. Procedures for Indemnification. The procedures for indemnification shall be as follows:

(a) The party claiming the indemnification (the "Indemnified Party") shall promptly give notice to the party from whom the indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party against the Indemnified Party, specifying (i) the factual basis for such claim, and (ii) the amount of the claim. If the claim relates to an action, suit, or proceeding filed by a third party against the Indemnified Party such notice shall be given by the Indemnified Party to the Indemnifying Party within five (5) days after written notice of such action, suit, or proceeding shall have been given to the Indemnified Party.

(b) Following receipt of notice from the Indemnified Party of a claim, the Indemnifying Party shall have thirty (30) days in which to make such investigation of the claim as the Indemnifying Party shall deem necessary or desirable. For the purposes of such investigation, the Indemnified Party agrees to make available to the Indemnifying Party and/or its authorized representative(s) the information relied upon by the Indemnified Party to substantiate the claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of said thirty (30) day period (or any agreed upon extension thereof) to the validity and amount of such claim, or if the Indemnifying Party does not respond to such notice, the Indemnifying Party shall immediately pay to the Indemnified Party the full amount of the claim. If the Indemnified Party and the Indemnifying Party do not agree within said period (or within any agreed-upon extension thereof), the Indemnified Party may seek appropriate legal remedy.

(c) With respect to any claim by a third party as to which the Indemnified Party is entitled to indemnification hereunder, the Indemnifying Party shall have the right at its own expense to participate in or, if it so elects, to assume control of the defense of such claim, and the Indemnified Party shall cooperate fully with the Indemnifying Party, subject to reimbursement for reasonable actual out-of-pocket expense incurred by the Indemnified Party as the result of a request by the Indemnifying Party to so cooperate. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Indemnified Party shall have the right to participate in the defense of such claim at its own expense.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make all reasonable efforts to reach a decision with respect thereto as expeditiously as possible.

(e) If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third-party claim, the Indemnifying Party shall be bound by the results obtained in good faith by the Indemnified Party with respect to such claim.

(f) The indemnification rights provided in Sections 13.2 and 13.3 hereof shall extend to the partners, shareholders, directors, officers, members, partners, agents, employees, and representatives of the Indemnified Party, although for the purpose of the procedures set forth in this Section 13.4, any indemnification claims by such parties shall be made by and through the Indemnified Party.

13.5. Limitation on Indemnification. Notwithstanding the foregoing, no Indemnifying Party shall have any indemnification payment obligations hereunder unless and until all such obligations exceed One Hundred Thousand Dollars ($100,000) in the aggregate, at which point all amounts to be paid hereunder shall be due and owing. The foregoing limitation shall not apply to indemnification obligations arising from fraudulent or willful misrepresentations. In no event shall Buyer's or Seller's indemnification obligations exceed Fifteen Million Dollars ($15,000,000).

14. POST CLOSING MATTERS.

(a) Books and Records. Each party agrees that it will cooperate with and make available (or cause to be made available) to the other party, during normal business hours, all books and records, information and employees (without material disruption of employment) retained and remaining in existence after the Closing which are necessary or useful in connection with any tax inquiry, audit, or dispute, any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose (a "Permitted Use"). The party requesting any such books and records, information or employees shall bear all of the out-of-pocket costs and expenses reasonably incurred in connection with providing such books and records, information or employees. All information received pursuant to this Section 14(a) shall be kept confidential pursuant to Section 6.12 by the party receiving it, except to the extent that disclosure is reasonably necessary in connection with any Permitted Use.

(b) Cooperation and Records Retention. Seller and Buyer shall each (i) provide the other with such assistance as may reasonably be requested by either of them in connection with the preparation of any return, audit, or other examination by any taxing authority or judicial or administrative proceedings relating to liability for any taxes; (ii) retain and provide the other with any records or other information that may be relevant to such return, audit or examination, proceeding or determination; and (iii) provide the other with any final determination of any such audit or examination, proceeding, or determination that affects any amount required to be shown on any tax return of the other for any period.

