

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For Fiscal Year Ended December 31, 2002

OR

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

For the transition period from _____ to _____

Commission File No. 001-14195

AMERICAN TOWER CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

65-0723837
(I.R.S. Employer
Identification No.)

116 Huntington Avenue
Boston, Massachusetts 02116
(Address of principal executive offices and Zip Code)

(617) 375-7500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of each Class)	(Name of exchange on which registered)
Class A Common Stock, \$0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

(Title of Class)
None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☒ No ☐

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 28, 2002 was approximately \$620,176,350, based on the closing price of the registrant's Class A Common Stock as reported on the New York Stock Exchange as of the last business day of the registrant's most recently completed second quarter.

As of March 12, 2003, 185,506,031 shares of Class A Common Stock, 7,916,070 shares of Class B Common Stock and 2,267,813 Shares of Class C Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement (the "Definitive Proxy Statement") to be filed with the Securities and Exchange Commission relative to the Company's 2003 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

TABLE OF CONTENTS
FORM 10-K ANNUAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2002

	Page
Special Note Regarding Forward-Looking Statements	1
PART I	
ITEM 1. Business	2
Overview	2
Strategy	3
Operational Initiatives	4
Products and Services	5
Recent Transactions	7
Management Organization	8
Regulatory Matters	8
Competition and New Technologies	10
Construction, Manufacturing and Raw Materials	11
Employees	11
Available Information	11
Factors That May Affect Future Results	12
ITEM 2. Properties	17
ITEM 3. Legal Proceedings	18
ITEM 4. Submission of Matters to a Vote of Security Holders	18
PART II	
ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters	19
ITEM 6. Selected Financial Data	20
ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Results of Operations	24
Years Ended December 31, 2002 and 2001	24
Years Ended December 31, 2001 and 2000	29
Liquidity and Capital Resources	33
Liquidity Overview	33
Uses of Liquidity	34
Sources of Liquidity	34
Cash Flows Summary	35
Certain Contractual Commitments	36
Factors Affecting Sources of Liquidity	39
Critical Accounting Policies	40
Recent Accounting Pronouncements	42
Information Presented Pursuant to the Indenture of Our 9-3/8% Senior Notes	43
Information Presented Pursuant to the Indentures of Our 9-3/8% Senior Notes and our 12.25% Senior Subordinated Discount Notes	45

Table of Contents

	Page
ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk	45
ITEM 8. Financial Statements and Supplementary Data	47
ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	47
 <u>PART III</u>	
ITEM 10. Directors and Executive Officers of the Registrant	48
ITEM 11. Executive Compensation	49
ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	49
ITEM 13. Certain Relationships and Related Transactions	49
ITEM 14. Controls and Procedures	49
 <u>PART IV</u>	
ITEM 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K	50
Signatures	51
Certifications	52
Index to Consolidated Financial Statements	F-1
Index to Exhibits	1

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains statements about future events and expectations, or forward-looking statements, all of which are inherently uncertain. We have based those forward-looking statements on our current expectations and projections about future results. When we use words in this document such as “anticipate,” “intend,” “plan,” “believe,” “estimate,” “expect,” or similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include statements we make regarding future prospects of growth in the wireless communications and broadcast infrastructure markets, the level of future expenditures by companies in those markets, and other trends in those markets, our ability to maintain or increase our market share, our future operating results, our future capital expenditure levels and our plans to fund our future liquidity needs. These forward-looking statements may be found under the headings “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” as well as in this annual report generally.

You should keep in mind that any forward-looking statement made by us in this annual report or elsewhere speaks only as of the date on which we make it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors may cause actual results to differ materially from those indicated by our forward-looking statements, including those set forth under the caption “Business – Factors That May Affect Future Results.” We have no duty to, and do not intend to, update or revise the forward-looking statements in this annual report after the date of this annual report, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the future events or circumstances described in any forward-looking statement made in this annual report or elsewhere might not occur.

PART I

ITEM 1. BUSINESS

Overview

We are a leading wireless and broadcast communications infrastructure company with a portfolio of approximately 15,000 towers, including pending transactions. Our primary business is leasing antenna space on multi-tenant communications towers to wireless service providers and radio and television broadcast companies. We operate the largest portfolio of wireless communications towers in North America and are the largest independent operator of broadcast towers in North America, based on number of towers. Our tower portfolio provides us with a recurring base of leasing revenues from our existing customers and growth potential due to the capacity to add more tenants and equipment to these towers. Our broad network of towers enables us to address the needs of wireless service providers on a national basis. We also offer select tower related services, such as antennae and line installation and site acquisition and zoning services, which are strategic to our core leasing business.

We intend to capitalize on the increasing use of wireless communication services by actively marketing space available for leasing on our existing towers and selectively developing or acquiring new towers that meet our return on investment criteria.

Our core leasing business, which we refer to as our rental and management segment, accounted for approximately 93.9% and 86.6% of our segment operating profit for the years ended December 31, 2002 and December 31, 2001, respectively. In 2003, we expect that our rental and management segment will contribute at least 95% of our segment operating profit, which we define as segment revenue less direct segment expense (rental and management segment operating profit includes interest income, TV Azteca, net – see notes 6 and 16 of the consolidated financial statements).

An element of our strategy is to continue to focus our operations on our rental and management segment by divesting non-core assets, using the proceeds to purchase high quality tower assets, and reducing outstanding indebtedness. Between January 1, 2002 and March 4, 2003, we completed approximately \$203.5 million of non-core asset sales comprised of certain assets in our network development services and satellite and fiber network access services segments, more than 700 non-core towers, and two office buildings in our rental and management segment.

In December 2002, we committed to a plan to dispose of our wholly owned subsidiary, Verestar, which comprised our entire satellite and fiber network access services segment. Accordingly, Verestar is now accounted for as a discontinued operation. We plan to dispose of these assets within twelve months and have nominal, if any, commitment to invest additional funds in Verestar during the pendency of such divestiture, with the exception of financial guarantees of up to \$12.0 million for certain contractual obligations. In addition, we are seeking to sell approximately \$50.0 million of additional non-core assets during the remainder of 2003. We expect that a portion of the proceeds from our consummated and future non-core asset sales will be reinvested in higher quality tower assets.

We believe that this strategy of focusing our operations on our rental and management segment will make our consolidated operating cash flows more stable and provide us with continuing growth because of the following characteristics of our core leasing business:

- **Long-term tenant leases with contractual escalators.** In general, a lease with a wireless carrier has a duration of five to ten years and lease payments typically increase 3% to 5% per year.

[Table of Contents](#)

- **Tower operating expenses are largely fixed.** Incremental operating costs associated with adding wireless tenants to a tower are low.
- **Low maintenance capital expenditures.** On average, a wireless tower requires minimal annual capital investments to maintain.
- **High lease renewal rates.** Wireless carriers tend to renew leases because repositioning a site in a carrier's network is expensive and often affects several other sites in the wireless network.

For more financial information about our business segments and geographic information about our operating revenues, segment operating profit and long-lived assets, see note 16 to our consolidated financial statements and "Management's Discussion of Financial Condition and Results of Operations."

Strategy

Our strategy is to capitalize on the increasing use of wireless communication services and the infrastructure requirements necessary to deploy current and future generations of wireless communication technologies. Between December 1995 and December 2002, the number of wireless phone subscribers in the United States increased from 33.8 million to 140.8 million. In addition, the minutes of use of wireless phone services among wireless carriers in the United States increased from 37.8 billion for the full year 1995 to nearly 619.0 billion for the full year 2002. From December 1995 through December 2002, the number of cell sites also increased from 22,700 to 139,300.* We expect that the continued growth of wireless subscribers and minutes of use of wireless personal communications and phone services will require wireless carriers to add a significant number of additional cell sites to maintain the performance of their networks in the areas they currently cover and to extend service to areas where coverage does not yet exist. In addition, we believe that as data wireless services, such as email and internet access, are deployed on a widespread basis, the deployment of these technologies will require wireless carriers to further increase the cell density of their existing networks, may require an overlay of new technology equipment, and may increase the demand for geographic expansion of their network coverage. To meet this demand, we believe wireless carriers will continue to outsource their tower infrastructure needs as a means of improving existing service coverage, implementing new technology, accelerating access to their markets and preserving capital, rather than constructing and operating their own towers and maintaining their own tower service and development capabilities.

We believe that our existing portfolio of towers, our tower related services and network development capabilities, and our management team, position us to benefit from these communication trends and to play an increasing role in addressing the needs of wireless service providers and broadcasters. The key elements of our strategy include:

- **Maximize Use of Our Tower Capacity.** We believe that our highest returns will be achieved by leasing additional space on our existing towers. Annual rental and management revenue and segment operating profit growth during 2002 was 26% and 41%, respectively. We anticipate that our revenues and segment operating profit will continue to grow because many of our towers are attractively located for wireless service providers and have capacity available for additional antenna space rental that we can offer to customers at low incremental costs to us. Because the costs of operating a tower are largely fixed, increasing utilization significantly improves operating margins.

* Cellular Telecommunications & Internet Association (CTIA), December 2002. Subscriber and use information includes only cellular, personal communications services, and enhanced specialized mobile radio wireless services. The term cell site above refers to the number of antennae and related equipment in commercial operation, not the number of towers on which that equipment is attached.

We will continue to target our sales and marketing activities to increase utilization of, and investment return on, our existing towers.

- **Actively Manage Our Tower Portfolio.** We are actively managing our portfolio of towers by selling non-core towers and reinvesting a portion of the proceeds in high quality tower assets, such as the towers we are acquiring from NII Holdings. In 2002, we sold over 700 non-core towers. We also plan to pursue exchanges and sales of towers or tower clusters with tower operators and other entities. Our goal is to enhance operating efficiencies either by acquiring towers in regions where we have insufficient coverage or by disposing or exchanging towers in areas where we do not have operating economies of scale. If we are successful in disposing of certain tower assets, we may reinvest a portion of the proceeds received in more profitable tower assets.
- **Employ Selective Criteria for New Tower Construction and Acquisitions.** While our first priority is leasing capacity on our existing towers, we continue to construct and acquire new towers when our strict return on investment criteria can be met. These criteria include securing leases from the economic equivalent of two broadband customers in advance of construction, ensuring reasonable estimated construction costs and obtaining the land on which to build the tower, whether by purchase or ground lease, on reasonable terms.
- **Continue Our Focus on Customer Service.** Since speed to market and reliable network performance are critical components to the success of wireless service providers, our ability to assist our customers in meeting their goals will ultimately define our success. To that end, we intend to continue to focus on customer service by, for example, reducing cycle time for key functions, such as lease processing and antennae and line installations.
- **Build On Our Strong Relationships with Major Wireless Carriers.** Our understanding of the network needs of our wireless carrier customers and our ability to effectively convey how we can satisfy those needs are key to our efforts to add new antennae leases, cross-sell our services and identify desirable new tower development projects. We are building on our strong relationships with our customers to gain more familiarity with their evolving network plans so we can identify opportunities where our nationwide portfolio of towers, extensive service offerings and experienced construction personnel can be used to satisfy their needs. We believe that we are well positioned to be a preferred partner to major wireless carriers in leasing tower space and new tower development projects because of the location of our towers, our proven operating and construction experience and the national scope of our tower portfolio and services.
- **Participation in Industry Consolidation.** We believe there is compelling rationale for consolidation among tower companies. More extensive networks will be better positioned to provide more comprehensive service to customers and to support the infrastructure requirements of future generations of wireless communication technologies. Combining with one or more other tower companies also should result in improvements in cost structure efficiencies, with a corresponding positive impact on operating results. These benefits should, in turn, enhance access to capital and accelerate the de-levering process. Accordingly, we continue to be interested in participating in the consolidation of our industry on terms that are consistent with these perceived benefits and that create long-term value for our stockholders.

Operational Initiatives

In late 2001, we announced an initiative to accelerate the process of shifting our focus from acquisitions and development activities to operational execution.

Streamlined Administrative Functions. During 2002, we simplified and streamlined our United States rental and management and services organizations, moving from five regions and twenty areas to three regions and ten areas by year end. We also centralized our lease processing and accounting operations into single locations, and integrated our construction unit and tower operations unit into a single unit. These initiatives yielded a significant increase in productivity per employee, improved margin performance, and resulted in faster and more consistent customer service.

Reduced Capital Spending. We believe that our existing tower portfolio has the scope and available capacity to address a significant portion of our customers' tower needs. We also believe that the highest investment returns can be achieved by adding tenants to our existing portfolio. As a result, we significantly reduced our capital expenditures on new tower development in 2002 and will continue to do so in 2003. We plan to build between 100 and 150 towers in 2003 in contrast to 311 towers (including ten broadcast towers) in 2002, and 1,319 towers (including five broadcast towers) in 2001. In addition, we expect our 2003 capital expenditures to continue to decrease to approximately \$50.0 to \$75.0 million, compared to total capital expenditures of approximately \$180.5 million in 2002 and \$568.2 million in 2001. We will continue to use more selective criteria for new tower development and will not undertake any development project unless it is likely to meet our heightened near-term return on investment criteria.

Products and Services

Our primary business is our leasing business, which we refer to as our rental and management segment. We also offer tower related services that are strategic to our rental and management segment through our network development services segment. In December 2002, we committed to a plan to dispose of our satellite and fiber network access services segment operations within the next twelve months and now account for the segment as a discontinued operation. See "Business—Satellite and Fiber Network Access Services (Discontinued Operations)."

Rental and Management

Leasing of Antennae Sites. Our primary business is leasing antenna space on multi-tenant communications towers to wireless service providers and radio and television broadcast companies. Giving effect to pending transactions, we operate a tower network of approximately 15,000 multi-user sites in the United States, Mexico and Brazil, including more than 300 broadcast tower sites. Approximately 14,000 of these towers are owned or leased sites and approximately 1,000 are managed sites or lease/sublease sites under which we hold a position as lessee that terminates at the same time as a related sublease. Our networks in the United States and Mexico are national in scope. Our U.S. network spans 49 states and the District of Columbia. In addition, 84% of our U.S. network provides coverage in the top 100 markets or core areas such as high traffic interstate corridors. Giving effect to pending transactions, our Mexican network includes more than 1,600 sites in highly populated areas, including Mexico City, Monterrey, Guadalajara and Acapulco. Our Brazilian network consists of approximately 275 towers.

We lease antenna space on our towers to tenants in a diverse range of wireless communications and broadcast industries. Wireless industries we serve include: personal communications services, cellular, enhanced specialized mobile radio, specialized mobile radio, paging, fixed microwave and fixed wireless. Our major customers include ALLTEL, AT&T Wireless Services, Cingular Wireless, Nextel, Sprint PCS, T-Mobile (formerly called Voicestream) and Verizon and their respective affiliates.

The number of antennae that our towers can accommodate varies depending on the tower's location, height, and the structural capacity at certain wind speeds. An antenna's height on a tower and the tower's location determine the line-of-sight of the antenna with the horizon and, consequently, the distance a signal can be transmitted. Some of our customers, such as personal communications services, enhanced specialized mobile radio providers and cellular companies in metropolitan areas, usually do not need to place their equipment at the highest tower point. Other customers, including paging companies and specialized mobile radio providers in rural areas, need higher elevations for broader coverage. We believe that many well-engineered and well-located towers built to serve the specifications of an initial anchor tenant in the wireless communications sector will accommodate three or more wireless tenants over time, thereby increasing revenue and enhancing margins.

Lease Terms. Our leases, like most of those in the tower industry, generally vary depending upon the region and the industry user. Television and radio broadcasters prefer long term leases while wireless communications providers favor leases in the range of five to ten years in duration. In both cases, the leases often have multiple renewal terms at the option of the tenant. Both wireless carriers and broadcasters tend to renew

[Table of Contents](#)

their leases with us. Repositioning an antenna in a wireless carrier's network is expensive and often requires reconfiguring several other antennae in the carrier's network and may require the carrier to obtain other governmental permits.

Most of our leases have provisions that periodically increase the rent due under the lease. These automatic increases are typically annual and are based on a fixed percentage, inflation or a fixed percentage plus inflation.

Annual rental payments vary considerably depending upon:

- number and weight of the antennae on the tower and the size of the transmission line;
- ground space necessary to store equipment related to the antennae;
- existing capacity of the tower;
- the placement of the customer's antenna on the tower;
- range or number of carrier's frequency spectrum; and
- the location and height of the tower on which antenna space is rented.

Tower Development. Historically, cellular and other wireless service providers had constructed and owned a majority of the towers for their own antennae needs, rather than leasing space on towers from a third party. Beginning in the late 1990s, wireless service providers expressed a growing interest in having independent companies own and operate the towers for their antennae, due to the relatively high capital costs and operating expenses for a single carrier's use. This trend resulted in our entering into agreements with a number of wireless carriers to construct and subsequently lease space on towers in key areas identified as optimal for their network expansion requirements. In most cases, because we own the constructed towers, we are able to lease space on them to other tenants, as well as to the original tenant.

Network Development Services

We provide tower-related services that are strategic to our rental and management segment.

Antennae and Line Installation and Construction Services. We are one of the leading builders of wireless communication and broadcast towers. As part of our network development services, we provide antennae and line installation and maintenance services for wireless communication towers and broadcast towers. These services use not only our construction-related skills, but also our technical expertise to ensure that new installations do not cause interference with other tenants. We believe that our antennae and line installation services and maintenance capabilities provide us with a significant opportunity to capture incremental revenue on existing and newly built sites.

In recent years, we have built a significant number of towers, predominantly for our own account. The cost of construction of a tower varies by site location and terrain, tower type and height, and any governmental and environmental requirements. Non-broadcast towers, whether on a rooftop or the ground, generally cost between \$200,000 and \$300,000 to construct. Broadcast towers are generally much taller, are built to bear a greater load, vary in height much more than non-broadcast towers, and cost significantly more than non-broadcast towers.

Site Acquisition and Zoning Services. We engage in site acquisition services for our own account, in connection with tower development projects and other proprietary construction, as well as for third parties. With respect to new towers, the site selection and acquisition process begins with the network design. We identify highway corridors, population centers and topographical features within the carrier's existing or proposed network and then select the most suitable sites, based on demographics, traffic patterns and the carrier's frequency characteristics and technology. We also provide services related to zoning, structural engineering and construction.

Other Services and Infrastructure. As part of our full service offering, we also provide radio frequency engineering, network design and tower-related consulting services through our Galaxy Engineering unit. In addition, we own and operate Kline Iron & Steel, an established steel fabricator that builds broadcast towers and provides steel for other construction projects.

Satellite and Fiber Network Access Services (Discontinued Operations)

Our Verestar subsidiary is a provider of integrated satellite and fiber network access services for telecommunications companies, internet service providers (ISPs), broadcasters, maritime customers, and governmental organizations, both domestic and international. We own and operate more than 175 satellite antennae at six satellite network access points in the United States and abroad. These operations enable us to access the majority of commercial satellites around the world.

In December 2002, we committed to a plan to sell Verestar, which comprised our satellite and fiber network access services segment, by December 31, 2003. Through the divestiture process, we will have nominal, if any, commitment to invest additional funds in Verestar, with the exception of approximately \$12.0 million of Verestar's contractual obligations that we have guaranteed. Depending on the terms of the final disposition, we may remain liable for these guarantees. We now account for Verestar as a discontinued operation and, accordingly, we no longer have a satellite and fiber network access services segment.