(c) Payments. Following the Closing Date, Seller shall pay promptly when due all of their debts and liabilities, including any liability for taxes with respect to periods ending on or before the Closing Date.

15. EXPENSES. Except as otherwise expressly set forth in this Agreement, each party shall bear its own legal and other fees and expenses incurred in connection with its negotiating, executing and performing this Agreement. Seller shall bear the Virginia Grantor's Tax, the cost of preparing the conveyance documents and one-half (1/2) of the charges of the settlement agent. Buyer shall pay any applicable sales taxes, state and county recordation taxes, cost of surveys, title commitments and title insurance premiums, and one-half (1/2) of the charges of the settlement agent. Seller agrees to cooperate with Buyer in having this transaction characterized as an "occasional sale" under Section 58.1-606(2) of the Code of Virginia, and shall file any returns or reporting filings in a manner consistent therewith.

16. FURTHER ASSURANCES. From time to time at or after the Closing, at the request of the other, Seller and Buyer will execute and deliver such other instruments of conveyance, assignment, transfer and delivery and take such other action as the other reasonably may request in order to consummate, complete and carry out the purposes of the transactions contemplated hereby, including the execution and delivery of such instruments and agreements as may be reasonably necessary or advisable to fully effect the transfer to Buyer of the Assets.

17. BENEFIT AND ASSIGNABILITY. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other person or entity shall have any right (whether third party beneficiary or otherwise) hereunder. This Agreement may not be assigned by any party without the prior written consent of the other party; provided, however, that Buyer may assign all or any portion of this Agreement to any Affiliate of Buyer, provided that Buyer shall remain obligated for the payment of the Purchase Price and the performance of this Agreement.

18. NOTICES. All notices demands and other communications pertaining to this Agreement ("Notices") shall be in writing addressed as follows:

If to Seller: Midcontinent Media, Inc.
7900 Xerxes Avenue, South, Suite 1100
Minneapolis, Minnesota 55431-1108
Attn: Mark S. Niblick, Esquire

with a copy to: Leonard, Street and Deinard, P.A.
150 South Fifth Street, Suite 2300
Minneapolis, Minnesota 55402
Attn: George F. Reilly, Esquire

If to Buyer American Tower Systems, Inc.
10800 Main Street
Fairfax, Virginia 22030
Attn: Alan Box

with a copy to: Hunton & Williams
1751 Pinnacle Drive, Suite 1700
McLean, Virginia 22102
Attn: Joseph W. Conroy, Esquire

Notices shall be deemed given three (3) business days after being mailed by certified or registered United States mail, postage prepaid, return receipt requested, or on the first business day after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery. Any party may change the address to which Notices under this Agreement are to be sent to it by giving written notice of a change of address in the manner provided in this Agreement for giving Notice.

19. WAIVER. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by any other shall be valid unless in writing and acknowledged by an authorized representative of the nondefaulting party, and no such waiver shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

20. ENTIRE AGREEMENT. This Agreement (including the Exhibits and Schedules hereto, which are incorporated by reference herein) constitutes the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties (written or oral) with respect to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

21. COUNTERPARTS. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

22. CONSTRUCTION. The headings of the Articles and Sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

23. EXHIBITS AND SCHEDULES. The Exhibits and Schedules to this Agreement are a material part of this Agreement.

24. SEVERABILITY. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the

minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

25. CHOICE OF LAW; VENUE. This Agreement is to be construed and governed by the laws of the Commonwealth of Virginia without regard for the choice of law rules utilized in that state. Venue for all actions arising under this Agreement shall be the United States District Court for the Eastern District of Virginia (Alexandria Division), and the parties agree to submit to the jurisdiction of such court.

26. PUBLIC STATEMENTS. Prior to the Closing Date, neither Seller nor Buyer shall, without the prior written approval of the other party, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except (i) Seller and Buyer shall issue a mutually agreeable press release promptly after the signing of this Agreement; and (ii) to the extent required by Law, in which case the other party shall be so advised as far in advance as possible.