Recent Transactions

Acquisitions

NII Holdings, Inc. In December 2002, we agreed to acquire approximately 540 communications sites, from NII Holdings, predominantly in Mexico, for an aggregate purchase price of \$100.0 million in cash. As part of the transaction, we also agreed to provide up to 250 additional communication sites for NII Holdings' incremental network build-out. We acquired 140 communication sites for approximately \$26.2 million in December 2002, and an additional 147 communication sites for approximately \$24.0 million as of March 4, 2003. The remaining communication sites are expected to close by the end of the third quarter of 2003. We continue to expect to fund the closings with proceeds from non-core asset sales.

Dispositions

From January 1, 2002 through March 4, 2003, we completed approximately \$203.5 million of non-core asset sales. Significant dispositions included the following:

Non-Core Towers. We disposed of over 700 non-core tower assets for approximately \$25.0 million during 2002. These dispositions are part of our program to actively manage our portfolio of tower assets by selling non-core towers and reinvesting a portion of the total proceeds in high quality tower assets, such as the towers we are acquiring from NII Holdings.

MTS Components. In July 2002, we sold MTS Components, part of our components business, for approximately \$32.0 million, which consisted of approximately \$20.0 million in cash paid at closing and \$12.0 million of notes receivable.

Office Buildings. In December 2002, we sold the building where we maintain our corporate headquarters at 116 Huntington Avenue, Boston, Massachusetts. Proceeds from the sale were approximately \$68.0 million, of which approximately \$38.5 million was used to retire the existing mortgage indebtedness. In March 2003, we sold an additional office building for approximately \$10.6 million. These buildings were primarily held as rental property in our rental and management segment.

Flash Technologies. In January 2003, we sold Flash Technologies, our lighting systems business, for net cash proceeds of approximately \$41.1 million, subject to a post-closing working capital adjustment.

[Table of Contents](#)

MTN. In February 2003, we sold Maritime Telecommunications Network (MTN), a subsidiary of Verestar, for approximately \$26.8 million in cash. The net proceeds from the sale were used to repay loans as required under our credit facilities.

Management Organization

Our corporate headquarters is in Boston, Massachusetts. In 2002, we streamlined our rental and management organization from five to three regions and from twenty to ten areas in the United States. Each region is headed by a vice president who reports to our Executive Vice President of Tower Operations who, in turn, reports to our President and Chief Operating Officer. Our current regional centers in the United States are based in Boston, Massachusetts, Chicago, Illinois and Phoenix, Arizona and are further subdivided into ten area operations centers that are staffed with skilled engineering, construction management and marketing personnel. Our centralized lease processing for the rental and management segment is based in Woburn, Massachusetts and our related accounting operations are based in Atlanta, Georgia. Our international regional centers are based in Mexico City, Mexico and Sao Paulo, Brazil. We believe our United States and international regional and area operations centers are capable of responding effectively to the opportunities and customer needs of their defined geographic areas.

Regulatory Matters

Towers and Licenses. Both the Federal Communications Commission (“FCC”) and the Federal Aviation Administration (“FAA”) regulate towers used for wireless communications and radio and television broadcasting. These regulations govern the siting, lighting, marking and maintenance of towers. Depending on factors such as tower height and proximity to public airfields, the construction of new antenna structures or modifications to existing antenna structures must be reviewed by the FAA prior to initiation to ensure that the structure will not present a hazard to aircraft navigation. After the FAA issues a “No Hazard” determination, the tower owner must register the antenna structure with the FCC and paint and light the structure in accordance with the FAA determination. The FAA review and the FCC registration processes are prerequisites to FCC authorization of communications devices placed on the antenna structure. Tower owners bear the responsibility for notifying the FAA of any tower lighting failures and for the repair of those lighting failures. Tower owners also must notify the FCC when ownership of a tower changes. We generally indemnify our customers against any failure to comply with applicable standards. Failure to comply with applicable tower-related requirements may lead to monetary penalties.

The FCC separately regulates and licenses wireless communications devices and radio and television stations transmitting from the towers based upon the particular frequency used. We hold, through various subsidiaries, certain licenses for radio transmission facilities granted by the FCC, including satellite earth stations, private microwave and specialized mobile radio stations (which are subject to regulation by the FCC). We are required to obtain the FCC’s approval prior to assigning these licenses or transferring control of any entity of ours which holds FCC licenses.

The FCC considers the construction of a new tower or collocation of an antenna on an existing antenna structure (including building rooftops and watertanks) to be a federal undertaking subject to prior environmental review and approval under the National Environmental Policy Act of 1969 (“NEPA”), which obligates federal agencies to evaluate the environmental impacts of undertakings to determine whether they may significantly affect the environment. The FCC has issued regulations implementing NEPA as well as the National Historic Preservation Act, the Endangered Species Act and the American Indian Religious Freedom Act. These regulations place responsibility on each applicant or licensee to investigate potential environmental and other effects of operations and to disclose any significant impacts in an environmental assessment prior to constructing a tower or collocating an antenna. If a tower or collocation may have a significant impact on the environment, FCC approval of the tower or collocation could be significantly delayed. In January 2002, the FCC’s Wireless Bureau dismissed, for lack of standing, challenges to the registration of seven of our towers filed by certain environmental groups. The challenges alleged that we had failed to comply with NEPA and that the FCC’s rules

implementing NEPA are inadequate. The petitioners have appealed the Bureau's decision to the FCC. If the Bureau's decision is overturned, we could be subject to monetary penalties or increased compliance obligations. In August 2002, the same environmental groups asked the FCC to review the tower registrations of more than 5,000 towers in the gulf coast region to assess compliance with the Endangered Species Act and Migratory Bird Treaty Act and to require the filing of new or revised environmental assessments under NEPA for all towers in the region. We own a number of the towers identified in the pleading. However, because the pleading was not served on us, we have not been asked by the FCC to respond. PCIA, a trade association representing the tower industry, has asked the FCC to dismiss the pleading based on numerous grounds. The matter is pending. In February 2003, the same environmental groups filed suit against the FCC in a federal appeals court, asking the court to force the FCC to address the groups' pending requests and appeals, and asked the court to force the FCC to adopt more stringent environmental rules. Depending on how the court rules, we could be subject to increased compliance obligations. In addition, a ruling in the federal appeals court could affect the groups' pending cases with the FCC.

In January 2001, the FCC concluded investigations of several operators of communications towers, including us. The FCC sent us a Notice of Apparent Liability for Forfeiture (NAL) preliminarily determining that we had failed to file certain informational forms, had failed to properly post certain information at various tower sites, and on one occasion had failed to properly light a tower. The FCC also ordered an additional review of our overall procedures for and degree of compliance with the FCC's regulations. We reached a settlement with the FCC regarding the compliance issues arising out of the NAL in the form of a Consent Decree. As part of the Consent Decree, the FCC has rescinded the NAL and terminated the further investigation ordered in the NAL. In September 2001 we made a voluntary contribution of \$0.3 million to the U.S. Treasury and agreed to maintain an active compliance plan. Failure to comply with the Consent Decree may lead to additional monetary penalties and loss of the right to hold our various registrations and licenses.

The Telecommunications Act of 1996 amended the Communications Act of 1934 by limiting state and local zoning authorities' jurisdiction over the construction, modification and placement of wireless communications towers. The law preserves local zoning authority but prohibits any action that would discriminate between different providers of wireless services or ban altogether the construction, modification or placement of communications towers. It also prohibits state or local restrictions based on the environmental effects of radio frequency emissions to the extent the facilities comply with FCC regulations. The Telecommunications Act of 1996 also requires the federal government to help licensees of wireless communications services gain access to preferred sites for their facilities. This may require that federal agencies and departments work directly with licensees to make federal property available for tower facilities.

We are also subject to local and county zoning restrictions and restrictive covenants imposed by local authorities or community developers. These regulations vary greatly, but typically require tower owners and/or licensees to obtain approval from local officials or community standards organizations prior to tower construction or collocations on existing towers. Local zoning authorities often are in opposition to construction in their communities and these regulations can delay or prevent new tower construction, collocations or site upgrade projects, thereby limiting our ability to respond to customer demand. In addition, those regulations increase costs associated with new tower construction and collocation. Existing regulatory policies may adversely affect the timing or cost of new tower construction and collocations, and additional regulations may be adopted which increase delays or result in additional costs to us. These factors could adversely affect our construction program and operations.

Our tower operations in Mexico and Brazil are also subject to regulation. If we pursue additional international opportunities, we will be subject to regulations in additional foreign jurisdictions. In addition, our customers, both domestic and foreign, also may be subject to new regulatory policies that may adversely affect the demand for communications sites.

Satellite and Fiber Network Access (Discontinued Operations). We are required to obtain licenses and other authorizations from the FCC for our use of radio frequencies to provide satellite and wireless services in the United States. We are also required to obtain authorizations from foreign regulatory agencies in connection with our provision of these services abroad. We hold a number of point-to-point microwave radio licenses that are used to provide telecommunications services. Additionally, we hold a number of satellite earth station licenses in connection with our operation of satellite-based networks. We are required to obtain consent from the FCC prior to assigning these licenses or transferring control of any of our companies holding an FCC license.

Environmental Matters. Our operations, like those of other companies engaged in similar businesses, are subject to various federal, state and local and foreign environmental and occupational safety and health laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials, and wastes, and the siting of our towers. As an owner, lessee and/or operator of real property and facilities, we may have liability under those laws for the costs of investigation, removal or remediation of soil and groundwater contaminated by hazardous substances or wastes. Certain of these laws impose cleanup responsibility and liability without regard to whether we, as the owner, lessee or operator, knew of or were responsible for the contamination, and whether or not we have discontinued operations or sold the property. We may also be subject to common law claims by third parties based on damages and costs resulting from off-site migration of contamination.

We, and our customers, also may be required to obtain permits, obey regulatory requirements, and make certain informational filings related to hazardous substances used at our sites by our customers. Violations of these types of regulations could subject us to fines and/or criminal sanctions. In October 2001, we paid \$150,000 in civil penalties related to certain alleged environmental permitting and filing violations in the County of Santa Clara in California.

Health, Safety and Transportation. As an FCC licensee, we are subject to regulations and guidelines imposing certain operational obligations relating to radio frequency emissions. As employers, we are subject to OSHA and similar guidelines regarding employee protection from radio frequency exposure. Our construction teams are subject to regulation by OSHA and equivalent state agencies concerning health and safety matters. Our heavy vehicles and their drivers are subject to regulation by the Department of Transportation.

Competition and New Technologies

Rental and Management Segment Competition. We compete for antennae site customers with other national independent tower companies, wireless carriers that own and operate their own tower networks and lease tower space to other carriers, rooftop and other alternative site structures, site development companies that acquire space on existing towers for wireless service providers and manage new tower construction, and independent tower operators. We believe that tower location and capacity, price and quality of service historically have been and will continue to be the most significant competitive factors affecting owners, operators and managers of communications sites.

Network Development Services Segment Competition. Our network development services compete with a variety of companies offering individual, or combinations of, competing services. The field of competitors includes site acquisition consultants, zoning consultants, real estate firms, right-of-way consulting firms, construction companies, tower owners/managers, radio frequency engineering consultants, telecommunications equipment vendors who can provide turnkey site development services through multiple subcontractors, and carriers' internal staffs. We believe that carriers base their decisions on network development services on various criteria, including a company's experience, track record, local reputation, price, and time for completion of a project. Kline Iron & Steel competes with numerous other steel fabricators, many of which have substantially greater resources.

We believe that we compete favorably as to the key competitive factors relating to our rental and management and network development services segments.

New Technologies. The emergence or growth of new technologies could reduce the need for tower-based transmission and reception and may, therefore, have a negative impact on our operations. These technologies include: signal combining technologies, which permit one antenna to service two different frequencies of transmission and, thereby, two customers, may reduce the need for tower-based broadcast transmission and hence demand for tower space; technologies that enhance spectral capacity, such as beam forming or “smart antennas”, which can increase the capacity at existing sites and can reduce the number of additional sites a given carrier needs to serve any given subscriber base; delivery of wireless telephony services by direct broadcast satellites or cable providers, which could reduce the demand for tower space; indoor distribution systems, which relieve some capacity on existing networks and could have an adverse effect on our operations; and capacity enhancing technologies such as lower-rate vocoders and more spectrally efficient airlink standards, which potentially relieve network capacity problems without adding sites and could adversely affect our operations.

Any increase in the use of network sharing or roaming or resale arrangements by wireless service providers could adversely affect the demand for tower space. These arrangements, which are essentially extensions of traditional roaming agreements, enable a provider to serve customers outside its license area, to give licensed providers the right to enter into arrangements to serve overlapping license areas, and to permit non-licensed providers to enter the wireless marketplace. Wireless service providers might consider such sharing or resale arrangements superior to constructing their own facilities or leasing our antenna space. One possible benefit of such arrangements, however, is that network sharing arrangements could stimulate network development in areas where a single carrier network is economically unattractive.

Construction, Manufacturing and Raw Materials

We build, maintain and install land based wireless communications and broadcast transmitting and receiving facilities by obtaining sheet metal and other raw material parts and components from a variety of vendors. We also engage third party contract manufacturers to construct certain of these facilities. We have historically obtained the majority of our sheet metal and other raw materials parts and components from a limited number of suppliers. However, substantially all of these items are available from numerous other suppliers. We have not, to date, experienced any significant difficulties in obtaining the needed quantities of materials from suppliers in a timely manner.

Employees

As of December 31, 2002, we employed approximately 1,900 full time individuals and consider our employee relations to be satisfactory.

Available Information

Our Internet website is www.americantower.com. Information contained in our website is not incorporated by reference into this annual report, and you should not consider information contained in our website as part of this annual report. You may access, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, plus amendments to such reports as filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, through the Investors portion of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

We have adopted a written code of conduct that applies to all of our employees and directors, including, but not limited to, our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The code of conduct will be available on our website at www.americantower.com. In the event we amend, or provide any waivers from, the provisions of this code of conduct, we intend to disclose these events on our website as required by law.

Factors That May Affect Future Results

Decrease in demand for tower space would materially and adversely affect our operating results and we cannot control that demand.

Many of the factors affecting the demand for wireless communications tower space, and to a lesser extent our services business, could materially affect our operating results. Those factors include:

- consumer demand for wireless services;
- the financial condition of wireless service providers;
- the ability and willingness of wireless service providers to maintain or increase their capital expenditures;
- the growth rate of wireless communications or of a particular wireless segment;
- the number of wireless service providers in a particular segment, nationally or locally;
- governmental licensing of broadcast rights;
- mergers or consolidations among wireless service providers;
- increased use of network sharing arrangements or roaming and resale arrangements by wireless service providers;
- delays or changes in the deployment of 3G or other technologies;
- zoning, environmental, health and other government regulations; and
- technological changes.

The demand for broadcast antenna space is dependent, to a significantly lesser extent, on the needs of television and radio broadcasters. Among other things, technological advances, including the development of satellite-delivered radio, may reduce the need for tower-based broadcast transmission. We could also be affected adversely should the development of digital television be delayed or impaired, or if demand for it were less than anticipated because of delays, disappointing technical performance or cost to the consumer.

Our substantial leverage and debt service obligations may adversely affect us.

We have a substantial amount of indebtedness. Our total indebtedness at year end, giving effect to our approximately \$420.0 million offering of senior subordinated discount notes in January 2003 and the subsequent \$200.0 million prepayment of term loans outstanding under our credit facilities, was approximately \$3.6 billion, excluding any assumed repayment of other indebtedness out of the remaining proceeds from the discount notes offering.

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay when due the principal of, interest on, or other amounts due in respect of our indebtedness. A significant portion of our outstanding indebtedness bears interest at floating rates. As a result, our interest payment obligations on such indebtedness will increase if interest rates increase. We may also obtain additional long term debt and working capital lines of credit to meet future financing needs. This would have the effect of increasing our total leverage. Our substantial leverage could have significant negative consequences, including:

- our inability to meet one or more of the financial ratios contained in our debt agreements or to generate cash sufficient to pay interest or principal, including periodic principal amortization payments, which events could result in an acceleration of some or all of our outstanding debt as a result of cross-default provisions;

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional debt or equity financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures;
- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we compete; and
- placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

Our participation or inability to participate in tower industry consolidation could involve certain risks.

Any merger or acquisition transaction would involve several risks to our business, including demands on managerial personnel that could divert their attention from other aspects of our core leasing business, increased operating risks due to the integration of major national networks into our operational system, and potential antitrust constraints, either in local markets or on a regional basis, that could require selective divestitures at unfavorable prices. Any completed transaction may have an adverse effect on our operating results, particularly in the fiscal quarters immediately following its completion while we integrate the operations of the other business. In addition, once integrated, combined operations may not necessarily achieve the levels of revenues, profitability or productivity anticipated. There also may be limitations on our ability to consummate a merger or acquisition transaction. For example, any transaction would have to comply with the terms of our loan agreement and note indentures, and there are regulatory constraints on business combinations. Our inability to consummate a merger or acquisition for these or other reasons could result in our failure to participate in the expected benefits of industry consolidation and may have an adverse effect on our ability to compete effectively.

Continuation of the current U.S. economic slowdown could materially and adversely affect our business.

The existing slowdown in the U.S. economy has negatively affected the factors described under the prior heading, influencing demand for tower space and tower related services. For example, the slowdown, coupled with the deterioration of the capital markets, has caused certain wireless service providers to delay and, in certain cases, abandon expansion and upgrading of wireless networks, implementation of new systems, or introduction of new technologies. As a result, demand has also decreased for many of our network development services. The economic slowdown has also harmed, and may continue to harm, the financial condition of some wireless service providers. Many wireless service providers operate with substantial leverage and some wireless service providers, including customers of ours, have filed for bankruptcy.

If our wireless service provider customers consolidate or merge with each other to a significant degree, our growth, our revenue and our ability to generate positive cash flows could be adversely affected.

Significant consolidation among our wireless service provider customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as do their expansion plans. Similar consequences might occur if wireless service providers engage in extensive sharing or roaming or resale arrangements as an alternative to leasing our antennae space. In January 2003, the spectrum cap, which previously prohibited wireless carriers from owning more than 45 MHz of spectrum in any given geographical area, was allowed to expire. Some wireless carriers may be encouraged to consolidate with each other as a result of this regulatory change and as a means to strengthen their financial condition. Consolidation among wireless carriers would also increase our risk that the loss of one or more of our major customers could materially decrease revenues and cash flows.

Due to the long-term expectations of revenue from tenant leases, the tower industry is sensitive to the creditworthiness of its tenants.

Due to the long-term nature of our tenant leases, we, like others in the tower industry, are dependent on the continued financial strength of our tenants. During the past two years, several of our customers have filed for bankruptcy, although to date these bankruptcies have not had a material adverse effect on our business or revenues. Many wireless service providers operate with substantial leverage. If one or more of our major lease customers experienced financial difficulties, it could result in uncollectible accounts receivable and our loss of significant customers and anticipated lease revenues.

Restrictive covenants in our credit facilities, senior notes and senior subordinated discount notes could adversely affect our business by limiting flexibility.

The indentures for our senior notes, our senior subordinated discount notes issued in January 2003, and our credit facilities contain restrictive covenants and, in the case of the credit facilities, requirements of complying with certain leverage and other financial tests. These limit our ability to take various actions, including the incurrence of additional debt, guaranteeing indebtedness and issuing preferred stock, engaging in various types of transactions, including mergers and sales of assets, and paying dividends and making distributions or other restricted payments, including investments. These covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, new tower development, merger and acquisition or other opportunities.

Our foreign operations could create expropriation, governmental regulation, funds inaccessibility, foreign exchange exposure and management problems.