27. ATTORNEYS' FEES. If any party initiates any litigation against any other party involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

28. COUNSEL. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

29. TIME OF THE ESSENCE. Time is of the essence with respect to every provision hereof.

30. SURVIVAL. All of the representations, warranties, covenants and agreements of Buyer and Seller made in or pursuant to this Agreement shall survive Closing and shall not merge into the deeds or any other documents or instruments executed and delivered in connection herewith.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date first written above.

AMERICAN TOWER SYSTEMS, INC.

By: /s/ Joseph Winn

Joseph Winn
Chief Financial Officer

MIDCONTINENT MEDIA, INC.,
a South Dakota corporation

By: /s/ N. L. Bentson

Name: N. L. BENTSON
Title: CEO

MIDCONTINENT TELEPORT CO.,
a South Dakota corporation

By: /s/ N. L. Bentson

Name: N. L. BENTSON
Title: CEO

WIT COMMUNICATIONS, INC.,
a Delaware corporation

By: /s/ N. L. Bentson

Name: N. L. BENTSON
Title: CEO

WASHINGTON INTERNATIONAL TELEPORT, INC.,
a Delaware corporation

By: /s/ N. L. Bentson

Name: N. L. BENTSON
Title: CEO

SCHEDULES

Schedule 1.2	Contracts; Assumed Contracts
Schedule 1.6	FCC Licenses
Schedule 1.9	Intangible Property
Schedule 1.15	Liens
Schedule 1.17	Microwave Leases
Schedule 1.19	Owned Real Property
Schedule 1.20	Permits
Schedule 1.21	Personal Property
Schedule 1.23	Third Party Property
Schedule 2.2	Prorated Contracts
Schedule 4.1	Offices; Asset Locations; Fictitious Names
Schedule 4.6	Compliance with Laws
Schedule 4.11	Litigation
Schedule 4.12	Seller's Financial Statements
Schedule 4.14	Tax Matters
Schedule 4.16	Employees; Employee Benefit Plans
Schedule 4.17	Insurance
Schedule 4.18	Environmental Matters
Schedule 4.19	Real Property
Schedule 4.20	FCC Compliance
Schedule 5.7	Buyer's Financial Statements

EXHIBITS

Exhibit A-1	Deposit Escrow Agreement
Exhibit A-2	Indemnity Escrow Agreement
Exhibit B	Non-Competition Agreement

Exhibit 10.30

PROPOSED FORM OF ARS-ATS SEPARATION AGREEMENT

Agreement dated as of February [a], 1998 by and between American Radio Systems Corporation, a Delaware corporation ("American"), and American Tower Systems Corporation, a Delaware corporation ("ATS").

W I T N E S S E T H:

WHEREAS, American, CBS Corporation (formerly Westinghouse Electric Corporation), a Pennsylvania corporation ("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 merger (the "Merger") with and into American and American shall be the surviving corporation; and

WHEREAS, the Merger Agreement provides that, prior to the Closing, American and ATS 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

WHEREAS, the Merger Agreement provides for certain terms and conditions which should be included in an agreement providing for the Tower Separation and American and ATS propose to execute and deliver this Agreement to embody those terms and conditions; and

WHEREAS, the respective Boards of Directors of American and ATS 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 Amendment 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.

ARTICLE 2

TOWER SEPARATION

Subject to the terms and conditions hereof, the parties hereto 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 CBS, American and the Subsidiaries of American (other than the American Tower Group) harmless from and against any liabilities to which American or any of its Subsidiaries (other than the American Tower Group or, in the case of clause (ii) and (iii) of paragraph (b) of this Section 3.1, any of their officers or directors) may be or become subject that relate to or arise from the assets, business, operations, debts or liabilities of ATS Mergercorp or the American Tower Group (other than, in the case of the American Tower Group, income tax liabilities), including without limitation with respect to the following:

(a) from and after the earlier to occur of the Tower Merger Effective time and the Effective Time, the assets to be transferred to American Tower pursuant to the provisions of Article 12;

(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 this Agreement) entered into by American, ATS Mergercorp or any member of the American Tower Group (x) for the benefit of any member of the American Tower Group, (y) in contemplation of the Tower Separation, or (z) with respect to the sale, assignment, transfer or other disposition of shares of American 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, the Registration Statement or in any document filed or required to be filed in connection with the Merger, or in any document filed or required to be filed by American, ATS Mergercorp or any member of the American Tower Group in connection with the preceding clause (ii) 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 (excluding ATS Mergercorp and the American Tower Group) which is contained in or expressly consistent with the Filed American SEC Documents or the American September 10-Q, or (iv) 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;

(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; and

(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.

At the earlier to occur of the Tower Merger Effective time and Effective Time, American Tower shall 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 and Section 9.1 pursuant to an assumption agreement substantially in the form attached hereto as Appendix A.

3.2 American Indemnification. American shall indemnify, defend and hold the American Tower Group harmless from and against any liabilities (other than income tax liabilities and the Assumed Liabilities) to which the American Tower Group may be or become subject that relate to or arise from the assets, business, operations, debts or liabilities of American or its Subsidiaries (other than the American Tower Group) whether arising prior to, concurrent with or after the Merger.

ARTICLE 4

TAX MATTERS

4.1 Tax Sharing Agreement. The tax sharing agreement among members of the American Tower Group and American and its 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 American Tower Group is 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).

4.2 Allocation of Tax Liabilities; Deconsolidation

(a) American shall include the income of the American Tower Group (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 American Tower Group is offset by a net operating loss under the principles of Section 4.2(d). The American Tower Group 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 American Tower Group 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 American Tower Group 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 its consolidated tax group) as a result of or in connection with the sale or transfer of assets to the American

Tower Group pursuant to Article 12 (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), the Merger, the Tower Merger, the Tower Separation, any other disposition or issuance of stock of American Tower contemplated or permitted hereby, or the merger of American Tower with any other Person, as the case may be, including without limitation any Taxes on any gain to any member of the American Tax Group arising under Section 311 of the Code, any Taxes on any deferred gain to any member of the American Tax Group triggered as a result of or upon any such event, any gain attributable to any excess loss account triggered upon any such event, any Taxes arising as a result of the election or other transactions contemplated by paragraph (j) of this Section 3.3, income or gain arising as a result of transactions described in Section 4.4(c) or the second sentence of Section 6.8(a) of the Merger Agreement, and gain on the conversion of American Convertible Preferred Stock into Tower Common Stock, and 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) exceeds $20,000,000.

(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 members of the American Tower Group for the entire applicable taxable year of the American Tax Group; second, by income of the American Tower Group 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 its 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.

(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 under this Agreement, American 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 consent.

(f) If pursuant to any Tax audit or contest there is an adjustment to any Taxes that are reimbursable or indemnifiable by the American Tower Group to any member of the American Tax Group under this Agreement, including Sections 4.2(a), 4.2(b) and 4.2(c), then (i) any additional Taxes imposed on the American Tax Group as a result of such adjustment shall be indemnified by the American Tower Group; and (ii) any refund of Taxes paid to the American Tax Group as a result of such adjustment of amounts previously indemnified by American Tower shall be promptly paid over to American Tower (including additional amounts to make American Tower whole on an after-Tax basis, not exceeding amounts previously paid by American Tower Group with regard to such Taxes).

(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-acquisition Tax attribute of any of the American Tower Group 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 American Tower Group.

(i) The indemnities and agreements of the American Tower Group 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 member of the American Tower Group, American agrees that it shall, and shall cause its Subsidiaries or other appropriate Affiliates to, make and/or cooperate with members of the American Tower Group (i) 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) The indemnification and other obligations referred to in this Section shall survive the consummation of the Tower Separation.