Our expansion in Mexico and Brazil, and any other possible foreign operations in the future, could result in adverse financial consequences and operational problems not experienced in the United States. We have loaned \$119.8 million to a Mexican company, own or have the economic rights to over 1,700 towers in Mexico, including approximately 200 broadcast towers (giving effect to pending transactions), and, subject to certain rejection rights, are contractually committed to construct up to approximately 650 additional towers in that country over the next three years. Giving effect to pending transactions, we also own or have acquired the rights to approximately 275 communications towers in Brazil and are, subject to certain rejection rights, contractually committed to construct up to 350 additional towers in that country over the next three years. The actual number of sites constructed will vary depending on the build out plans of the applicable carrier. In December 2002, we agreed to acquire approximately 540 communications sites from NII Holdings, predominantly in Mexico, for an aggregate purchase price of \$100.0 million in cash. We may, should economic and capital market conditions improve, also engage in comparable transactions in other countries in the future. Among the risks of foreign operations are governmental expropriation and regulation, inability to repatriate earnings or other funds, currency fluctuations, difficulty in recruiting trained personnel, and language and cultural differences, all of which could adversely affect our operations.

New technologies could make our tower antenna leasing services less desirable to potential tenants and result in decreasing revenues.

The development and implementation of signal combining technologies, which permit one antenna to service two different transmission frequencies and, thereby, two customers, may reduce the need for tower-based broadcast transmission and hence demand for our antenna space. Technologies that enhance spectral capacity, such as beam forming or “smart antennas” can increase the capacity at existing sites and can reduce the number of additional sites a given carrier needs to serve any given subscriber base.

In addition, the emergence of new technologies could reduce the need for tower-based transmission and reception and have an adverse effect on our operations. The growth in delivery of video services by direct broadcast satellites could also adversely affect demand for our antenna space.

Indoor distribution systems relieve some capacity on existing networks and could have an adverse effect on our operations. Capacity enhancing technologies such as lower-rate vocoders and more spectrally efficient airlink standards potentially relieve network capacity problems without adding sites and could adversely effect our operations.

We could have liability under environmental laws.

Our operations, like those of other companies engaged in similar businesses, are subject to the requirements of various federal, state and local and foreign environmental and occupational safety and health laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials, and wastes, and the siting of our towers. As owner, lessee or operator of approximately 15,000 real estate sites, we may be liable for substantial costs of remediating soil and groundwater contaminated by hazardous materials, without regard to whether we, as the owner, lessee or operator, knew of or were responsible for the contamination. In addition, we cannot assure you that we are at all times in complete compliance with all environmental requirements. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The current cost of complying with those laws is not material to our financial condition or results of operations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to government regulations and changes in current or future laws or regulations could restrict our ability to operate our business as we currently do.

We are subject to federal, state, local and foreign regulation of our business, including regulation by the FAA, FCC, Environmental Protection Agency, Department of Transportation and OSHA. Both the FCC and the FAA regulate towers used for wireless communications and radio and television antennae and the FCC separately regulates transmitting devices operating on towers. Similar regulations exist in Mexico, Brazil and other foreign countries regarding wireless communications and the operation of communications towers. Local zoning authorities and community organizations are often opposed to construction in their communities and these regulations can delay, prevent or increase the cost of new tower construction, collocations or site upgrade projects, thereby limiting our ability to respond to customer demand. Existing regulatory policies may adversely affect the timing or cost of new tower construction and locations and additional regulations may be adopted which increase delays or result in additional costs to us or which prevent or restrict new tower construction in certain locations. These factors could adversely affect our operations.

Increasing competition in the tower industry may create pricing pressures that may adversely affect us.

Our industry is highly competitive, and our customers have numerous alternatives for leasing antenna space. Some of our competitors are larger and have greater financial resources than we do, while other competitors are in weak financial condition. Competitive pricing pressures for tenants on towers from these competitors could adversely affect our lease rates and service income. In addition, if we lose customers due to pricing, we may not be able to find new customers, leading to an accompanying adverse effect on our profitability. Increasing competition could also make the acquisition of high quality tower assets more costly.

Our competition includes:

- national independent tower companies;
- wireless carriers that own towers and lease antenna space to other carriers;
- site development companies that purchase antenna space on existing towers for wireless carriers and manage new tower construction; and
- alternative site structures (e.g., building rooftops, billboards and utility poles).

We may not be able to maintain the leases for our tower sites.

Our property interests in our tower sites consist primarily of fee and leasehold interests, private easements and easements, licenses or rights-of-way granted by governmental entities. A loss of these interests, including losses arising from the bankruptcy of one or more of our lessors or from the default by one or more of our lessors under their mortgage financing, could interfere with our ability to conduct our business. We also may not be able to renew leases on favorable terms. In addition, we may not always have the ability to access, examine and verify all information regarding titles and other issues prior to completing a purchase or lease of tower sites.

Our costs could increase and our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated.

Public perception of possible health risks associated with cellular and other wireless communications media could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to future siting efforts. The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years. To date, the results of these studies have been inconclusive.

If a connection between radio frequency emissions and possible negative health effects, including cancer, were established, or if the public perception that such a connection exists were to increase, our operations, costs and revenues would be materially and adversely affected. We do not maintain any significant insurance with respect to these matters.

The market for our Class A common stock may be volatile.

The market price of our Class A common stock could be subject to wide fluctuations. These fluctuations could be caused by:

- quarterly variations in our results of operations;
- changes in earnings estimates by analysts;
- conditions in our markets; or
- general market or economic conditions.

In addition, in recent years the stock market has experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on the market prices of many companies, often unrelated to the operating performance of the specific companies. These market fluctuations could adversely affect the price of our Class A common stock.

If we issue a significant number of shares of Class A common stock to satisfy certain obligations under our convertible notes, the trading price for our Class A common stock could be adversely affected.

Holders of our three series of convertible notes, totaling \$873.6 million outstanding at December 31, 2002, may require us to repurchase all or any of their convertible notes on dates and for the prices indicated in the discussion contained under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Certain Contractual Commitments.” Our credit facilities restrict our ability to repurchase convertible notes for cash, except that we now have the right to use up to \$217.0 million to prepay or repurchase the 2.25% convertible notes and, to the extent we do not and are not required to do so, to prepay or repurchase prior to June 30, 2004, any of our other convertible notes or our senior notes. We may, subject to certain conditions in the applicable indentures (including the condition that our Class A common stock trade on a national securities exchange or Nasdaq), elect to pay the repurchase price in shares of Class A common stock. Exercising this election or seeking to reduce the amount of outstanding convertible notes

prior to these dates may involve the issuance of a significant number of shares of our Class A common stock, or securities convertible into or exercisable for these shares, which could cause the trading price of our Class A common stock to decline.

There will be dilution of the value of our Class A common stock when outstanding warrants become exercisable.

In January 2003, we issued warrants to purchase approximately 11.4 million shares of our Class A common stock in connection with our 12.25% senior subordinated discount notes offering. The shares underlying the warrants represented approximately 5.5% of our outstanding common stock at issuance (assuming all the warrants are exercised). These warrants will become exercisable on or after January 29, 2006 at an exercise price of \$0.01 per share (see note 19 to our consolidated financial statements). The issuance of these shares will have a dilutive effect on the value of our Class A common stock when these warrants are exercised.

If we are unable to sell our Verestar subsidiary, we may incur additional costs if we have to wind down and liquidate this business.

In December 2002, we committed to a plan to sell Verestar, which previously comprised our satellite and fiber network access services segment, within the next twelve months. With the exception of guarantees of approximately \$12.0 million of Verestar's contractual obligations, we will have nominal, if any, obligations to fund Verestar's business through the divestiture process. If we are unable to sell Verestar prior to December 31, 2003, however, we may be forced to discontinue its operations and liquidate its assets. If this were to occur, we could incur additional costs in connection with the winding down and liquidation of Verestar's businesses, and our management could be distracted from the operations of our core leasing business during this process.

ITEM 2. PROPERTIES

We maintain our corporate headquarters at 116 Huntington Avenue, Boston, Massachusetts, where we lease approximately 30,000 square feet of office space. Prior to December 2002, we owned the building containing this office space. Our operating segments occupy headquarters or regional offices, warehouses and manufacturing space which we move into and out of from time to time as our business needs change. At present, the properties used in these business segments are as follows:

- Our rental and management segment is organized on a regional basis without maintaining a separate headquarters facility. Of these regional offices, we own (or we hold a majority interest in) an aggregate of approximately 34,800 square feet and lease an aggregate of approximately 39,100 square feet. Sales and tower operations for wireless carrier towers are located in three United States regional offices in Gilbert, Arizona, Schaumburg, Illinois and Boston, Massachusetts. Our international offices are located in Mexico City, Mexico and Sao Paulo, Brazil. The broadcast tower division's office is located in Westwood, Massachusetts. Our lease processing center is located in Woburn, Massachusetts and our related accounting operations are located in Atlanta, Georgia.
- Our network development services segment does not maintain a headquarters but maintains key properties in: Columbia and West Columbia, South Carolina (where Kline Iron & Steel is located and maintains its steel manufacturing plant), and Alpharetta, Georgia where our engineering services business is located. We own an aggregate of approximately 639,000 square feet and lease an aggregate of approximately 330,000 square feet.
- Our former satellite and fiber network access services segment (discontinued operations) maintains its headquarters in Fairfax, Virginia in approximately 21,000 square feet of leased office space.

Our interests in individual communications sites are comprised of a variety of fee and leasehold interests. Of the approximately 15,000 towers comprising our portfolio, giving effect to pending transactions, approximately 19% are located on parcels of land that we own and approximately 81% are either located on parcels of land that

[Table of Contents](#)

we have leasehold interests created by long-term lease agreements, private easements and easements, licenses or rights-of-way granted by government entities, or are sites that we manage for third parties. In rural areas, a wireless communications site typically consists of 10,000 square foot tracts, which supports towers, equipment shelters and guy wires to stabilize the structure, whereas a broadcast tower site typically consists of a tract of land up to twenty-acres. Less than 2,500 square feet are required for a monopole or self-supporting tower structure of the kind typically used in metropolitan areas for wireless communication tower sites. Land leases generally have an initial term of five years with three or four additional automatic renewal periods of five years, for a total of twenty to twenty-five years.

Pursuant to our credit facilities, the lenders have liens on, among other things, all towers, leasehold interests, tenant leases, contracts relating to the management of towers for others, cash, accounts receivable, the stock and other equity interests of virtually all of our subsidiaries and all intercompany debt, fixtures, inventory and other personal property, including intellectual property, certain fee interests, and any proceeds of the foregoing.

We believe that our owned and leased facilities are suitable and adequate to meet our anticipated needs.

ITEM 3. LEGAL PROCEEDINGS

We periodically become involved in various claims and lawsuits that are incidental to our business. We believe, after consultation with counsel, that no matters currently pending would, in the event of an adverse outcome, have a material impact on our consolidated financial position, results of operations or liquidity.

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

No matters were submitted to a vote of our security holders in the fourth quarter of 2002.

PART II

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

The following table presents reported high and low sale prices of our Class A common stock on the Composite Tape of the New York Stock Exchange (NYSE) for the years 2002 and 2001.

2002	High	Low
Quarter ended March 31	\$ 10.40	\$ 3.50
Quarter ended June 30	5.65	2.70
Quarter ended September 30	3.55	1.10
Quarter ended December 31	4.29	0.60
2001		
Quarter ended March 31	41.50	17.70
Quarter ended June 30	28.75	14.20
Quarter ended September 30	20.62	9.50
Quarter ended December 31	16.30	5.25

On March 12, 2003, the closing price of our Class A common stock was \$4.87 as reported on the NYSE.

The outstanding shares of common stock and number of registered holders as of December 31, 2002 were as follows:

	Class		
	A	B	C
Outstanding shares	185,499,028	7,917,070	2,267,813
Registered holders	893	58	1

Dividends

We have never paid a dividend on any class of common stock. We anticipate that we will retain future earnings, if any, to fund the development and growth of our business. We do not anticipate paying cash dividends on shares of common stock in the foreseeable future. Our borrower subsidiaries are prohibited under the terms of their credit facilities from paying cash dividends or making other distributions on, or making redemptions, purchases or other acquisitions of, their capital stock or other equity interests, including preferred stock, except that, beginning on April 15, 2004, if no default exists or would be created thereby under the credit facilities, our borrower subsidiaries may pay cash dividends or make other distributions to the extent that restricted payments, as defined in the credit facilities, do not exceed 50% of excess cash flow, as defined in the credit facilities, for the preceding calendar year. The 12.25% senior subordinated discount notes (issued in January 2003) of American Towers, Inc. (ATI), our principal operating subsidiary, impose similar limitations on the ability of ATI and certain of our subsidiaries that have guaranteed the discount notes (sister guarantors) to pay dividends and make other distributions. The indenture for our 9 ³/₈% senior notes due 2009 imposes significant limitations on the payment of dividends by us to our stockholders.

ITEM 6. SELECTED FINANCIAL DATA

We have derived the following selected financial data from our audited consolidated financial statements, certain of which are included in this Annual Report on Form 10-K. You should read the selected financial data in conjunction with our “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our audited consolidated financial statements and the related notes to those consolidated financial statements included in this Annual Report on Form 10-K. Prior to our separation from our former parent on June 4, 1998, we operated as a subsidiary of American Radio Systems Corporation (American Radio) and not as an independent company. Therefore, our results of operations and the financial condition information for that period may be different from what they would have been had we operated as a separate, independent company.

Our continuing operations are reported in two segments, rental and management and network development services. In December 2002, we committed to a plan to dispose of Verestar (previously comprising our entire satellite and fiber network access services segment) by sale within the next twelve months. In the fourth quarter of 2002, we also committed to a plan to sell Flash Technologies (previously included in the network development services segment) and two office buildings (previously included in our rental and management segment). In July 2002, we consummated the sale of MTS Components (previously included in our network development services segment). In accordance with generally accepted accounting principles, the consolidated statements of operations for all periods reported in this “Selected Financial Data” have been adjusted to reflect these businesses as discontinued operations.

Year-to-year comparisons are significantly affected by our acquisitions, dispositions and construction of towers. Our principal acquisitions and dispositions are described in “Business—Recent Transactions” and in the notes to our consolidated financial statements.

[Table of Contents](#)

	Year Ended December 31,				
	2002	2001	2000	1999	1998
(In thousands, except per share data)					
Statement of Operations Data:					
Revenues:					
Rental and management	\$ 548,923	\$ 435,302	\$ 270,298	\$ 131,245	\$ 60,505
Network development services	239,497	349,848	239,616	67,039	23,315
Total operating revenues	788,420	785,150	509,914	198,284	83,820
Operating Expenses:					
Rental and management	228,519	211,811	136,300	60,915	29,455
Network development services	217,690	312,926	210,313	55,217	19,479
Depreciation and amortization (1)	316,876	346,020	241,211	116,242	47,177
Corporate general and administrative expense	24,349	26,478	14,958	9,136	5,099
Restructuring expense	10,638	5,236			
Development expense	5,896	7,895	14,433	1,406	
Tower separation expense (2)					12,772
Impairments and net loss on sale of long-lived assets (3)	90,734	74,260			
Total operating expenses	894,702	984,626	617,215	242,916	113,982
Operating loss from continuing operations	(106,282)	(199,476)	(107,301)	(44,632)	(30,162)
Interest income, TV Azteca, net	13,938	14,377	12,679	1,856	
Interest income	3,514	28,622	15,954	17,850	9,196
Interest expense	(255,645)	(267,825)	(151,702)	(27,274)	(23,228)
(Loss) income from investments and other expense	(25,579)	(38,797)	(2,434)	367	
Loss on term loan cancellation (4)	(7,231)				
Note conversion expense (5)		(26,336)	(16,968)		
Minority interest in net earnings of subsidiaries	(2,118)	(318)	(202)	(142)	(287)
Loss from continuing operations before income taxes	(379,403)	(489,753)	(249,974)	(51,975)	(44,481)
Income tax benefit	64,634	99,875	65,897	4,479	5,511
Loss from continuing operations before extraordinary losses and cumulative effect of change in accounting principle (6)	\$ (314,769)	\$ (389,878)	\$ (184,077)	\$ (47,496)	\$ (38,970)
Basic and diluted loss per common share from continuing operations before extraordinary losses and cumulative effect of change in accounting principle (6)	\$ (1.61)	\$ (2.04)	\$ (1.09)	\$ (0.32)	\$ (0.49)
Weighted average common shares outstanding (6)	195,454	191,586	168,715	149,749	79,786
December 31,					
	2002	2001	2000	1999	1998
(In thousands)					
Balance Sheet Data:					
Cash and cash equivalents (including restricted cash) (7)	\$ 127,292	\$ 130,029	\$ 128,074	\$ 25,212	\$ 186,175
Property and equipment, net	2,734,885	3,287,573	2,296,670	1,092,346	449,476
Total assets	5,662,203	6,829,723	5,660,679	3,018,866	1,502,343
Long-term obligations, including current portion	3,464,679	3,561,960	2,468,223	740,822	281,129
Total stockholders' equity	1,740,323	2,869,196	2,877,030	2,145,083	1,091,746

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- (1) As of January 1, 2002, we adopted the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets," (SFAS No. 142). Accordingly, we ceased amortizing goodwill on January 1, 2002. The statements of operations for all periods presented except for the year ended December 31, 2002 include goodwill amortization. The adoption of SFAS No. 142 reduced amortization expense in continuing operations by approximately \$70.0 million for the year ended December 31, 2002.
 - (2) Tower separation expense refers to the one-time expense incurred as a result of our separation from American Radio.
 - (3) Impairments and net loss on sale of long-lived assets for the year ended December 31, 2002 was \$90.7 million and was comprised primarily of impairment charges and net loss on sale of certain non-core towers aggregating \$46.8 million and an impairment charge of \$40.2 million related to the write-off of construction-in-progress costs associated with approximately 800 sites that we no longer plan to build. Impairments and net loss on sales of long-lived assets for the year ended December 31, 2001 was \$74.3 million and was primarily comprised of impairment charges on non-core towers of \$11.7 million and an impairment charge of \$62.6 million related to the write-off of construction in progress costs on sites that we no longer intended to build.
 - (4) Represents the write-off of certain deferred financing costs associated with our term loan C credit facility which was terminated in 2002.
 - (5) Note conversion expense represents the fair value of incremental stock issued to holders of our 2.25% and 6.25% convertible notes to induce them to convert their holdings prior to the first scheduled redemption date.
 - (6) We computed basic and diluted loss per common share from continuing operations before extraordinary losses and cumulative effect of change in accounting principle using the weighted average number of shares outstanding during each period presented. Shares outstanding following the separation from our former parent American Radio are assumed to be outstanding for all periods presented prior to June 4, 1998. We have excluded shares issuable upon exercise of options and other common stock equivalents from the computations, as their effect is anti-dilutive.
 - (7) Includes at December 31, 2001 and 2000 approximately \$94.1 million and \$46.0 million, respectively, of restricted funds required under our credit facilities to be held in escrow through August 2002 to fund scheduled interest payments on our outstanding senior and convertible notes.

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

The discussion and analysis of our financial condition and results of operations that follows are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ significantly from these estimates under different assumptions or conditions. This discussion should be read in conjunction with our consolidated financial statements and the accompanying notes thereto and the information set forth under the heading “Critical Accounting Policies” on page 40.

During the years ended December 31, 2002, 2001, and 2000, we acquired various communications sites, service businesses and satellite and fiber network access related businesses for aggregate purchase prices of approximately \$55.7 million, \$827.2 million, and \$1.8 billion, respectively. Our results of operations only reflect the acquired towers and businesses in the periods following their respective dates of acquisition. As such, our results of operations for the year ended December 31, 2002 are not comparable to the year ended December 31, 2001, and the results for the year ended December 31, 2001 are not comparable to the year ended December 31, 2000.