(l) American shall, to the extent requested by CBS, cause the American Tower Group to perform its obligations under this Agreement.

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 Tower Merger Tower 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 Conversion 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 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 supplied by (i) CBS for inclusion or incorporation by reference in any Registration Statement or any such other document; or (ii) relating solely to American (excluding ATS Mergercorp and the American Tower Group) which is contained in or expressly consistent with the Filed American SEC Documents or the American September 10-Q. 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 ATS Mergercorp or the American Tower Group) which is contained in or expressly consistent with the Filed American SEC Documents or the American September 10-Q 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 hereby), 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 or 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 not 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 Merger or the Tower Merger 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), American shall, from time to time after the date hereof and prior to 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 A 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 American Tower, or make loan to American Tower, of the funds. Without limiting the generality of the foregoing, American agrees that it will, from time to time at the written request of American Tower, make additional capital contributions in

American Tower (without the issuance by American Tower of additional shares of Tower Common Stock) of (i) the Towers and (ii) cash in an aggregate amount not to exceed $120.0 million, including cash contributed on or subsequent to September 19, 1997. Notwithstanding any provision contained in this Agreement to the contrary, including without limitation the foregoing provisions of this Section 6.1, American shall not be required to permit, and shall not permit any American Tower or any of Subsidiary to, take any action or enter into any agreement, plan or arrangement to take any action (a "Prohibited Transaction") which could reasonably be expected to materially delay the date of the American Stockholders Meeting or the Effective Time (it being understood that any delay in excess of fifteen (15) business days which would arise as a result of any such action shall be deemed "material" for purposes hereof). American hereby agrees to provide CBS with prior written notification of any proposed action which could reasonably be expected to constitute a Prohibited Transaction.

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 (a) immediately prior to the Tower Merger Effective Time or the Effective Time, as the case may be, a number of shares of Tower Common Stock equal to the excess, if any, of (i) the number of shares of Tower Common Stock owned by American immediately prior to the Tower Merger Effective Time or the Effective Time, as the case may be, over (ii) 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 or 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 (b) 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 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 Appendix A attached hereto and made a part hereof or, if such permission is not obtained, sublease such relevant portion.

ARTICLE 7

COVENANT OF CBS

By its execution of this Agreement, 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 "Junior Securities" (as defined in the American Cumulative Preferred Stock) 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 members of the American Tower Group to be released from all liabilities to any Person (including without limitation American and its Subsidiaries other than the American Tower Group) 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 American Tower Group) hereby release the American Tower Group from all Claims by American or its Subsidiaries (other than the American Tower Group), except for 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 American Tower Group, hereby releases American and its other Subsidiaries from all Claims by the American Tower Group, except for 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 Appendix C attached hereto and made a part hereof (the "Tower Employees") shall be offered full-time employment by American Tower or one of its Subsidiaries; provided, however, that such employees shall also remain employees of American until the Effective Time, and American Tower hereby covenants and agrees to cause such Tower Employees to provide American management services to enable American to fulfill its obligations under Section 6.10(i) of the Merger Agreement. Effective immediately prior to the earlier to

occur of the Tower Merger Effective Time and the Effective Time, American Tower shall assume all obligations arising under any Plan or Benefit Arrangement between American or any of its Subsidiaries and the Tower Employees other than the rights, if any, of the Tower Employees with respect to the American Options (which are being satisfied by American as provided in Section 7.8 of the Merger Agreement) and all existing rights to indemnification. 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 employment agreements or arrangements (except in respect of the American Options and all existing rights to indemnification). For a period of eighteen (18) months following the consummation of the Merger, American Tower covenants and agrees that no member of the American Tower Group 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 members of the American Tower Group from placing general advertisements in publications or on the Internet or soliciting any such employee who (a) initiates employment discussions with a member of the American Tower Group 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 amend (a) its Section 401(k) Plan to permit 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 (along with any outstanding qualified domestic relations orders and loans) and (b) any other Benefit Plan 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, 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 have access to (and shall be permitted to 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 (i) $60,000,000 in the event the Closing Date is on or prior to March 31, 1998 or (ii) $70,000,000 in the event the Closing Date is after March 31, 1998 (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 in accordance with GAAP except that (i) outstanding principal amount of indebtedness and liquidation preference of preferred stock shall be excluded, (ii) cash shall be excluded, (iii) accruals for Taxes shall be included except that (A) Tax liabilities which American Tower is obligated to indemnify American and its Subsidiaries (other than the American Tower Group) pursuant to the provisions of the Tower Documentation, and 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 shall not be taken into account, (B) Tax benefits arising from the exercise or cancellation of options between the date of the Original Merger Agreement and the Effective Time shall not be taken into account, and (C) 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 September 19, 1997 terminated or canceled 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, and (vii) amounts owed by American Tower to American pursuant to Section 15.3(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).

(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) minus cash.

(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 together with interest thereon 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
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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.

(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 11.1 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 American Tower Group as a result of any such adjustment shall be treated as an adjustment to Taxes for purposes of Section 4.2(f).

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 Section 6.17(i) of the American Disclosure Schedules ("Towers"). The markets in which such Towers are located and the annual "market price" for each antenna are set forth in Appendix D attached hereto and made a part hereof. Except as set forth in Section 6.17(i) of the American Disclosure Schedule, 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 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 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 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 Appendix D 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 on Appendix D 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 deed warrantying only against transferor's acts) 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 to the extent so set forth.

ARTICLE 12

REPRESENTATIONS AND WARRANTIES OF AMERICAN

American hereby represents and warrants to American Tower and CBS as follows:

12.1 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 American Tower Group, 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 American Tower Group) 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 the outstanding shares of American Cumulative Preferred Stock to the Tower Separation.

(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 as set forth in Section 4.1(c) of the American Disclosure Schedule, 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.

ARTICLE 13

REPRESENTATIONS AND WARRANTIES OF AMERICAN TOWER

American Tower hereby represents and warrants to American and CBS as follows:

13.1 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 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 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; 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.

ARTICLE 14

CONDITIONS

14.1 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 the Tower Documentation, 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 VI of the Tower Merger Agreement shall have been satisfied or waived;

(c) in the Tower Separation shall occur pursuant to the Tower Merger, each condition to the closing of the Merger set forth in Article VII 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.

14.2 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.

14.3 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 15

GENERAL PROVISIONS

15.1 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.

15.2 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.

15.3 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 Section 4.2(c)) 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, ATS Mergercorp or any member of the American Tower Group following the date of the Original Merger Agreement (i) for the benefit of any member of the American Tower Group, (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.

15.4 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: Steven B. Dodge, President and Chief Executive Officer
Telecopier No.: (617) 375-7575

with copies to:

CBS Corporation
11 Stanwix Street
Pittsburgh, Pennsylvania 15222
Attention: Louis J. Briskman, Esq.
Telecopier No.: (412) 642-5224

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

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.

15.5 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.

15.6 Survival of Representations, Warranties, Covenants and Agreements.

The representations, warranties covenants and agreements in this Agreement shall survive the Tower Separation.

15.7 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.

15.8 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 such counterparts.

15.9 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.

15.10 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.

15.11 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.

15.12 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. 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) neither party has relied or will 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, 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.

15.13 Assignment. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and be binding upon any successor to each party by operation of Law, including by way of merger, consolidation or sale of all or substantially all of its assets, and each party may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it.

15.14 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 15.13.

15.15 Mutual Drafting. This Agreement is the result of the joint efforts of 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.

15.16 Obligations of American and of American Tower. Whenever this Agreement requires a Subsidiary of American or American Tower to take any action, such requirement shall be deemed to include an undertaking on the part of American to cause such Subsidiary to take such action.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, American and American Tower 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: Steven B. Dodge
Title: Chairman of the Board, President and Chief Executive Officer

American Tower Systems Corporation

By:

Name: Steven B. Dodge
Title: Chairman of the Board, President and Chief Executive Officer

Approved as of the date first above written by:

CBS Corporation

By:

Name:
Title:

Exhibit 21

SUBSIDIARIES OF AMERICAN TOWER SYSTEMS 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 Needham, LLC*	Delaware
Communication Systems Development, LLC*	Delaware

* ATS owns a 50.1% interest in this entity.