Our continuing operations are reported in two segments, rental and management and network development services. Management focuses on segment profit (loss) as a means to measure operating performance in these business segments. We define segment operating profit (loss) as segment revenues less segment operating expenses excluding depreciation and amortization, corporate general and administrative expense, restructuring expense, development expense and impairments and net loss on sale of long-lived assets. Segment profit (loss) for the rental and management segment also includes interest income, TV Azteca, net (see note 16 to the consolidated financial statements).

In December 2002, we committed to a plan to dispose of Verestar (which previously comprised our entire satellite and fiber network access services segment) by sale within the next twelve months. In the fourth quarter of 2002, we also committed to a plan to sell Flash Technologies (previously included in our network development services segment) and two office buildings (previously included in our rental and management segment). In July 2002, we consummated the sale of MTS Components (previously included in our network development services segment). In accordance with generally accepted accounting principles, the consolidated statements of operations for periods reported in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” have been adjusted to reflect these businesses as discontinued operations.

Results of Operations

Years Ended December 31, 2002 and 2001

As of December 31, 2002, we owned or operated approximately 14,600 communications sites, as compared to approximately 14,500 communications sites as of December 31, 2001. The acquisitions and construction completed throughout 2001 and, to a lesser extent, 2002, have significantly affected operations for the year ended December 31, 2002, as compared to the year ended December 31, 2001.

	Year Ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2002	2001		
(In thousands)				
REVENUES:				
Rental and management	\$ 548,923	\$ 435,302	\$ 113,621	26%
Network development services	239,497	349,848	(110,351)	(32)
Total revenues	788,420	785,150	3,270	1
OPERATING EXPENSES:				
Rental and management	228,519	211,811	16,708	8
Network development services	217,690	312,926	(95,236)	(30)
Depreciation and amortization	316,876	346,020	(29,144)	(8)
Corporate general and administrative expense	24,349	26,478	(2,129)	(8)
Restructuring expense	10,638	5,236	5,402	103
Development expense	5,896	7,895	(1,999)	(25)
Impairments and net loss on sale of long-lived assets	90,734	74,260	16,474	22
Total operating expenses	894,702	984,626	(89,924)	(9)
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of \$1,494 and \$1,160, respectively	13,938	14,377	(439)	(3)
Interest income	3,514	28,622	(25,108)	(88)
Interest expense	(255,645)	(267,825)	12,180	(5)
Loss on investments and other expense	(25,579)	(38,797)	13,218	(34)
Loss on term loan cancellation	(7,231)		(7,231)	N/A
Note conversion expense		(26,336)	26,336	N/A
Minority interest in net earnings of subsidiaries	(2,118)	(318)	(1,800)	566
Income tax benefit	64,634	99,875	(35,241)	(35)
Loss from discontinued operations, net	(263,427)	(60,216)	(203,211)	337
Extraordinary loss on extinguishment of debt, net	(1,065)		(1,065)	N/A
Cumulative effect of change in accounting principle, net	(562,618)		(562,618)	N/A
Net loss	\$ (1,141,879)	\$ (450,094)	\$ (691,785)	154%

Total Revenues

Total revenues for the year ended December 31, 2002 were \$788.4 million, an increase of \$3.3 million from the year ended December 31, 2001. The increase resulted from an increase in rental and management revenues of \$113.6 million, offset by a decrease in network development services revenue of \$110.3 million.

Rental and Management Revenue

Rental and management revenue for the year ended December 31, 2002 was \$548.9 million, an increase of \$113.6 million from the year ended December 31, 2001. The increase resulted primarily from leasing activity on towers acquired and constructed subsequent to January 1, 2001 and, to a lesser extent, increased revenue on towers that existed as of January 1, 2001. The 4,270 towers that we have acquired and constructed since January 1, 2001 have significantly increased our revenues. The increased depth and strength of our national and international portfolio provided us with a much larger base of tower revenue for a full year in 2002 as compared to the year ended December 31, 2001. The remaining component of the increase is attributable to an increase in same tower revenue related to towers included in our portfolio as of January 1, 2001. This increase was driven by our ability to market and add additional tenants to those towers.

We continue to believe that our leasing revenue, which drives our core business, is likely to grow more rapidly than revenue from our network development services segment due to our expected increase in utilization of existing tower capacity. In addition, we believe that the majority of our leasing activity will continue to come from broadband type customers.

Network Development Services Revenue

Network development services revenue for the year ended December 31, 2002 was \$239.5 million, a decrease of \$110.3 million from the year ended December 31, 2001. The significant decline in revenues during 2002 resulted primarily from decreases in revenue related to construction management, installation, tower maintenance services and radio frequency engineering services, resulting from a corresponding decrease in the growth of the wireless telecommunications industry.

Total Operating Expenses

Total operating expenses for the year ended December 31, 2002 were \$894.7 million, a decrease of \$89.9 million from the year ended December 31, 2001. The principal component of the decrease was attributable to expense decreases in our network development services segment of \$95.2 million. The remaining components of the decrease were attributable to decreases in depreciation and amortization of \$29.1 million, as well as decreases in corporate general and administrative expense of \$2.1 million and development expense of \$2.0 million. These decreases were offset by increases in expenses within our rental and management segment of \$16.7 million, coupled with increases in impairments and net loss on sale of long-lived assets of \$16.5 million and restructuring expense of \$5.4 million.

Rental and Management Expense/Segment Profit

Rental and management expense for the year ended December 31, 2002 was \$228.5 million, an increase of \$16.7 million from the year ended December 31, 2001. The majority of the increase resulted from incremental operating expenses incurred in 2002 for the more than 3,700 towers that were acquired or constructed during 2001 (due to a full year of inclusion in our results of operations in 2002). The balance of the increase reflects operating expenses incurred in 2002 for the more than 570 towers acquired/constructed in 2002. These increases were partially offset by cost reduction efforts in administrative and operational functions.

Rental and management segment profit for the year ended December 31, 2002 was \$334.3 million, an increase of \$96.5 million from the year ended December 31, 2001. The increase resulted primarily from incremental revenues and operating profit from both newly acquired and constructed towers and existing towers.

Network Development Services Expense/Segment Profit

Network development services expense for the year ended December 31, 2002 was \$217.7 million, a decrease of \$95.2 million from the year ended December 31, 2001. The majority of the decrease was due to an overall decline in demand for the services performed by this segment, as discussed above, coupled with decreases in overhead and related infrastructure costs.

[Table of Contents](#)

Network development services segment profit for the year ended December 31, 2002 was \$21.8 million, a decrease of \$15.1 million from the year ended December 31, 2001. The decrease resulted primarily from a decline in revenue, as discussed above, partially offset by a reduction in personnel, overhead and infrastructure costs as a result of restructuring initiatives that were implemented in 2002 and 2001.

Depreciation and Amortization

Depreciation and amortization for the year ended December 31, 2002 was \$316.9 million, a decrease of \$29.1 million from the year ended December 31, 2001. The decrease reflects the adoption of SFAS No. 142, which reduced amortization expense by approximately \$70.0 million. This decrease was partially offset by an increase in depreciation expense related to the acquisition/construction of approximately \$236.9 million of property and equipment in 2002 and a full year of depreciation on the \$1.4 billion of property and equipment acquired in 2001.

Corporate General and Administrative Expense

Corporate general and administrative expense for the year ended December 31, 2002 was \$24.3 million, a decrease of \$2.1 million from the year ended December 31, 2001. The majority of the decrease is a result of cost reduction efforts in administrative and information technology functions related to our restructuring initiatives.

Restructuring Expense

In November 2001, we announced a restructuring of our organization to include a reduction in the scope of our tower development and acquisition activities and the centralization of certain operational and administrative functions. As a result of this continuing initiative, during the year ended December 31, 2002, we incurred employee separation costs associated with the termination of approximately 460 employees (primarily development and administrative), as well as costs associated with the termination of lease obligations and other incremental facility closing costs aggregating \$10.6 million, an increase of \$5.4 million from the year ended December 31, 2001.

As of December 31, 2002, we have completed our restructuring initiatives to consolidate operations and do not expect future charges associated with this restructuring.

Development Expense

Development expense for the year ended December 31, 2002 was \$5.9 million, a decrease of \$2.0 million from the year ended December 31, 2001. This decrease resulted primarily from reduced expenses related to tower site data gathering and acquisition costs as a result of our curtailed acquisition and development related activities.

Impairments and Net Loss on Sale of Long-Lived Assets

Impairments and net loss on sale of long-lived assets for the year ended December 31, 2002 was \$90.7 million, an increase of \$16.5 million from the year ended December 31, 2001. The increase was primarily attributable to an increase in impairment charges and net loss on sale of assets of approximately \$35.1 million related to the write-down and sale of certain non-core towers, partially offset by a decrease in impairment charges of approximately \$22.4 million related to the write-off of construction-in-progress costs associated with sites that we no longer plan to build.

Interest Income

Interest income for the year ended December 31, 2002 was \$3.5 million, a decrease of \$25.1 million from the year ended December 31, 2001. The decrease resulted primarily from a decrease in interest earned on invested cash primarily attributable to a decrease in cash on hand during 2002, coupled with lower interest rates.

Interest Expense

Interest expense for the year ended December 31, 2002 was \$255.6 million, a decrease of \$12.2 million from the year ended December 31, 2001. The majority of the decrease, \$26.6 million, resulted primarily from a reduction in the interest rates under our credit facilities. The decrease was partially offset by an increase of \$7.6 million related to a full year of interest incurred on our senior notes (issued in January 2001) and a reduction in capitalized interest of \$9.5 million as a result of our reduced capital expenditures in 2002.

Loss on Investments and Other Expense

Loss on investments and other expense for the year ended December 31, 2002 was \$25.6 million, a decrease of \$13.2 million from the year ended December 31, 2001. The decrease resulted primarily from decreased impairment and equity losses on our cost and equity investments offset by increased losses on foreign currency exchange related to our Mexican subsidiary.

Loss on Term Loan Cancellation

In January 2002, we terminated the \$250.0 million multi-draw term loan C component of our credit facilities and recorded a non-cash charge of approximately \$7.2 million related to the write-off of certain deferred financing fees associated with that component. No similar charge was incurred for the year ended December 31, 2001.

Note Conversion Expense

During the year ended December 31, 2001, we acquired a portion of our 2.25% convertible notes in exchange for shares of our Class A common stock. As a consequence of those negotiated exchanges with certain of our noteholders, we recorded a non-cash charge of \$26.3 million. These charges represent the fair value of incremental stock issued to noteholders to induce them to convert their holdings prior to the first scheduled redemption date. No similar charge was incurred for the year ended December 31, 2002.

Income Tax Benefit

The income tax benefit for the year ended December 31, 2002 was \$64.6 million, a decrease of \$35.2 million from the year ended December 31, 2001. The effective tax rate was 17.0% for the year ended December 31, 2002, as compared to 20.4% for the year ended December 31, 2001. The decrease in the effective tax rate was primarily attributable to a valuation allowance of \$27.5 million recorded in 2002 in connection with our plan to implement a tax planning strategy to accelerate the utilization of certain federal net operating losses (the valuation allowance represents the estimated lost tax benefit and costs associated with implementing this strategy). This decrease is offset by the impact of our ceasing to amortize goodwill (the majority of which is non-deductible for tax purposes) in 2002 in connection with the adoption of SFAS No. 142.

The effective tax rate on loss from continuing operations in 2002 differs from the statutory rate due primarily to valuation allowances related to our state net operating losses, capital losses, tax planning strategy and foreign items. The effective tax rate in 2001 differs from the statutory rate due to valuation allowances related to state net operating losses and capital losses and other non-deductible items consisting principally of goodwill amortization, and to a lesser extent, note conversion expense.

SFAS No. 109, "Accounting for Income Taxes," requires that we record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." At December 31, 2002, we have provided a valuation allowance primarily related to state net operating loss carryforwards, capital loss carryforwards and the lost tax benefit and costs associated with implementing our tax planning strategy. We have not provided a valuation allowance for the remaining deferred tax assets, primarily federal net operating loss carryforwards, as management believes that we will have sufficient time to realize these assets during the carryforward period.

We intend to recover a portion of our deferred tax asset from our tax planning strategy to accelerate the utilization of certain federal net operating losses. The recoverability of our remaining net deferred tax asset has been assessed utilizing stable state (no growth) projections based on our current operations. The projections show a significant decrease in depreciation and interest expense in the later years of the carryforward period as a result of a significant portion of our assets being fully depreciated during the first fifteen years of the carryforward period and debt repayments reducing interest expense. Accordingly, the recoverability of our net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on our current outlook of future taxable income during the carryforward period, management believes that our net deferred tax asset will be realized. The realization of our deferred tax assets as of December 31, 2002 will be dependent upon our ability to generate approximately \$800.0 million in taxable income from January 1, 2003 to December 31, 2022. If we are unable to generate sufficient taxable income in the future, or accelerate the utilization of losses as contemplated in our tax planning strategy, we will be required to reduce our net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

Loss from Discontinued Operations, Net

In December 2002, we committed to a plan to dispose of our wholly owned subsidiary Verestar by sale within the next twelve months. In the fourth quarter of 2002, we also committed to a plan to sell Flash Technologies and two office buildings held primarily as rental property. In July 2002, we consummated the sale of our MTS Components operations. Accordingly, we presented the results of these operations, \$(249.9) million and \$(60.2) million, net of tax, as loss from discontinued operations, net, in the accompanying statements of operations for the years ended December 31, 2002 and 2001, respectively. The net loss from discontinued operations for the year ended December 31, 2002 also includes a net loss on disposal from the sale of MTS Components and the two office buildings of approximately \$13.5 million, net of a tax benefit.

All of these businesses held for sale as of December 31, 2002 and a subsidiary of Verestar were sold in the first quarter of 2003. We expect to sell the remaining portion of Verestar by December 31, 2003.

Extraordinary Loss on Extinguishment of Debt, Net

In February 2002, we repaid the \$95.0 million outstanding under our Mexican Credit Facility with borrowings under our credit facilities. As a result of such repayment, we recognized an extraordinary loss on extinguishment of debt of approximately \$1.1 million, net of an income tax benefit of \$0.6 million for the year ended December 31, 2002. No similar losses were recorded in 2001.

Cumulative Effective of Change in Accounting Principle, Net

As of January 1, 2002, we adopted the provisions of SFAS No. 142 "Goodwill and Other Intangible Assets." As a result, we recognized a \$562.6 million non-cash charge (net of a tax benefit of \$14.4 million) as the cumulative effect of change in accounting principle related to the write-down of goodwill to its fair value. The non-cash charge was comprised of goodwill within our satellite and fiber network access services segment (\$189.3 million) and network development services segment (\$387.8 million). In accordance with the provisions of SFAS No. 142, the charge is reflected as of January 1, 2002 and included in our results of operations for the year ended December 31, 2002.

[Table of Contents](#)
Years Ended December 31, 2001 and 2000

As of December 31, 2001, we owned or operated approximately 14,500 communications sites, as compared to approximately 11,000 communications sites as of December 31, 2000. The acquisitions and construction completed in 2001 and 2000 have significantly affected operations for the year ended December 31, 2001, as compared to the year ended December 31, 2000.

	Year Ended December 31,			
	2001	2000	Amount of Increase (Decrease)	Percent Increase (Decrease)
			(In thousands)	
REVENUES:				
Rental and management	\$ 435,302	\$ 270,298	\$ 165,004	61%
Network development services	349,848	239,616	110,232	46
Total operating revenues	785,150	509,914	275,236	54
OPERATING EXPENSES:				
Rental and management	211,811	136,300	75,511	55
Network development services	312,926	210,313	102,613	49
Depreciation and amortization	346,020	241,211	104,809	43
Corporate general and administrative expense	26,478	14,958	11,520	77
Restructuring expense	5,236		5,236	N/A
Development expense	7,895	14,433	(6,538)	(45)
Impairments and net loss on sale of long-lived assets	74,260		74,260	N/A
Total operating expenses	984,626	617,215	367,411	60
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of \$1,160 and \$1,047, respectively	14,377	12,679	1,698	13
Interest income	28,622	15,954	12,668	79
Interest expense	(267,825)	(151,702)	(116,123)	77
Loss on investments and other expense	(38,797)	(2,434)	(36,363)	1,494
Note conversion expense	(26,336)	(16,968)	(9,368)	55
Minority interest in net earnings of subsidiaries	(318)	(202)	(116)	57
Income tax benefit	99,875	65,897	33,978	52
Loss from discontinued operations, net	(60,216)	(6,213)	(54,003)	869
Extraordinary losses on extinguishment of debt, net		(4,338)	4,338	N/A
Net loss	\$(450,094)	\$(194,628)	\$ (255,466)	131%

Total Revenues

Total revenues for the year ended December 31, 2001 were \$785.2 million, an increase of \$275.2 million from the year ended December 31, 2000. The increase resulted from increases in rental and management revenues of \$165.0 million and increases in network development services revenue of \$110.2 million.

Rental and Management Revenue

Rental and management revenue for the year ended December 31, 2001 was \$435.3 million, an increase of \$165.0 million from the year ended December 31, 2000. The increase resulted primarily from leasing activity on towers acquired and constructed subsequent to January 1, 2000 and, to a lesser extent, increased revenue on towers that existed as of January 1, 2000. The 9,900 towers that we have acquired and constructed since January 1, 2000 have significantly increased our revenues. The increased depth and strength of our national and

[Table of Contents](#)

international portfolio provided us with a much larger base of tower revenue for a full year in 2001 as compared to the year ended December 31, 2000. The remaining component of the increase is attributable to an increase in same tower revenue related to towers included in our portfolio as of January 1, 2000. This increase was driven by our ability to market and add additional tenants to those towers.

Network Development Services Revenue

Network development services revenue for the year ended December 31, 2001 was \$349.8 million, an increase of \$110.2 million from the year ended December 31, 2000. The significant growth in revenues during 2001 resulted primarily from increased volume related to construction management, antennae and line installation and related collocation services, and tower site maintenance. The increase was also driven by a full year of revenue in 2001 related to acquisitions consummated in 2000, primarily a steel fabrication business. These increases were partially offset by decreases in revenue related to radio frequency engineering services.

Total Operating Expenses

Total operating expenses for the year ended December 31, 2001 were \$984.6 million, an increase of \$367.4 million from the year ended December 31, 2000. The increase was attributable to depreciation and amortization of \$104.8 million, increases in expenses within rental and management of \$75.5 million, network development services of \$102.6 million, restructuring expense of \$5.2 million, corporate general and administrative expense of \$11.5 million and impairments and net loss on sale of long-lived assets of \$74.3 million. These increases were offset by a decrease in development expense of \$6.5 million.

Rental and Management Expense/Segment Profit

Rental and management expense for the year ended December 31, 2001 was \$211.8 million, an increase of \$75.5 million from the year ended December 31, 2000. The majority of the increase resulted from incremental operating expenses incurred in 2001 for the more than 6,200 towers that were acquired or constructed during 2000 (due to a full year of inclusion in our results of operations in 2001). The balance of the increase reflects operating expenses incurred in 2001 for the more than 3,700 towers acquired/constructed in 2001. These increases were partially offset by cost reduction efforts in administrative and operational functions.

Rental and management segment profit for the year ended December 31, 2001 was \$237.9 million, an increase of \$91.2 million from the year ended December 31, 2000. The increase resulted primarily from incremental revenues and operating profit from both newly acquired and constructed towers and existing towers.