EXHIBIT 23.1A

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated February 25, 1997, related to the consolidated financial statements and financial statement schedules of American Radio Systems Corporation and subsidiaries as of December 31, 1995 and 1996 and for each of the three years in the period ended December 31, 1996, appearing in the Annual Report on Form 10-K of American Radio Systems Corporation for the year ended December 31, 1996 and to the reference to us under the heading "Experts" in the Information Statement/Prospectus, which is part of this Registration Statement.

We consent to the use in this Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated November 7, 1997, related to the consolidated financial statements of American Tower Systems Corporation and subsidiaries as of September 30, 1997 and December 31, 1996, and for the nine months ended September 30, 1997, the year ended December 31, 1996 and the period ended July 17, 1995 ("Incorporation") to December 31, 1995, appearing in the Information Statement/Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Information Statement/Prospectus.

Our audits of the consolidated financial statements of American Tower Systems Corporation also included the financial statement schedules of American Tower Systems Corporation, listed in Item 21. 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.

Deloitte & Touche LLP

Boston, Massachusetts
February 9, 1998

EXHIBIT 23.1B

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated November 4, 1997, related to the financial statements of Diablo Communications, Inc. as of December 31, 1995 and 1996, and for each of the years then ended, appearing in the Information Statement/Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Information Statement/Prospectus.

Deloitte & Touche LLP

San Francisco, California
February 9, 1998

EXHIBIT 23.1C

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated February 28, 1997, related to the consolidated financial statements of EZ Communications, Inc. and subsidiary as of December 31, 1996 and for the year then ended, appearing in the Annual Report on Form 10-K of EZ Communications, Inc. and to the reference to us under the heading "Experts" in the Information Statement/Prospectus, which is part of this Registration Statement.

Deloitte & Touche LLP

Boston, Massachusetts
February 9, 1998

EXHIBIT 23.1D

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated December 12, 1997 (January 22, 1998 as to the second, third and fourth paragraphs of Note 1), related to the financial statements of Gearon & Co., Inc. as of September 30, 1997 and December 31, 1996, and for the nine months ended September 30, 1997 and for the year ended December 31, 1996, appearing in the Information Statement/Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Information Statement/Prospectus.

Deloitte & Touche LLP

Atlanta, Georgia
February 9, 1998

EXHIBIT 23.1E

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated October 31, 1997, related to the combined financial statements of Meridian Communications as of December 31, 1995 and 1996, and for each of the years then ended, appearing in the Information Statement/Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Information Statement/Prospectus.

Deloitte & Touche LLP

Long Beach, California
February 9, 1998

EXHIBIT 23.2

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.

Pressman Ciocca Smith LLP

Hatboro, Pennsylvania
February 9, 1998

EXHIBIT 23.3

INDEPENDENT AUDITORS' CONSENT

We consent to the use in the Registration Statement of American Tower Systems Corporation on Form S-4 of our report dated February 7, 1997 and October 22, 1997 as to note 9 to the financial statements (relating to the financial statements of Diablo Communications of Southern California, Inc.) appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings "Experts" in such Prospectus.

Rooney, Ida, Nolt & Ahern
Certified Public Accountants

Oakland, California
February 9, 1998

EXHIBIT 23.4

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference of our firm under the caption "Experts" and to the incorporation by reference herein of our report dated February 9, 1996, with respect to the consolidated financial statements and schedule of EZ Communications, Inc. as of and for the two years in the period ended December 31, 1995, incorporated by reference in the Registration Statement (Form S-4 to be filed on or about February 9, 1998) and related Prospectus of American Tower Systems Corporation for the registration of 36,042,476, 5,044,434 and 1,295,518 shares of Class A, B and C common stock, respectively.