Network Development Services Expense/Segment Profit

Network development services expense for the year ended December 31, 2001 was \$312.9 million, an increase of \$102.6 million from the year ended December 31, 2000. The majority of the increase resulted from overall increases in volume (as discussed above), incremental expenses related to the operations of acquisitions and increases in overhead costs necessary to support both internal construction and external sales.

Network development services segment profit for the year ended December 31, 2001 was \$36.9 million, an increase of \$7.6 million from the year ended December 31, 2000. The increase resulted primarily from an increase in the volume of services, as discussed above.

Depreciation and Amortization

Depreciation and amortization for the year ended December 31, 2001 was \$346.0 million, an increase of \$104.8 million from the year ended December 31, 2000. The principal component of the increase is an increase

[Table of Contents](#)

in depreciation expense of \$86.7 million. This is primarily a result of our purchase, construction and acquisition of approximately \$1.4 billion of property and equipment during 2001 and a full year of depreciation on acquisitions and additions made in 2000. The other component of the increase is increased amortization of \$31.1 million, resulting from our recording and amortizing approximately \$184.1 million of goodwill and other intangible assets related to acquisitions consummated during 2001, and a full year of amortization on goodwill and other intangible assets related to acquisitions made in 2000.

Corporate General and Administrative Expense

Corporate general and administrative expense for the year ended December 31, 2001 was \$26.5 million, an increase of \$11.5 million from the year ended December 31, 2000. The majority of the increase is a result of increased personnel and information technology costs to support our overall growth, coupled with expenses incurred to implement a new company-wide Enterprise Resource Planning (ERP) system.

Restructuring Expense

In November 2001, we announced a restructuring of our organization to include a reduction in the scope of our tower development and acquisition activities and the centralization of certain operating and administrative functions. As part of that initiative, we incurred employee separation costs relating to the termination of approximately 525 employees (primarily development and administrative), as well as costs associated with closing certain facilities, aggregating \$5.2 million in the fourth quarter of 2001. No similar charges were incurred in 2000.

Development Expense

Development expense for the year ended December 31, 2001 was \$7.9 million, a decrease of \$6.5 million from the year ended December 31, 2000. This decrease resulted primarily from reduced expenses related to tower site, data gathering and acquisition integration in 2001.

Impairments and Net Loss on Sale of Long-Lived Assets

Impairments and net loss on sale of long-lived assets for the year ended December 31, 2001 was \$74.3 million. The increase is attributed to non-cash impairment charges aggregating \$11.7 million related to the write-down of certain non-core towers and a non-cash impairment charge of \$62.6 related to the write-off of construction-in-progress costs associated with sites that we no longer planned to build. No similar charges were incurred in 2000.

Interest Income, TV Azteca, Net

Interest income, TV Azteca, net for the year ended December 31, 2001 was \$14.4 million, an increase of \$1.7 million from the year ended December 31, 2000. The increase resulted from interest earned on the entire principal amount of the note, \$119.8 million, during 2001 as compared to 2000 when less than the entire principal amount of the note was outstanding for the year.

Interest Income

Interest income for the year ended December 31, 2001 was \$28.6 million, an increase of \$12.7 million from the year ended December 31, 2000. The increase resulted primarily from an increase in interest earned on invested cash on hand, resulting principally from the sale of our senior notes in January 2001.

Interest Expense

Interest expense for the year ended December 31, 2001 was \$267.8 million, an increase of \$116.1 million from the year ended December 31, 2000. The majority of the increase, \$113.0 million, resulted primarily from increased borrowings outstanding under our credit facilities and the issue of \$1.0 billion of senior notes in January 2001, offset by a decrease in interest rates under our credit facilities. The remaining component of the increase represented increases in interest on capital leases and other notes payable and incremental deferred financing amortization.

Loss on Investments and Other Expense

Loss on investments and other expense for the year ended December 31, 2001 was \$38.8 million, an increase of \$36.4 million from the year ended December 31, 2000. The increase resulted primarily from the write off of our investment in US Wireless of \$23.4 million, coupled with additional investment impairment losses of \$4.3 million and increases in losses on equity investments of \$6.6 million.

Note Conversion Expense

During the year ended December 31, 2001, we acquired a portion of our 2.25% convertible notes in exchange for shares of our Class A common stock. As a consequence of those negotiated exchanges with certain of our noteholders, we recorded a non-cash charge of \$26.3 million. In similar transactions during the year ended December 31, 2000, we acquired a portion of our 6.25% and 2.25% convertible notes in exchange for shares of our Class A common stock. As a result, we recorded a non-cash charge of \$17.0 million during that year. These charges represent the fair value of incremental stock issued to noteholders to induce them to convert their holdings prior to the first scheduled redemption date.

Income Tax Benefit

The income tax benefit for the year ended December 31, 2001 was \$99.9 million, an increase of \$34.0 million from the year ended December 31, 2000. The primary reason for the increase is a result of the increase in our loss from continuing operations, partially offset by an increase in amortization of non-deductible intangible items. The effective tax rate on our loss from continuing operations was 20.4% for the year ended December 31, 2001, as compared to 26.4% for the year ended December 31, 2000.

The effective tax rate on loss from continuing operations in 2001 differs from the statutory rate due to certain non-deductible amounts for tax purposes such as the valuation allowances related to state net operating losses, capital losses and the effects of other non-deductible items such as goodwill amortization and note conversion expense. The effective tax rate in 2000 differs from the statutory rate due to the recording of valuation allowances related to state net operating losses and other non-deductible items consisting principally of goodwill amortization, and to a lesser extent, note conversion expense.

SFAS No. 109, "Accounting for Income Taxes," requires that we record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." At December 31, 2001, we have provided a valuation allowance primarily related to state net operating loss carryforwards and capital losses. We have not provided a valuation allowance for the remaining deferred tax assets, primarily federal net operating loss carryforwards, as management believes that we will have sufficient time to realize these assets during the carryforward period.

As of December 31, 2001, the recoverability of our net deferred tax asset has been assessed utilizing stable state (no growth) projections based on our current operations. The projections show a significant decrease in depreciation and interest expense in the later years of the carryforward period as a result of a significant portion of our assets being fully depreciated during the first fifteen years of the carryforward period and debt repayments

[Table of Contents](#)

reducing interest expense. Accordingly, the recoverability of our net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on our current outlook of future taxable income during the carryforward period, management believes that its net deferred tax asset will be realized. The realization of our deferred tax assets as of December 31, 2001 will be dependent upon our ability to generate approximately \$740.0 million in taxable income from January 1, 2002 to December 31, 2021. If we are unable to generate sufficient taxable income in the future we will be required to reduce our net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

Loss from Discontinued Operations, Net

In December 2002, we committed to a plan to dispose of our wholly owned subsidiary Verestar by sale within the next twelve months. In the fourth quarter of 2002, we also committed to a plan to sell Flash Technologies and two office buildings held primarily as rental property. In July 2002, we consummated the sale of MTS Components. Accordingly, we presented the results of these operations, \$(60.2) million and \$(6.2) million, net of tax, as loss from discontinued operations, net, in the accompanying statements of operations for the years ended December 31, 2001 and 2000, respectively.

Extraordinary Losses on Extinguishment of Debt, Net

We incurred extraordinary losses on the extinguishment of debt, net in 2000 of \$4.3 million. The losses were incurred as a result of an amendment and restatement of our primary credit facilities (\$3.0 million, net of a tax benefit of \$2.0 million) and our early retirement of debt (\$1.3 million, net of a tax benefit of \$0.9 million). No comparable losses were recorded in 2001.

Liquidity and Capital Resources

Liquidity Overview

Our primary sources of liquidity have been internally generated funds from operations, borrowings under our credit facilities, proceeds from equity and debt offerings, proceeds from the sale of non-core assets and cash on hand. We have used those funds to meet our capital requirements, which consist primarily of operational needs, debt service and capital expenditures for tower construction and acquisitions.

In the fourth quarter of 2002, we generated sufficient cash flow from operations to fund our capital expenditures and service our cash interest expense. We believe cash flow from operations in 2003 will be sufficient to fund our capital expenditures and cash interest payments for that year.

In January 2003, we completed an offering (discount note offering) of approximately \$420.0 million, consisting of 12.25% senior subordinated discount notes due 2008 (discount notes) of ATI and warrants to purchase 11.4 million shares of our Class A common stock. In connection with the financing, we obtained an amendment of our credit facilities (credit agreement amendment). Pursuant to the credit agreement amendment, we repaid \$200.0 million of term loans outstanding under our credit facilities and reduced our revolving loan commitments by \$225.0 million to \$425.0 million. That amendment also gives us the right to use \$217.0 million, which we have placed in escrow for that purpose, to purchase our 2.25% convertible notes on or prior to October 22, 2003, at which time the holders have the right to put those notes to us. We may elect to satisfy all or a portion of our obligations with respect to the 2.25% convertible notes through the issuance of shares of our Class A common stock (subject to certain restrictions) on October 22, 2003 pursuant to the put right or, prior to that time, pursuant to a limited number of privately negotiated transactions. We also may use any escrowed funds not used to purchase 2.25% convertible notes to purchase, prior to June 30, 2004, our other convertible notes and our senior notes. We are required to use any funds remaining in escrow on June 30, 2004 to reduce our term loans under the credit facilities.

We expect our 2003 capital needs to consist primarily of the following: debt service, including cash interest of approximately \$215.0 million, repayment of approximately \$54.4 million of term loans under our amended credit facilities and up to \$217.0 million of 2.25% convertible notes (assuming all holders exercise their put rights); capital expenditures of between \$50.0 and \$75.0 million; and tower acquisitions of approximately \$74.0 million. We expect to meet those needs through a combination of cash on hand of approximately \$127.3 million at December 31, 2002, remaining net proceeds from the discount note offering of approximately \$197.0 million (after the repayment of \$200.0 million of term loans), cash generated by operations, proceeds from sales of non-core assets, and nominal, if any, borrowings under our credit facilities. Due to the risk factors outlined above, however, there can be no assurance that we will be able to meet our capital needs without additional borrowings under our credit facilities.

Uses of Liquidity

Our principal uses of liquidity, in addition to funding operations, are debt service and capital expenditures for tower construction and acquisitions.

Debt Service. As of December 31, 2002, we had outstanding debt of approximately \$3.5 billion, consisting of the following:

- credit facilities—\$1.5 billion;
- senior notes—\$1.0 billion;
- convertible notes, net of discount—\$873.6 million; and
- other—\$81.0 million (primarily capital leases and notes payable).

Our debt instruments require us to make current interest payments and significant principal payments at their respective maturities. In addition, in the case of our credit facilities, we must make scheduled amortization payments in increasing amounts designed to repay the loans at maturity. During 2003, we will be required to repay approximately \$13.6 million of the amended term loans each quarter.

Prior to maturity, there are no mandatory redemption provisions for cash in the senior notes, the convertible notes or the discount notes. The holders of the convertible notes, however, have the right to require us to repurchase their notes on specified dates prior to maturity, but we may at our election pay the repurchase price in cash or by issuing shares of our Class A common stock, subject to certain conditions in the applicable indenture. Our credit facilities restrict our ability to repurchase convertible notes for cash, except that we now have the right to use up to \$217.0 million to prepay or repurchase the 2.25% convertible notes and, to the extent we do not and are not otherwise required to do so, to prepay or repurchase prior to June 30, 2004, any of our other convertible notes or our senior notes.

Tower Construction and Acquisition Needs. We have significantly reduced our planned level of tower construction and acquisitions for 2003 from prior years. As a result, we anticipate that our liquidity needs for new tower development and acquisitions during 2003 will be significantly less than in previous periods.

- *Construction.* In 2003, we expect to build between 100 and 150 towers (including broadcast towers) and expect total capital expenditures to be between \$50.0 million and \$75.0 million.
- *Acquisitions.* As of December 31, 2002, we were committed to make expenditures of approximately \$74.0 million for pending acquisitions, principally the NII Holdings transaction, of which approximately \$24.0 million had been paid as of March 4, 2003.

Sources of Liquidity

We expect to meet our cash requirements for 2003 through a combination of cash on hand, net proceeds from the discount note offering, cash generated by operations, proceeds from sales of non-core assets, and nominal, if any, borrowings under our credit facilities.

[Table of Contents](#)

Cash on Hand. As of December 31, 2002, we had approximately \$127.3 million in cash on hand. As a result of the net proceeds from the discount note offering and the \$200.0 million repayment of term loans under our credit facilities described above, we had approximately \$324.3 million of cash on hand, including \$217.0 million in escrow. As explained above, while we have the right to use up to \$217.0 million of the escrowed funds to purchase the 2.25% convertible notes, we may elect to satisfy all or a portion of our obligations with respect to those notes through the issuance of shares of our Class A common stock.

Cash Generated by Operations. We expect our cash flow needs by segment for 2003 to be as follows (excluding cash requirements to fund debt service, as interest expense is not allocated to our segments). Our rental and management and network development services segments are expected to generate cash flows from operations during 2003 in excess of their cash needs for operations and capital expenditures. We expect to use the excess cash generated from these segments principally to service our debt. Effective December 31, 2002, we committed to a plan to dispose of our satellite and fiber network access services segment. Accordingly, these operations are reflected as discontinued operations in our consolidated financial statements. The businesses in our former satellite and fiber network access services segment are expected to be near cash flow break-even from operations, but may require additional sources of liquidity to fund minimal capital expenditures until final disposition. In addition, we currently provide financial guarantees of up to \$12.0 million for certain Verestar contractual obligations. Depending on the terms of any disposition, we may continue to be obligated with respect to those guarantees.

Divestiture Proceeds. We are continuing to pursue strategic divestitures of non-core assets in an effort to enhance efficiency and increase our focus on our core tower operations. Through March 4, 2003, we completed approximately \$203.5 million in non-core asset sales (including approximately \$78.5 million subsequent to December 31, 2002) related to (a) our two components businesses, (b) a Verestar subsidiary, (c) our corporate office building and other real estate assets, and (d) non-core towers. Proceeds from those and any future transactions have and will be used, to the extent permitted under our credit facilities and mortgages, to fund capital expenditures for tower construction and acquisitions. We anticipate approximately \$50.0 million of proceeds from additional sales of non-core assets during the remainder of 2003.

Credit Facilities. As of December 31, 2002, we had drawn \$160.0 million of the \$650.0 million revolving line of credit under our credit facilities (the only component of our credit facilities which is not fully drawn). We also had outstanding letters of credit of \$19.2 million as of December 31, 2002. Availability under our revolving line of credit as of December 31, 2002, was \$470.8 million, net of \$19.2 million of outstanding letters of credit. The credit agreement amendment decreased the revolving loan commitment to \$425.0 million, thereby reducing availability to \$245.8 million.

Cash Flows Summary

For the year ended December 31, 2002, cash flows provided by operating activities were \$105.1 million, as compared to \$26.1 million for the year ended December 31, 2001. The increase is primarily due to an increase in cash flow generated from our rental and management segment, coupled with a decrease in our overall investment in working capital.

For the year ended December 31, 2002, cash flows used for investing activities were \$115.3 million, as compared to \$1.4 billion for the year ended December 31, 2001. The decrease is primarily due to a decrease in cash expended for acquisitions, property and equipment and construction activities, coupled with an increase in proceeds received from the sale of non-core businesses and assets.

For the year ended December 31, 2002, cash flows provided by financing activities were \$101.4 million, as compared to \$1.4 billion for the year ended December 31, 2001. The decrease is primarily related to a reduction in proceeds from the issuance of debt and equity securities.

Certain Contractual Commitments

Below is a summary of certain provisions of our credit facilities, discount notes, senior notes, convertible notes and certain other contractual obligations. It is qualified in its entirety by the terms of the actual agreements which have been filed as exhibits to this Annual Report on Form 10-K. For information about the restrictive covenants in our debt instruments, see “Factors Affecting Sources of Liquidity.” For more information about our obligations, commitments and contingencies, see our consolidated financial statements herein and the accompanying notes thereto and “Quantitative and Qualitative Disclosures About Market Risk” for principal payments and contractual maturity dates as of December 31, 2002.

Credit Facilities. Our credit facilities (prior to the February 2003 credit agreement amendment), provided us with a borrowing capacity of up to \$2.0 billion (after giving effect to the amendment — \$1.575 billion). Our principal operating subsidiaries (other than Verestar) are the borrowers under our credit facilities. Borrowings under the credit facilities are subject to compliance with certain financial ratios as described below. Our credit facilities currently include:

- a \$650.0 million (as amended — \$425.0 million) revolving credit facility, of which \$160.0 million was drawn and against which \$19.2 million of undrawn letters of credit were outstanding on December 31, 2002, maturing on June 30, 2007;
- an \$850.0 million (as amended — \$725.0 million) multi-draw term loan A, which was fully drawn on December 31, 2002, maturing on June 30, 2007; and
- a \$500.0 million (as amended — \$425.0 million) term loan B, which was fully drawn on December 31, 2002, maturing on December 31, 2007.

We are required under our credit facilities to make scheduled amortization payments in increasing amounts designed to repay the loans at maturity. During 2003, we will be required to repay approximately \$13.6 million of the amended term loans each quarter.

We and our restricted subsidiaries, as well as Verestar and its subsidiaries, have guaranteed all of the loans under our credit facilities. We have secured the loans by liens on substantially all assets of the borrowers and the restricted subsidiaries, as well as Verestar and its subsidiaries, and substantially all outstanding capital stock and other debt and equity interests of all of our direct and indirect subsidiaries.

The amended credit facilities permit us to use up to \$217.0 million to repurchase the 2.25% convertible notes. We may use any escrowed funds not used to purchase 2.25% convertible notes to purchase, prior to June 30, 2004, our other convertible notes and our senior notes. We are required to use any escrowed funds remaining at June 30, 2004 to reduce our term loans under the credit facilities.

Discount Notes and Warrants. In January 2003, American Towers, Inc. (ATI), our principal operating subsidiary, issued 12.25% senior subordinated discount notes due 2008 with a principal amount at maturity of \$808.0 million. The discount notes will mature on August 1, 2008. No cash interest is payable on the discount notes. Instead, the accreted value of each discount note increases between the date of original issuance and the maturity date at a rate of 12.25% per annum.

The discount notes rank junior in right of payment to all existing and future senior indebtedness of ATI, the sister guarantors and their domestic subsidiaries and structurally senior in right of payment to all of our existing and future indebtedness. The discount notes are jointly and severally guaranteed on a senior subordinated basis by us and all of our wholly owned domestic subsidiaries, other than Verestar and its subsidiaries.

As part of the discount notes offering, we issued warrants to purchase an aggregate of 11.4 million shares of our Class A common stock at a price of \$0.01 per share. The warrants and the discount notes were originally issued together as 808,000 units, each unit consisting of (1) one discount note having a principal value of \$1,000

[Table of Contents](#)

at maturity, and (2) one warrant to purchase 14.0953 shares of our Class A common stock at \$0.01 per share. The warrants are exercisable at any time on or after January 29, 2006 and will expire on August 1, 2008. At the time of issuance, the warrants represented approximately 5.5% of our outstanding common stock (assuming exercise of all warrants). The holders of the discount notes and the warrants have registration rights requiring us to file registration statements with respect to the discount notes and warrants and subjecting us to penalties if such registration statements are not timely filed and declared effective by the Securities and Exchange Commission.

9³/₈% Senior Notes. As of December 31, 2002, we had outstanding an aggregate principal amount of \$1.0 billion of 9³/₈% senior notes. The senior notes mature on February 1, 2009. Interest on the senior notes is payable semiannually on February 1 and August 1. The senior note indenture does not contain any sinking fund or mandatory redemption requirement for the senior notes prior to maturity.

October 1999 Convertible Notes. In October 1999, we issued 6.25% convertible notes due 2009 in an aggregate principal amount of \$300.0 million and 2.25% convertible notes due 2009 at an issue price of \$300.1 million, representing 70.52% of their principal amount at maturity of \$425.5 million. The difference between the issue price and the principal amount at maturity of the 2.25% convertible notes will be accreted each year at the rate of 6.25% per annum as interest expense in our consolidated financial statements. The 6.25% convertible notes are convertible into shares of our Class A common stock at a conversion price of \$24.40 per share. The 2.25% convertible notes are convertible into shares of Class A common stock at a conversion price of \$24.00 per share.

The indentures under which the convertible notes were issued do not contain any sinking fund or mandatory redemption requirement for the convertible notes prior to maturity. However, holders may require us to repurchase all or any of their 6.25% convertible notes on October 22, 2006 at their principal amount, together with accrued and unpaid interest. Holders may require us to repurchase all or any of their 2.25% convertible notes on October 22, 2003 at \$802.93, which is its issue price plus accreted original issue discount, together with accrued and unpaid interest. Based on the principal amount of the 2.25% notes outstanding as of December 31, 2002, we may be required to repurchase up to \$216.7 million (accreted through October 22, 2003) principal amount of our 2.25% convertible notes on October 22, 2003, if all the holders exercise this put right.

We may, subject to certain conditions in the applicable indenture, elect to pay the repurchase price of each series of convertible notes in cash or shares of our Class A common stock, or any combination thereof.

The amended credit facilities permit us to use up to \$217.0 million of escrowed cash to purchase the 2.25% convertible notes, whether pursuant to the holders' put rights on October 22, 2003, in privately negotiated transactions, or otherwise. Notwithstanding this right, we will continue to evaluate financing opportunities with respect to our convertible notes generally and, in particular, with respect to the put right of the 2.25% convertible notes. Since we issued the convertible notes, we have successfully reduced the principal amount outstanding of these convertible notes by entering into, from time to time, a limited number of privately negotiated agreements with noteholders to induce them to convert their convertible notes into shares of our Class A common stock. As a result of such conversions, we acquired \$155.6 million principal amount (face) of the 2.25% convertible notes and \$87.3 million of the 6.25% convertible notes during 2000 and 2001. We may seek, from time to time, to reduce further our indebtedness through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. If the put option of the holders of the 2.25% convertible notes is satisfied by other means or if it is not exercised in full by the holders, we may use any remaining escrowed funds to pay, prior to June 30, 2004, any of our other convertible notes or our senior notes.

As of December 31, 2002, the total amounts outstanding under the 2.25% and 6.25% convertible notes were \$210.9 million and \$212.7 million, respectively.

Table of Contents

February 2000 Convertible Notes. In February 2000, we issued 5.0% convertible notes due 2010 in an aggregate principal amount of \$450.0 million. The 5.0% convertible notes are convertible into shares of our Class A common stock at a conversion price of \$51.50 per share. The indenture under which the 5.0% convertible notes are outstanding does not contain any sinking fund or mandatory redemption requirement for the convertible notes prior to maturity. However, holders may require us to repurchase all or any of the 5.0% convertible notes on February 20, 2007 at their principal amount, together with accrued and unpaid interest. We may, subject to certain conditions in the indenture, elect to pay the repurchase price in cash or shares of Class A common stock or any combination thereof.

The total amount outstanding under the 5.0% convertible notes as of December 31, 2002 was \$450.0 million.

Other Long-Term Debt. As of December 31, 2002, we had approximately \$81.0 million of other long-term debt, including \$47.2 million of capital lease obligations and \$33.8 million of mortgage indebtedness and other notes payable.

Tower Construction and Acquisition. As of December 31, 2002, we were party to various arrangements relating to the construction of tower sites under existing build-to-suit agreements. In addition, as of December 31, 2002, we were committed to acquire approximately 400 communication sites for an aggregate purchase price of approximately \$74.0 million, of which \$24.0 million had been funded as of March 4, 2003.

ATC Separation. In connection with the ATC Separation, we agreed to reimburse CBS for any tax liabilities incurred by American Radio as a result of the transaction. Upon completion of the final American Radio tax returns, the amount of these tax liabilities was determined and paid by us. We continue to be obligated under a tax indemnification agreement with CBS, however, until June 30, 2003, subject to the extension of federal and applicable state statutes of limitations.

We are currently aware that the Internal Revenue Service (IRS) is in the process of auditing certain tax returns filed by CBS and its predecessors, including those that relate to American Radio and the ATC Separation transaction. In the event that the IRS imposes additional tax liabilities on American Radio relating to the ATC Separation, we would be obligated to reimburse CBS for such liabilities. We cannot currently anticipate or estimate the potential additional tax liabilities, if any, that may be imposed by the IRS, however, such amounts could be material to our consolidated financial position and results of operations. We are not aware of any material obligations relating to this tax indemnity as of December 31, 2002. Accordingly, no amounts have been provided for in the consolidated financial statements relating to this indemnification.

Liquidity Table For Contractual Obligations. The following table sets forth information with respect to our long-term obligations payable in cash (related to continuing operations) as of December 31, 2002 (in thousands):

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 years
Long-term debt obligations *	\$ 3,417,459	\$ 267,636	\$ 436,700	\$ 1,713,123	\$ 1,000,000
Capital lease obligations	47,220	2,506	3,108	183	41,423
Operating lease obligations	759,802	81,487	133,966	98,373	445,976
Purchase obligations for acquisitions	73,851	73,851			
Total	\$ 4,928,332	\$ 425,480	\$ 573,774	\$ 1,811,679	\$ 1,487,399

* The holders of our convertible notes have the right to require us to repurchase their notes on specified dates prior to their maturity dates in 2009 and 2010, but we may pay the purchase price by issuing shares of our Class A common stock, subject to certain conditions discussed elsewhere in this annual report. The obligation with respect to the right of the holders to put the 2.25% convertible notes on October 22, 2003 of approximately \$210.9 million as of December 31, 2002 has been classified as an obligation due in "Less than 1 year". The obligations with respect to the right of the holders to put the 6.25% convertible notes (\$212.7 million) and 5% notes (\$450.0 million) on October 22, 2006 and February 20, 2007, respectively, have been classified as an obligation due in "3-5 years" as of December 31, 2002.

The above table does not include approximately \$116.9 million of aggregate principal payments for Verestar capital leases that are included in liabilities held for sale as of December 31, 2002 and financial guarantees of up to \$12.0 million that we may be obligated to pay in connection with certain Verestar contractual obligations. Such amounts have been excluded from the table as we expect to sell the remaining portion of Verestar by December 31, 2003. The above table also excludes certain commitments relating to the construction of tower sites under existing build to suit agreements as of December 31, 2002, as we cannot currently estimate the timing and amounts of such payments.

Factors Affecting Sources of Liquidity

Internally Generated Funds. The key factors affecting our internally generated funds are the demand for antennae space on wireless communications towers and for related services, our ability to maximize the utilization of our existing towers and our ability to minimize costs and fully achieve our operating efficiencies.

Credit Facilities. Our credit facilities, as amended in February 2003, contain certain financial ratios and operational covenants and other restrictions (including limitations on additional debt, guarantees, dividends and other distributions, investments and liens) with which our borrower subsidiaries and restricted subsidiaries must comply. Any failure to comply with these covenants would not only prevent us from being able to borrow additional funds under our revolving line of credit, but would also constitute a default. These covenants also restrict our ability, as the parent, to incur any debt other than that presently outstanding and refinancings of that debt. Our credit facilities, as amended, contain five financial tests:

- a leverage ratio (Total Debt to Annualized Operating Cash Flow). As of December 31, 2002, we were required to maintain a ratio of not greater than 6.00 to 1.00, increasing to 6.25 to 1.00 at January 1, 2003, decreasing to 6.00 to 1.00 at July 1, 2003, to 5.75 to 1.00 at October 1, 2003, to 5.50 to 1.00 at January 1, 2004, to 5.25 to 1.00 at April 1, 2004, to 5.00 to 1.00 at July 1, 2004, to 4.75 to 1.00 at October 1, 2004, to 4.50 to 1.00 at January 1, 2005, to 4.25 to 1.00 at April 1, 2005 and to 4.00 to 1.00 at July 1, 2005 and thereafter;
- a senior leverage ratio (Senior Debt to Annualized Operating Cash Flow). As of January 1, 2003, we were required to maintain a ratio of not greater than 4.90 to 1.00, decreasing to 4.75 to 1.00 at April 1, 2003, to 4.50 to 1.00 at July 1, 2003, to 4.25 to 1.00 at October 1, 2003, to 4.00 to 1.00 at January 1, 2004, to 3.75 to 1.00 at April 1, 2004, to 3.50 to 1.00 at July 1, 2004, to 3.25 to 1.00 at October 1, 2004 and to 3.00 to 1.00 at January 1, 2005 and thereafter;
- a pro forma debt service test (Annualized Operating Cash Flow to Pro Forma Debt Service). As of December 31, 2002, we were required to maintain a ratio of not less than 1.00 to 1.00;
- an interest coverage test (Annualized Operating Cash Flow to Interest Expense). As of December 31, 2002, we were required to maintain a ratio of not less than 2.00 to 1.00, increasing by 0.50 on each of January 1, 2003 and January 1, 2004; and
- a fixed charge coverage test (Annualized Operating Cash Flow to Fixed Charges). As of December 31, 2003, we will be required to maintain a ratio of not less than 1.0 to 1.0.

The amended credit facilities also limit our revolving loan drawdowns based on our cash on hand.

Because the credit facilities are with certain of our subsidiaries, including ATI, our senior notes and convertible notes are not included in the computations of any of the tests, except in the case of the pro forma debt service and fixed charge coverage tests in which case interest includes the amount of funds that we need our subsidiaries to distribute to us so we can pay interest on our senior notes and our convertible notes. Annualized Operating Cash Flow is based, among other things, on four times the Operating Cash Flow for the most recent quarter of our tower rental and management business and trailing 12 months for our other businesses and for corporate general and administrative expenses. In the case of the leverage ratio, we may include the Operating Cash Flow from Brazil and Mexico only to the extent of 10% of Annualized Operating Cash Flow and we receive credit for only 75% of Annualized Operating Cash Flow from our services businesses.

We were in compliance with the borrowing ratio covenants in effect as of December 31, 2002, and as amended by the February 2003 amendment.

9³/8% Senior Note Indenture. The senior note indenture contains certain restrictive covenants with which we and our restricted subsidiaries (which includes all of our subsidiaries other than Verestar and its subsidiaries) must comply. These include restrictions on our ability to incur additional debt, guarantee debt, pay dividends and make other distributions, make certain investments and, as in the credit facilities, use the proceeds from asset sales. Any failure to comply with these covenants would not only prevent us from being able to borrow additional funds, but would also constitute a default. Specifically, the senior note indenture restricts us from incurring additional debt or issuing certain types of preferred stock unless our consolidated debt (which excludes debt of Verestar and its subsidiaries but includes the liquidation value of certain preferred stock) is not greater than 7.5 times our Adjusted Consolidated Cash Flow. However, we are permitted, even if we are not in compliance with the ratio, to incur debt under our credit facilities, or renewals, refundings, replacements or refinancings of them, up to \$2.65 billion. Even if not in compliance with the ratio, we are also permitted to, among other things, have certain types of capital leases and to refund or refinance our convertible notes, subject to certain requirements. Adjusted Consolidated Cash Flow is substantially similar to the definition of Annualized Operating Cash Flow, as defined in the credit facilities, except it applies to us and our subsidiaries (other than Verestar and its subsidiaries).

12.25% Discount Notes. The discount note indenture contains certain restrictive covenants with which ATI, the sister guarantors and its and their subsidiaries must comply. These include restrictions on the ability to incur additional debt, guarantee debt, pay dividends and make other distributions, make certain investments and, as in the credit facilities, use the proceeds from asset sales. Any failure to comply with these covenants would not only prevent us from being able to borrow additional funds, but would also constitute a default. Specifically, the discount note indenture restricts ATI, each of the sister guarantors and its and their restricted subsidiaries from incurring additional debt or issuing certain types of preferred stock. However, ATI, the sister guarantors and its and their subsidiaries are permitted to incur debt under our credit facilities, or renewals, refundings, replacements or refinancings of them, up to \$1.6 billion. They are also permitted, among other things, to have certain types of capital leases and to refund or refinance existing indebtedness, subject to certain requirements.

Convertible Notes. The indentures under which our convertible notes are outstanding do not contain any restrictions on, among other things, the payment of dividends or the making of other distributions, the incurrence of debt, or liens or the repurchase of our equity securities, or any financial covenants.

Capital Markets. Our ability to raise additional funds in the capital markets depends on, among other things, general economic conditions, the condition of the wireless industry, our financial performance and the state of the capital markets.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants disclose their most “critical accounting policies” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The SEC indicated that a “critical accounting policy” is one which is both important to the portrayal of the company’s financial condition and results and requires management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Further, “critical accounting policies” are those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions.

We believe that our accounting policies described below fit the definition of “critical accounting policies.” We reviewed our policies for the year ended December 31, 2002 and determined that they remain our most critical accounting policies. With the exception of the asset impairment charges and the adoption of SFAS No. 142, we did not make any changes to those policies during the year ended December 31, 2002.

- *Income Taxes.* We record a valuation allowance to reduce our net deferred tax asset to the amount that management believes is more likely than not to be realized. At December 31, 2002, we provided a valuation allowance of approximately \$118.6 million primarily related to our state operating loss carryforwards and capital loss carryforwards. In addition, we also recorded a valuation allowance in 2002 related to implementing a tax planning strategy to accelerate the utilization of certain federal net operating losses (the valuation allowance represents the estimated lost tax benefit and costs associated with implementing this strategy). We have not provided a valuation allowance for the remaining deferred tax assets, primarily our federal net operating loss carryforwards as management believes that we will have sufficient time to realize these assets during the carryforward period.

We intend to recover a portion of our net deferred tax asset from our tax planning strategy to accelerate the utilization of certain federal net operating losses. The recoverability of our remaining net deferred tax asset has been assessed utilizing stable state (no growth) projections based on our current operations. The projections show a significant decrease in depreciation and interest expense in the later years of the carryforward period as a result of a significant portion of our assets being fully depreciated during the first fifteen years of the carryforward period and debt repayments reducing interest expense. Accordingly, the recoverability of our net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on our current outlook of future taxable income during the carryforward period, management believes that our net deferred tax asset will be realized. The realization of our deferred tax assets will be dependent upon our ability to generate approximately \$800.0 million in taxable income from January 1, 2003 to December 31, 2022. If we are unable to generate sufficient taxable income in the future, or accelerate the utilization of our losses as contemplated in our tax planning strategy, we will be required to reduce our net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders equity.

- *Impairment of Assets.*

Assets subject to amortization and non-core assets held for sale: We review long-lived assets, including intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We assess recoverability by determining whether the net book value of the related assets will be recovered through projected undiscounted cash flows. If we determine that the carrying value of an asset may not be recoverable, we will measure any impairment based on the projected future discounted cash flows to be provided from the asset or available market information relative to the asset's fair market value as compared to its carrying value. We record any related impairment losses in the period in which we identify such impairment. We also review the carrying value of assets held for sale for impairment based management's best estimate of the anticipated net proceeds expected to be received upon final disposition. We record any impairment charges or estimated losses on disposal in the period in which we identify such impairment or loss.

Goodwill—Assets not subject to amortization: As of January 1, 2002, we adopted the provisions of SFAS No. 142 "Goodwill and Other Intangible Assets," which requires that goodwill and intangible assets with indefinite lives no longer be amortized, but reviewed for impairment at least annually. SFAS No. 142 also requires that we assess whether goodwill is impaired by performing a transitional impairment test. The impairment test is comprised of two steps. The initial step is designed to identify potential goodwill impairment by comparing an estimate of fair value of the applicable reporting unit to its carrying value, including goodwill. If the carrying value exceeds fair value, a second step is performed, which compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill to measure the amount of goodwill impairment, if any. Fair value estimates were determined based on independent third party appraisals for the rental and management segment and former SFNA segment and future discounted cash flows and market information in the services segment.

We completed our transitional impairment testing in the second quarter of 2002 and concluded that all of the goodwill related to our former SFNA segment was impaired and that the majority of the goodwill in the services segment was impaired. As a result, we recognized a \$562.6 million non-cash charge (net of a tax benefit of \$14.4 million) related to the write-down of goodwill to its fair value. In accordance with the provisions of SFAS No. 142, the charge is reflected as of January 1, 2002 and included in the results of operations for the year ended December 31, 2002 as the cumulative effect of a change in accounting principle.

We also completed our annual impairment testing in December 2002 related to the goodwill of the tower rental and management reporting unit that contains goodwill and Kline (the only services business with remaining goodwill) and determined that goodwill was not impaired. We obtained an independent third party appraisal of the tower and rental management reporting unit that contains goodwill and utilized market information to value Kline.

We will perform our annual goodwill impairment test in December of each year and when events or circumstances indicate that the asset might be impaired.

- *Investment Impairment Charges.* Investments in those entities where we own less than twenty percent of the voting stock of the individual entity and do not exercise significant influence over operating and financial policies of the entity are accounted for using the cost method. Investments in entities where we own less than twenty percent but have the ability to exercise significant influence over operating and financial policies of the entity or where we own more than twenty percent of the voting stock of the individual entity, but not in excess of fifty percent, are accounted for using the equity method. Our investments are in companies that are not publicly traded, and, therefore, no established market for these securities exists. We have a policy in place to review the fair value of our investments on a regular basis to evaluate the carrying value of the investments in these companies. If we believe that the carrying value of an investment is carried at an amount in excess of fair value, it is our policy to record an impairment charge to adjust the carrying value to the market value.
- *Revenue Recognition.* A portion of our network development services revenue is derived under contracts or arrangements with customers that provide for billings on a fixed price basis. Revenues under these contracts are recognized using the percentage-of-completion methodology. Under the percentage-of-completion methodology, revenues are recognized in accordance with the percentage of contract costs incurred to date compared to the estimated total contract costs. Due to uncertainties and estimates inherent within percentage-of-completion accounting it is possible that estimates will be revised as project work progresses. Changes to total estimated contract costs or losses, if any, are recognized in the period in which they are determined.

The above listing is not intended to be a comprehensive list of all of our accounting policies. See our audited consolidated financial statements and notes thereto which begin on page F-1 of this annual report where our significant accounting policies are discussed.

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement establishes accounting standards for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets and the related asset retirement costs. The requirements of SFAS No. 143 are effective for us as of January 1, 2003. We will adopt this statement in the first quarter of 2003 and do not expect the impact of adopting this statement to have a material impact on our consolidated financial position or results of operations.

[Table of Contents](#)

In April 2002, the FASB issued SFAS No. 145 “Rescission of FASB Statement Nos. 4, 44, and 64, Amendment of FASB Statement No. 13 and Technical Corrections.” Upon the adoption of SFAS No. 145, gains and losses from extinguishment of debt will no longer be classified as an extraordinary item, but rather will generally be classified as part of other income (expense) on our consolidated statement of operations. Any such gains or losses classified as extraordinary items in prior periods will be reclassified in future financial statement presentations upon the adoption of SFAS No. 145. We will adopt the provisions of SFAS No. 145 for all reporting periods subsequent to January 1, 2003.

In July 2002, the FASB issued SFAS No. 146 “Accounting For Costs Associated with Exit or Disposal Activities.” The statement requires costs associated with exit or disposal activities to be recognized when they are incurred rather than at the date of the commitment to an exit or disposal plan. The requirements of SFAS No. 146 are effective for exit or disposal activities initiated after January 1, 2003. We will apply the provisions of this statement to all restructuring activity initiated after January 1, 2003.