Ernst & Young LLP

Vienna, Virginia
February 9, 1998

EXHIBIT 23.5

The Board of Directors
American Tower Systems Corporation

We consent to the use of our report dated January 17, 1997, related to the consolidated financial statements of American Tower Corporation and subsidiaries, included herein and to the reference to our firm under the heading "Experts" in the Registration Statement.

KPMG Peat Marwick LLP

Houston, Texas
February 9, 1998

EXHIBIT 23.6

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-4) and related Prospectus of American Tower Systems Corporation for the registration of an aggregate total of 42,382,428 shares of its common stock and to the inclusion herein of our report dated October 24, 1997, with respect to the financial statements of Tucson Communications Company included in such Registration Statement for the year ended December 31, 1996, filed with the Securities and Exchange Commission.

Ernst & Young LLP

San Diego, California
February 6, 1998

EXHIBIT 23.7

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to (related to "CBS Corporation Merger Agreement") the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-4 of American Tower Systems Corporation of our report dated April 3, 1997 relating to the combined financial statements of CBC of Baltimore, Inc. (d/b/a WOCT-FM) and WWMX-FM, Inc. (wholly-owned subsidiaries of Capitol Broadcasting Company, Inc.), which appears in American Radio Systems Corporation's Current Report on Form 8-K/A (Amendment No. 1) dated April 17, 1997. We also consent to the reference to us under the heading "Experts" in such Prospectus.

Price Waterhouse LLP

Raleigh, North Carolina
February 9, 1998

EXHIBIT 23.8

CONSENT OF DIRECTOR NOMINEE

I hereby consent to the reference to me as a Director Nominee of American Tower Systems Corporation ("ATS") in its Registration Statement on Form S-4 (and all amendments thereto, including related registration statements under Rule 462(b) of the Securities Act of 1933, as amended) for the offering of ATS common stock pursuant to the merger contemplated by the Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, by and among American Radio Systems Corporation, CBS Corporation (formerly, Westinghouse Electric Corporation) ("CBS") and R Acquisition Corp., a wholly-owned subsidiary of CBS.

/s/ Fred R. Lummis

FRED R. LUMMIS

Dated: February 9, 1998

EXHIBIT 23.9

CONSENT OF DIRECTOR NOMINEE

I hereby consent to the reference to me as a Director Nominee of American Tower Systems Corporation ("ATS") in its Registration Statement on Form S-4 (and all amendments thereto, including related registration statements under Rule 462(b) of the Securities Act of 1933, as amended) for the offering of ATS common stock pursuant to the merger contemplated by the Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, by and among American Radio Systems Corporation, CBS Corporation (formerly Westinghouse Electric Corporation) ("CBS") and R Acquisition Corp., a wholly-owned subsidiary of CBS.

/s/ Randall Mays

RANDALL MAYS

Dated: February 9, 1998

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                 SEP-30-1997
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                    (707,807)
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EXHIBIT 99

CONSENT
OF
CREDIT SUISSE FIRST BOSTON CORPORATION

Board of Directors
American Radio Systems Corporation
116 Huntington Avenue
Boston, MA 02116

Members of the Board:

We hereby consent to the inclusion of our opinion letter, dated September 19, 1997, to the Board of Directors of American Radio Systems Corporation (the "Company") as Appendix III to the Information Statement/Prospectus included in the Registration Statement of the Company on Form S-4 relating to the merger of R Acquisition Corp., a wholly-owned Subsidiary of CBS Corporation, with and into the Company (after the separate distribution of the tower business, or proceeds from the sale thereof, to the shareholders of the Company), and references made to such opinion in the Information Statement/Prospectus. In giving such consent, we do not admit that we come within the category of the persons whose consent is required under, nor do we admit that we are "experts" for purposes of, the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Kristin M. Allen

Name: Kristin M. Allen
Title: Managing Director

February 2, 1998