In December 2002, the FASB issued SFAS No. 148, “Accounting for Stock-Based Compensation- Transition and Disclosure—an amendment of SFAS No. 123,” which provides optional transition guidance for those companies electing to voluntarily adopt the accounting provisions of SFAS No. 123. In addition, the statement mandates certain new disclosures that are incremental to those required by SFAS No. 123. We will continue to account for stock-based compensation in accordance with APB No. 25. As such, we do not expect this standard to have a material impact on our consolidated financial position or results of operations. We have adopted the disclosure-only provisions of SFAS No. 148 as of December 31, 2002. (See note 1 to our consolidated financial statements).

In January 2003, the FASB issued Interpretation No. 46, “Consolidation for Variable Interest Entities, an Interpretation of ARB No. 51” which requires all variable interest entities (VIEs) to be consolidated by the primary beneficiary. The primary beneficiary is the entity that holds the majority of the beneficial interest in the VIE. In addition, the interpretation expands the disclosure requirements for both variable interest entities that are consolidated as well as VIEs from which the entity is the holder of a significant amount of beneficial interests, but not the majority. FIN 46 is effective for all VIE’s created or acquired after January 31, 2003. For VIE’s created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. The adoption of this interpretation is not expected to be material to our consolidated financial position or results of operations.

Information Presented Pursuant to the Indenture of Our 9 3/8% Senior Notes

The following table sets forth information that is presented solely to address certain reporting requirements contained in the indenture for our senior notes. This information presents certain of our financial data on a consolidated basis and on a restricted group basis, as defined in the indenture governing the senior notes. All of our subsidiaries are part of the restricted group, except our wholly owned subsidiary Verestar. In December 2002, we committed to a plan to dispose of Verestar by sale within the next twelve months. Pursuant to that plan, the results of the operations related to Verestar are included in loss from discontinued operations, net of tax in our consolidated statements of operations and the assets and liabilities of Verestar are included in assets held for sale and liabilities held for sale, respectively, within the consolidated balance sheet as of December 31, 2002.

[Table of Contents](#)

	Consolidated		Restricted Group	
	Year Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
(In thousands)				
Statement of Operations Data:				
Operating revenues	\$ 788,420	\$ 785,150	\$ 788,420	\$ 785,150
Operating expenses:				
Rental and management	228,519	211,811	228,519	211,811
Network development services	217,690	312,926	217,690	312,926
Depreciation and amortization	316,876	346,020	316,876	346,020
Corporate general and administrative expense	24,349	26,478	24,349	26,478
Restructuring expense	10,638	5,236	10,638	5,236
Development expense	5,896	7,895	5,896	7,895
Impairments and net loss on sale of long-lived assets	90,734	74,260	90,734	74,260
Total operating expenses	894,702	984,626	894,702	984,626
Operating loss from continuing operations	(106,282)	(199,476)	(106,282)	(199,476)
Interest income, TV Azteca, net	13,938	14,377	13,938	14,377
Interest income	3,514	28,622	3,514	28,622
Interest expense	(255,645)	(267,825)	(255,645)	(267,825)
Loss on investments and other expense	(25,579)	(38,797)	(25,579)	(38,797)
Loss on term loan cancellation	(7,231)		(7,231)	
Note conversion expense		(26,336)		(26,336)
Minority interest in net earnings of subsidiaries	(2,118)	(318)	(2,118)	(318)
Loss from continuing operations before income taxes	(379,403)	(489,753)	(379,403)	(489,753)
Income tax benefit	64,634	99,875	64,634	99,875
Loss from continuing operations before extraordinary losses and cumulative effect of change in accounting principle	(314,769)	(389,878)	(314,769)	(389,878)
Loss from discontinued operations, net of tax	(263,427)	(60,216)	(21,852)	(9,251)
Loss before extraordinary losses and cumulative effect of change in accounting principle	\$ (578,196)	\$ (450,094)	\$ (336,621)	\$ (399,129)

	December 31, 2002	
	Consolidated	Restricted Group
(In thousands)		
Balance Sheet Data:		
Cash and cash equivalents	\$ 127,292	\$ 127,292
Assets held for sale	234,724	39,026
Property and equipment, net	2,734,885	2,734,885
Total assets	5,662,203	5,466,505
Long-term obligations, including current portion	3,464,679	3,464,679
Liabilities held for sale	165,006	2,525
Total stockholders' equity	1,740,323	1,740,323

[Table of Contents](#)
Information Presented Pursuant to the Indentures of Our 9 3/8% Senior Notes and Our 12.25% Senior Subordinated Discount Notes

The following table sets forth information that is presented solely to address certain tower cash flow reporting requirements contained in the indentures for our senior and discount notes. The information contained in note 20 to our consolidated financial statements is also presented to address certain reporting requirements contained in the indenture for our discount notes.

Tower Cash Flow, Adjusted Consolidated Cash Flow and Non-Tower Cash Flow for the Company and its restricted subsidiaries, as defined in our senior note and discount note indentures are as follows (in thousands):

	Senior Notes	Discount Notes
Tower Cash Flow, for the three months ended December 31, 2002	\$ 95,933	\$ 93,825
Consolidated Cash Flow, for the twelve months ended December 31, 2002	\$ 324,676	\$ 316,007
Less: Tower Cash Flow, for the twelve months ended December 31, 2002	(334,342)	(325,708)
Plus: four times Tower Cash Flow, for the three months ended December 31, 2002	383,732	375,300
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 2002	\$ 374,066	\$ 365,599
Non-Tower Cash Flow, for the twelve months ended December 31, 2002	\$ (10,591)	\$ (14,228)

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on long-term debt obligations. We attempt to reduce these risks by utilizing derivative financial instruments, namely interest rate caps, swaps, and collars pursuant to our policies. All derivative financial instruments are for purposes other than trading. For the year ended December 31, 2002, we increased our borrowings under our credit facilities by \$65.0 million. We also terminated two swaps with aggregate notional amounts totaling \$150.0 million and caps with total notional amounts of \$365.0 million expired. In addition, swaps with total notional amounts of \$30.0 million and a collar with a total notional amount of \$95.0 million expired. Lastly, we entered into four cap agreements with total notional amounts of \$500.0 million.

The following tables provide information as of December 31, 2002 and 2001 about our market risk exposure associated with changing interest rates. For long-term debt obligations, the tables present principal cash flows by maturity date and average interest rates related to outstanding obligations. For interest rate caps, swaps and collars, the tables present notional principal amounts and weighted-average interest rates by contractual maturity dates.

As of December 31, 2002
Principal Payments and Interest Rate Detail by Contractual Maturity Dates (In thousands)

Long-Term Debt	2003	2004	2005	2006	2007	Thereafter	Total	Fair Value
Fixed Rate Debt(a)	\$ 214,142	\$ 3,086	\$ 1,722	\$ 244,294	\$ 450,012	\$ 1,041,423	\$ 1,954,679	\$ 1,484,055
Average Interest Rate(a)	7.81%	7.81%	7.81%	8.04%	9.35%	9.35%		
Variable Rate Debt(a)	\$ 56,000	\$ 192,000	\$ 243,000	\$ 321,500	\$ 697,500		\$ 1,510,000	\$ 1,510,000
Average Interest Rate(a)								

**Aggregate Notional Amounts Associated with Interest Rate Caps, Swaps and Collars in Place
As of December 31, 2002 and Interest Rate Detail by Contractual Maturity Dates (In thousands)**

Interest Rate CAPS	2003	2004	2005	2006	2007	Thereafter	Total	Fair Value
Notional Amount	\$ 500,000	\$ 500,000(c)						\$ 150
Cap Rate	5.00%	5.00%						
Interest Rate SWAPS								
Notional Amount	\$ 400,000(d)							\$ (10,383)
Weighted-Average Fixed Rate Payable(b)	5.59%							
Interest Rate COLLARS								
Notional Amount	\$ 232,500(e)							\$ (5,307)
Weighted-Average Below Floor Rate Payable, Above Cap Rate Receivable(b)	5.96%, 8.18%							

**As of December 31, 2001
Principal Payments and Interest Rate Detail by Contractual Maturity Dates (In thousands)**

Long-Term Debt	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value
Fixed Rate Debt(a)	\$ 12,585	\$ 12,133	\$ 12,775	\$ 64,860	\$ 26,352	\$ 1,988,255	\$ 2,116,960	\$ 1,654,718
Average Interest Rate(a)	7.83%	7.82%	7.81%	7.78%	7.78%	7.78%		
Variable Rate Debt(a)		\$ 151,000	\$ 192,000	\$ 243,000	\$ 255,750	\$ 603,250	\$ 1,445,000	\$ 1,445,000
Average Interest Rate(a)								

**Aggregate Notional Amounts Associated with Interest Rate Caps, Swaps and Collars in Place
As of December 31, 2001 and Interest Rate Detail by Contractual Maturity Dates (In thousands)**

Interest Rate CAPS	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value
Notional Amount	\$ 364,980(f)							
Cap Rate	9.00%							
Interest Rate SWAPS								
Notional Amount	\$ 580,000(g)	\$ 550,000(h)						\$ (21,601)
Weighted-Average Fixed Rate Payable(b)	5.86%	5.80%						
Interest Rate COLLARS								
Notional Amount	\$ 327,500(i)	\$ 232,500(e)						\$ (13,579)
Weighted-Average Below Floor Rate Payable, Above Cap Rate Receivable(b)	5.96%, 8.27%	5.96%, 8.18%						

- (a) As of December 31, 2002 variable rate debt consists of our credit facilities (\$1.51 billion) and fixed rate debt consists of the 2.25% convertible notes (\$210.9 million), the 6.25% convertible notes (\$212.7 million), the 5.0% convertible notes (\$450.0 million), the 9 ³/₈% senior notes (\$1.0 billion) and other debt of \$81.0 million. Interest on the credit facilities is payable in accordance with the applicable London Interbank Offering Rate (LIBOR) agreement or quarterly and accrues at our option either at LIBOR plus margin (as defined) or the Base Rate plus margin (as defined). The average interest rate in effect at December 31, 2002 for the credit facilities was 4.48%. For the year ended December 31, 2002, the weighted average interest rate under the credit facilities was 4.41%. The 2.25% and 6.25% convertible notes each bear interest (after giving effect to the accretion of the original discount on the 2.25% convertible notes) at 6.25% per annum, which is payable semiannually on April 15 and October 15 of each year. The 5.0% convertible notes bear

interest at 5.0% per annum, which is payable semiannually on February 15 and August 15 of each year. The 9³/₈% senior notes bear interest at 9³/₈% per annum, which is payable semiannually on February 1 and August 1 of each year beginning August 1, 2001. Other debt consists of notes payable, capital leases and other obligations bearing interest at rates ranging from 7.09% to 12.00%, payable monthly.

As of December 31, 2001 variable rate debt consists of our credit facilities (\$1.45 billion) and fixed rate debt consists of the 2.25% convertible notes (\$204.2 million) and 6.25% convertible notes (\$212.7 million), the 5.0% convertible notes (\$450.0 million), the 9³/₈% senior notes (\$1.0 billion) and other debt of \$250.1 million. The average interest rate in effect at December 31, 2001 for the credit facilities was 4.76%. For the year ended December 31, 2001, the weighted average interest rate under the credit facilities was 7.26%. The 2.25% and 6.25% convertible notes each bear interest (after giving effect to the accretion of the original discount on the 2.25% convertible notes) at 6.25% per annum, which is payable semiannually on April 15 and October 15 of each year. The 5.0% convertible notes bear interest at 5.0% per annum, which is payable semiannually on February 15 and August 15 of each year. The 9³/₈% senior notes bear interest at 9³/₈% per annum, which is payable semiannually on February 1 and August 1 of each year beginning August 1, 2001. Other debt consists of notes payable, capital leases and other obligations bearing interest at rates ranging from 7.09% to 12.00%, payable monthly.

- (b) Represents the weighted-average fixed rate or range of interest based on contract notional amount as a percentage of total notional amounts in a given year.
- (c) Includes notional amounts of \$125,000, \$250,000 and \$125,000 that will expire in May, June and July 2004, respectively.
- (d) Includes notional amounts of \$215,000 and \$185,000 that will expire in February and November 2003, respectively.
- (e) Includes notional amounts of \$185,000 and \$47,500 that will expire in May and June 2003, respectively.
- (f) Includes notional amount of \$364,980 that expired in February 2002.
- (g) Includes notional amount of \$30,000 that expired in March 2002.
- (h) Includes notional amounts of \$75,000, \$290,000 and \$185,000 that will expire in January, February and November 2003, respectively.
- (i) Includes notional amount of \$95,000 that expired in July 2002.

We maintain a portion of our cash and cash equivalents in short-term financial instruments that are subject to interest rate risks. Due to the relatively short duration of such instruments, we believe fluctuations in interest rates with respect to those investments will not materially affect our financial condition or results of operations.

Our foreign operations, which primarily include Mexico, have not been significant to date. The remeasurement loss (gain) for the years ended December 31, 2002, 2001 and 2000 approximated \$3,713,000, \$(207,000) and 11,000, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 15(a).

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers and their respective ages and positions as of March 17, 2003 are set forth below:

Steven B. Dodge	57	Chairman of the Board and Chief Executive Officer
James D. Taiclet, Jr.	42	President and Chief Operating Officer
J. Michael Gearon, Jr.	38	Vice Chairman, Director and President of American Tower International
Bradley E. Singer	36	Chief Financial Officer and Treasurer
Steven J. Moskowitz	39	Executive Vice President, Tower Division
William H. Hess	39	Executive Vice President and General Counsel
Justin D. Benincasa	40	Senior Vice President and Corporate Controller

Steven B. Dodge has served as Chairman of the Board and Chief Executive Officer since our separation from American Radio Systems in June 1998. He also served as President until September 2001. Mr. Dodge was the Chairman of the Board of Directors, President and Chief Executive Officer of American Radio from its founding in November 1993 until the ATC Separation. In 1988, Mr. Dodge founded Atlantic Radio, one of the predecessor entities of American Radio. Mr. Dodge currently serves as a director of Nextel Partners, Inc. and Sothebys Holdings, Inc.

James D. Taiclet, Jr. is our President and Chief Operating Officer. Prior to joining us in that capacity in September 2001, Mr. Taiclet had been President of Honeywell Aerospace Services, a part of Honeywell International, since March 1999. Mr. Taiclet was with United Technologies from March 1996 until March 1999, serving as Vice President, Pratt & Whitney Engine Services.

J. Michael Gearon, Jr. is our Vice Chairman and President of American Tower International, and has been a director since our acquisition of Gearon Communications in January 1998. From January 1998 until January 2002, Mr. Gearon served as an Executive Vice President. Prior to joining us, Mr. Gearon had been the founder and Chief Executive Officer of Gearon Communications since September 1991. Mr. Gearon currently serves as a director of TV Azteca, S.A. de C.V.

Bradley E. Singer is our Chief Financial Officer and Treasurer. Mr. Singer joined us in September 2000 as Executive Vice President, Strategy, and was appointed Vice President and General Manager of the Southeast Region in November 2000, positions he held until July 2001. He was appointed Executive Vice President, Finance in July 2001, and to his current position in December 2001. Prior to joining us, Mr. Singer was an investment banker focusing on the telecommunications industry with Goldman, Sachs & Co., which he joined in 1997.

Steven J. Moskowitz is our Executive Vice President, Tower Division. Mr. Moskowitz joined us in January 1998, initially as a Vice President and General Manager of our Northeast Region, and was appointed Executive Vice President, Marketing and Vice President and General Manager of our Northeast Region in March 1999. He was named to his current position in January 2002. Prior to joining us, Mr. Moskowitz had served as a Vice President of The Katz Media Group, the largest broadcast media representation firm in the United States, since 1989.

William H. Hess is our Executive Vice President and General Counsel. Mr. Hess joined us in 2001 as Chief Financial Officer of American Tower International, and was appointed Executive Vice President in May 2001. Mr. Hess was appointed to his current position in September 2002. Prior to joining us, Mr. Hess had been a partner with the law firm of King & Spalding, LLP, which he joined in 1990.

Justin D. Benincasa is our Senior Vice President and Corporate Controller. Mr. Benincasa was a Vice President and Corporate Controller of American Radio from its founding in 1993 until we separated from American Radio in 1998.

The information under “Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance” from the Definitive Proxy Statement is hereby incorporated by reference herein.

ITEM 11. EXECUTIVE COMPENSATION

The information under “Compensation and Other Information Concerning Directors and Officers” from the Definitive Proxy Statement is hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information under “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance Under Equity Compensation Plans” from the Definitive Proxy Statement is hereby incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information under “Certain Relationships and Related Transactions” from the Definitive Proxy Statement is hereby incorporated by reference herein.

ITEM 14. CONTROLS AND PROCEDURES

We have established disclosure controls and procedures to ensure that material information relating to us, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

Based on their evaluation as of a date within 90 days of the filing date of this Annual Report on Form 10-K, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934) are effective to ensure that the information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

There were no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their most recent evaluation.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

- (a) *Financial Statements and Schedules.* See Index to Consolidated Financial Statements, which appears on page F-1 hereof.
- (b) *Reports on Form 8-K.*
Form 8-K (Items 5 and 7) filed on October 10, 2002.
- (c) *Exhibits.* The exhibits listed on the Exhibit Index hereof are filed herewith in response to this Item.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 24th day of March 2003.

AMERICAN TOWER CORPORATION

By: /s/ STEVEN B. DODGE

Steven B. Dodge
Chief Executive Officer
and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ STEVEN B. DODGE</u> Steven B. Dodge	Chief Executive Officer and Chairman (Principal Executive Officer)	March 24, 2003
<u>/s/ BRADLEY E. SINGER</u> Bradley E. Singer	Chief Financial Officer and Treasurer (Principal Financial Officer)	March 24, 2003
<u>/s/ JUSTIN D. BENINCASA</u> Justin D. Benincasa	Senior Vice President and Corporate Controller (Principal Accounting Officer)	March 24, 2003
<u>/s/ ALAN L. BOX</u> Alan L. Box	Director	March 24, 2003
<u>/s/ ARNOLD L. CHAVKIN</u> Arnold L. Chavkin	Director	March 24, 2003
<u>/s/ RAYMOND P. DOLAN</u> Raymond P. Dolan	Director	March 24, 2003
<u>/s/ J. MICHAEL GEARON, JR.</u> J. Michael Gearon, Jr.	Director	March 24, 2003
<u>/s/ FRED R. LUMMIS</u> Fred R. Lummis	Director	March 24, 2003
<u>/s/ PAMELA D.A. REEVE</u> Pamela D. A. Reeve	Director	March 24, 2003
<u>/s/ MARY AGNES WILDEROTTER</u> Mary Agnes Wilderotter	Director	March 24, 2003

CERTIFICATIONS

I, Steven B. Dodge, certify that:

1. I have reviewed this annual report on Form 10-K of American Tower Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant, and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 24, 2003

/s/ STEVEN B. DODGE

Steven B. Dodge
Chief Executive Officer

CERTIFICATIONS

I, Bradley E. Singer, certify that:

1. I have reviewed this annual report on Form 10-K of American Tower Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant, and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 24, 2003

/s/ BRADLEY E. SINGER

Bradley E. Singer
Chief Financial Officer

AMERICAN TOWER CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	F-2
Consolidated Balance Sheets as of December 31, 2002 and 2001	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2002, 2001 and 2000	F-4
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2002, 2001 and 2000	F-5
Consolidated Statements of Cash Flows for the Years Ended December 31, 2002, 2001 and 2000	F-6
Notes to Consolidated Financial Statements	F-7

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
American Tower Corporation:

We have audited the accompanying consolidated balance sheets of American Tower Corporation and subsidiaries (the "Company") as of December 31, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2002. 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2002 and 2001, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

As discussed in notes 1 and 8 to the consolidated financial statements, in 2001 the Company adopted the provisions of Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Also, as discussed in notes 1 and 5 to the consolidated financial statements, in 2002 the Company adopted Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets."

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 24, 2003

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2002 and 2001
(In thousands, except share data)

	2002	2001
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 127,292	\$ 35,958
Restricted cash		94,071
Accounts receivable, net of allowance for doubtful accounts	83,177	182,612
Prepaid and other current assets	44,769	89,645
Inventories	9,092	49,332
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	24,088	46,453
Deferred income taxes	13,111	24,136
Assets held for sale	234,724	
Total current assets	536,253	522,207
PROPERTY AND EQUIPMENT, net	2,734,885	3,287,573
OTHER INTANGIBLE ASSETS, net	1,142,511	1,347,518
GOODWILL, net	602,993	1,160,393
DEFERRED INCOME TAXES	383,431	245,215
NOTES RECEIVABLE	109,414	114,454
DEPOSITS, INVESTMENTS AND OTHER LONG-TERM ASSETS	152,716	152,363
TOTAL	\$ 5,662,203	\$ 6,829,723
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 110,430	\$ 174,921
Accrued interest	63,611	59,492
Accrued tower construction costs	13,982	39,618
Current portion of other long-term obligations	59,243	12,585
Billings in excess of costs on uncompleted contracts and unearned revenue	47,123	56,098
Convertible notes, net—2.25%	210,899	
Liabilities held for sale	165,006	
Total current liabilities	670,294	342,714
LONG-TERM OBLIGATIONS	3,194,537	3,549,375
OTHER LONG-TERM LIABILITIES	41,482	54,501
Total liabilities	3,906,313	3,946,590
COMMITMENTS AND CONTINGENCIES (Note 9)		
MINORITY INTEREST IN SUBSIDIARIES	15,567	13,937
STOCKHOLDERS' EQUITY:		
Preferred Stock: \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock: \$.01 par value; 500,000,000 shares authorized; 185,643,625 and 185,162,631 shares issued, 185,499,028 and 185,018,034 shares outstanding, respectively	1,856	1,851
Class B Common Stock: \$.01 par value; 50,000,000 shares authorized; 7,917,070 and 8,001,769 shares issued and outstanding, respectively	79	80
Class C Common Stock: \$.01 par value; 10,000,000 shares authorized; and 2,267,813 shares issued and outstanding, respectively	23	23
Additional paid-in capital	3,642,019	3,639,510
Accumulated deficit	(1,887,030)	(745,151)
Accumulated other comprehensive loss	(5,564)	(16,057)
Note receivable	(6,720)	(6,720)
Treasury stock (144,597 shares at cost)	(4,340)	(4,340)
Total stockholders' equity	1,740,323	2,869,196
TOTAL	\$ 5,662,203	\$ 6,829,723

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31, 2002, 2001, and 2000
(In thousands, except per share data)

	2002	2001	2000
REVENUES:			
Rental and management	\$ 548,923	\$ 435,302	\$ 270,298
Network development services	239,497	349,848	239,616
	<u>788,420</u>	<u>785,150</u>	<u>509,914</u>
OPERATING EXPENSES:			
Rental and management	228,519	211,811	136,300
Network development services	217,690	312,926	210,313
Depreciation and amortization	316,876	346,020	241,211
Corporate general and administrative expense	24,349	26,478	14,958
Restructuring expense	10,638	5,236	
Development expense	5,896	7,895	14,433
Impairments and net loss on sale of long-lived assets	90,734	74,260	
	<u>894,702</u>	<u>984,626</u>	<u>617,215</u>
OPERATING LOSS FROM CONTINUING OPERATIONS	<u>(106,282)</u>	<u>(199,476)</u>	<u>(107,301)</u>
OTHER INCOME (EXPENSE)			
Interest income, TV Azteca, net of interest expense of \$1,494, \$1,160, and \$1,047, respectively	13,938	14,377	12,679
Interest income	3,514	28,622	15,954
Interest expense	(255,645)	(267,825)	(151,702)
Loss on investments and other expense	(25,579)	(38,797)	(2,434)
Loss on term loan cancellation	(7,231)		
Note conversion expense		(26,336)	(16,968)
Minority interest in net earnings of subsidiaries	(2,118)	(318)	(202)
	<u>(273,121)</u>	<u>(290,277)</u>	<u>(142,673)</u>
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	<u>(379,403)</u>	<u>(489,753)</u>	<u>(249,974)</u>
INCOME TAX BENEFIT	<u>64,634</u>	<u>99,875</u>	<u>65,897</u>
LOSS FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY LOSSES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u>(314,769)</u>	<u>(389,878)</u>	<u>(184,077)</u>
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT (PROVISION) OF \$33,107, \$16,912 AND \$(6,241), RESPECTIVELY	<u>(263,427)</u>	<u>(60,216)</u>	<u>(6,213)</u>
LOSS BEFORE EXTRAORDINARY LOSSES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u>(578,196)</u>	<u>(450,094)</u>	<u>(190,290)</u>
EXTRAORDINARY LOSSES ON EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT OF \$573 IN 2002 AND \$2,892 IN 2000	<u>(1,065)</u>		<u>(4,338)</u>
LOSS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u>(579,261)</u>	<u>(450,094)</u>	<u>(194,628)</u>
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF INCOME TAX BENEFIT OF \$14,438	<u>(562,618)</u>		
NET LOSS	<u><u>\$(1,141,879)</u></u>	<u><u>\$(450,094)</u></u>	<u><u>\$(194,628)</u></u>
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:			
Loss from continuing operations before extraordinary losses and cumulative effect of change in accounting principle	\$ (1.61)	\$ (2.04)	\$ (1.09)
Loss from discontinued operations	(1.34)	(0.31)	(0.04)
Extraordinary losses	(0.01)		(0.02)
Cumulative effect of change in accounting principle	(2.88)		
NET LOSS PER COMMON SHARE	<u><u>\$ (5.84)</u></u>	<u><u>\$ (2.35)</u></u>	<u><u>\$ (1.15)</u></u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	<u><u>195,454</u></u>	<u><u>191,586</u></u>	<u><u>168,715</u></u>

See notes to consolidated financial statements.

[Table of Contents](#)

**AMERICAN TOWER CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2002, 2001, and 2000
(In thousands, except share data)**

	Common Stock		Common Stock		Common Stock		Treasury Stock		Note Receivable	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Total Comprehensive Loss
	Class A		Class B		Class C		Shares	Amount						
	Issued Shares	Amount	Issued Shares	Amount	Issued Shares	Amount								
BALANCE, JANUARY 1, 2000	144,965,623	\$ 1,450	8,387,910	\$ 84	2,422,804	\$ 24	(76,403)	\$ (1,528)		\$ 2,245,482		\$ (100,429)	\$ 2,145,083	
6.25% and 2.25% convertible notes exchanged for common stock	6,126,594	61								153,306			153,367	
Issuance of common stock—June offering	12,500,000	125								513,780			513,905	
Issuance of common stock, options and warrants—mergers	4,522,692	45								227,462			227,507	
Issuance of common stock—Employee Stock Purchase Plan	33,794									865			865	
Exercise of options	1,418,560	14	165,390	2						23,461			23,477	
Share class exchanges	613,286	6	(458,295)	(5)	(154,991)	(1)								
Treasury stock							(68,194)	(2,812)					(2,812)	
Tax benefit of stock options										10,266			10,266	
Net Loss												(194,628)	(194,628)	\$ (194,628)
Total comprehensive loss														\$ (194,628)
BALANCE, DECEMBER 31, 2000	170,180,549	\$ 1,701	8,095,005	\$ 81	2,267,813	\$ 23	(144,597)	\$ (4,340)		\$ 3,174,622		\$ (295,057)	\$ 2,877,030	
2.25% convertible notes exchanged for common stock	3,962,537	40								86,403			86,443	
Issuance of common Stock— January offering	10,000,000	100								360,687			360,787	
Issuance of common stock, options, and warrants—mergers	377,394	4								8,454			8,458	
Issuance of common stock—June offering	100,000	1								2,463			2,464	
Issuance of common stock—Employee Stock Purchase Plan	231,257	2								2,750			2,752	
Issuance of note to executive officer (secured by class A common stock)									\$ (6,720)				(6,720)	
Exercise of options	217,658	2								3,130			3,132	
Share Class Exchanges	93,236	1	(93,236)	(1)										
Net change in fair value of cash flow hedges, net of tax											\$ (17,506)		(17,506)	\$ (17,506)
Reclassification adjustment for realized losses on derivative instruments, net of tax											9,405		9,405	9,405
Cumulative effect adjustment recorded upon adoption of SFAS No. 133, net of tax											(7,852)		(7,852)	(7,852)
Foreign currency translation adjustment											(104)		(104)	(104)
Tax benefit of stock options										1,001			1,001	
Net loss												(450,094)	(450,094)	(450,094)
Total comprehensive loss														\$ (466,151)
BALANCE, DECEMBER 31, 2001	185,162,631	\$ 1,851	8,001,769	\$ 80	2,267,813	\$ 23	(144,597)	\$ (4,340)	\$ (6,720)	\$ 3,639,510	\$ (16,057)	\$ (745,151)	\$ 2,869,196	
Issuance of common stock—Employee Stock Purchase Plan and other	396,295	4								2,509			2,513	
Share Class Exchanges	84,699	1	(84,699)	(1)										
Net change in fair value of cash flow hedges, net of tax											(9,138)		(9,138)	\$ (9,138)
Reclassification adjustment for realized losses on derivative instruments, net of tax											19,527		19,527	19,527
Foreign currency translation adjustment											104		104	104
Net loss												(1,141,879)	(1,141,879)	(1,141,879)
Total comprehensive loss														\$ (1,131,386)
BALANCE,	185,643,625	\$ 1,856	7,917,070	\$ 79	2,267,813	\$ 23	(144,597)	\$ (4,340)	\$ (6,720)	\$ 3,642,019	\$ (5,564)	\$ (1,887,030)	\$ 1,740,323	

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2002, 2001, and 2000
(In thousands)

	2002	2001	2000
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Net loss	\$ (1,141,879)	\$ (450,094)	\$ (194,628)
Adjustments to reconcile net loss to cash provided by (used for) operating activities:			
Cumulative effect of change in accounting principle, net	562,618		
Depreciation and amortization	316,876	346,020	241,211
Non-cash items reported in discontinued operations (primarily depreciation, asset impairments and net losses on dispositions)	256,005	79,585	57,479
Minority interest in net earnings of subsidiaries	2,118	318	202
Note conversion expense		26,336	16,968
Loss on investments	20,286	36,784	2,538
Impairments and net loss on sale of long-lived assets	90,734	74,260	
Loss on term loan cancellation	7,231		
Amortization of deferred financing costs	11,972	11,959	6,945
Provision for losses on accounts receivable	15,675	15,057	7,648
Extraordinary losses, net	1,065		4,338
Amortization of debt and note receivable discount	6,194	7,286	8,712
Deferred income taxes	(67,781)	(103,499)	(67,117)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	23,621	(11,132)	(108,473)
Inventories	11,347	788	(18,643)
Prepaid and other assets	(1,494)	(48,110)	(31,017)
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	19,136	(2,801)	(26,153)
Accounts payable and accrued expenses	(26,124)	1,793	23,637
Accrued interest	4,647	27,784	24,631
Billings in excess of costs and earnings on uncompleted contracts and unearned revenue	(5,684)	(3,291)	9,135
Other long-term liabilities	(1,414)	17,027	5,413
Cash provided by (used for) operating activities	105,149	26,070	(37,174)
CASH FLOWS USED FOR INVESTING ACTIVITIES:			
Payments for purchase of property and equipment and construction activities	(180,497)	(568,158)	(541,347)
Payments for acquisitions, net of cash acquired	(56,361)	(812,782)	(1,368,024)
Proceeds from (advances of) notes receivable, net	5,068	(3,824)	(65,867)
Proceeds from sales of businesses and other long-term assets	109,353	1,680	
Distributions to minority interest	(488)	(763)	(667)
Deposits, investments and other long-term assets	7,668	(61,456)	(23,309)
Cash used for investing activities	(115,257)	(1,445,303)	(1,999,214)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:			
Borrowings under notes payable and credit facilities	160,000	181,500	1,777,000
Proceeds from issuance of debt securities		1,000,000	450,000
Repayment of notes payable, credit facilities and capital leases	(148,270)	(81,133)	(584,155)
Net proceeds from equity offerings, stock options and employee stock purchase plan	1,305	366,671	535,435
Restricted cash	94,071	(48,035)	(46,036)
Deferred financing costs and other financing activities	(5,664)	(45,850)	(39,030)
Cash provided by financing activities	101,442	1,373,153	2,093,214
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	91,334	(46,080)	56,826
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	35,958	82,038	25,212
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 127,292	\$ 35,958	\$ 82,038

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business—American Tower Corporation and subsidiaries (collectively, ATC or the Company), is an independent owner, operator and developer of wireless and broadcast communications sites in the United States, Mexico and Brazil. The Company’s primary business, as discussed in note 16, is the leasing of antenna space on multi-tenant communications towers to wireless service providers and radio and television broadcast companies. The Company also provides network development services to wireless service providers and broadcasters.

In December 2002, the Company committed to a plan to dispose of (by sale) its wholly owned subsidiary, Verestar, Inc., (Verestar) within the next twelve months. Verestar provides satellite and fiber network access services (SFNA) to telecommunications companies, internet service providers, governmental organizations, broadcasters and maritime customers worldwide. The operations of Verestar previously comprised the Company’s entire satellite and fiber network access services segment, which is no longer reported as a separate segment, as it is included in discontinued operations. During 2002, the Company also sold or committed to sell additional non-core businesses which are also reported as discontinued operations. (See note 2).

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. The Company consolidates those entities in which it owns greater than fifty percent of the entity’s voting stock.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 accompanying consolidated financial statements. The significant estimates in the accompanying consolidated financial statements include revenue recognition under the percentage of completion method, impairment of cost and equity investments, impairment of long-lived assets (including goodwill) and valuation allowances related to deferred tax assets.

Revenue Recognition—Rental and management revenues are recognized on a monthly basis under lease or management agreements when earned. Escalation clauses, excluding those tied to the Consumer Price Index (CPI), and other incentives present in lease agreements with the Company’s customers are recognized on a straight-line basis over the term of the lease. Amounts billed or received prior to being earned are deferred until such time as the earnings process is complete.

Network development service revenues are derived under contracts or arrangements with customers that provide for billings on a time and materials, cost plus profit or fixed price basis. Revenues are recognized as services are performed with respect to the time and materials and cost plus profit contracts. Revenues are recognized using the percentage-of-completion method for fixed price contracts. Under the percentage-of-completion methodology, revenues are recognized in accordance with the percentage of contract costs incurred to date compared to estimated total contract costs. Costs and earnings in excess of billings on uncompleted contracts represent revenues recognized in excess of amounts billed. Billings in excess of costs and earnings on uncompleted contracts represent billings in excess of revenues recognized. Changes to total estimated contract costs or losses, if any, are recognized in the period in which they are determined.

Development Expense—Development expense consists of uncapitalized acquisition costs, costs to integrate acquisitions, costs associated with new business initiatives, abandoned acquisition costs and costs associated with tower site inspections and related data gathering. Such costs are expensed as incurred.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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 segments.

Note Conversion Expense—Note conversion expense represents the fair value of incremental stock issued to induce convertible noteholders to convert their holdings prior to the first scheduled redemption date. Such amounts were expensed as incurred in accordance with Statement of Financial Accounting Standard (SFAS) No. 84 "Induced Conversions of Convertible Debt." (See note 7).

Concentrations of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, notes receivable, trade receivables and derivative instruments. The Company mitigates its risk with respect to cash and cash equivalents and derivative instruments by maintaining its deposits and contracts at high quality financial institutions and monitoring the credit ratings of those institutions.

The Company mitigates its concentrations of credit risk with respect to notes and trade receivables by actively monitoring the credit worthiness of its borrowers and customers. Accounts receivable are reported net of allowances for doubtful accounts of \$17,437,000, \$23,804,000 and \$19,809,000 as of December 31, 2002, 2001 and 2000, respectively. Net amounts charged against the allowance for doubtful accounts for the years ended December 31, 2002, 2001 and 2000 approximated \$18,299,000, \$7,137,000 and \$1,697,000, respectively. Bad debt recoveries for the years ended December 31, 2002, 2001 and 2000 are \$1,097,000, \$978,000 and \$1,238,000, respectively. The effect of discontinued operations on the allowance for doubtful accounts for the years ended December 31, 2002, 2001 and 2000 approximated \$(4,840,000), \$(4,903,000) and \$9,234,000, respectively

Discount on Convertible Notes—The Company amortizes the discount on its convertible notes using the effective interest method over the term of the obligation. Such amortization is recorded as interest expense in the accompanying consolidated statements of operations.

Derivative Financial Instruments—On January 1, 2001, the Company adopted the provisions of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended. This statement establishes accounting and reporting standards for derivative instruments. Specifically, it requires that an entity recognize all derivatives as either assets or liabilities on the balance sheet at fair value. The accounting for changes in the fair market value of a derivative (that is unrealized gains or losses) is recorded as a component of an entity's net income or other comprehensive income, depending upon designation and qualification as part of a hedging relationship. The cumulative effect of adopting this statement resulted in a charge to other comprehensive loss of \$7.9 million (net of a tax benefit of \$4.2 million) as of January 1, 2001. The 2002 and 2001 consolidated financial statements were prepared in accordance with the provisions of SFAS No. 133 and the 2000 consolidated financial statements were prepared in accordance with the applicable professional literature for derivatives and hedging instruments in effect at that time.

The Company is exposed to interest rate risk relating to variable interest rates on its credit facilities. As part of its overall strategy to manage the level of exposure to the risk of interest rate fluctuations under its variable rate credit facilities, the Company uses interest rate swaps, caps and collars, which qualify and are designated as cash flow hedges. In 2001, the Company also used swaptions to manage interest rate risk, which were not designated as cash flow hedges. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is initially reported as a component of other comprehensive loss and subsequently reclassified into the statement of operations when the hedged transaction affects operations. The ineffective portion of the gain or loss on the derivative instrument is immediately recognized in the statement of operations. For derivative instruments not designated as hedging instruments, the

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

gain or loss is recognized in the statement of operations in the period of change. The Company does not hold derivative financial instruments for trading purposes. (See note 8).

Foreign Currency Translation—The Company's foreign subsidiaries in Mexico and Brazil have designated the U.S. dollar as their functional currency. Monetary assets and liabilities related to the Company's Mexican and Brazilian operations are remeasured from the local currency into U.S. dollars at the rate of currency exchange at the end of the applicable fiscal period. Non-monetary assets and liabilities are remeasured at historical exchange rates. Revenues and expenses are remeasured at average monthly exchange rates. All remeasurement gains and losses are included in the Company's consolidated statement of operations within the caption loss on investments and other expense. The remeasurement loss (gain) for the years ended December 31, 2002, 2001 and 2000 approximated \$3,713,000, \$(207,000) and \$11,000, respectively.

The Company's Verestar subsidiary, classified within discontinued operations, maintains a teleport business in Switzerland and has designated the Swiss franc as its functional currency. Accordingly, assets and liabilities are translated from the Swiss franc into U.S. dollars at the end of period exchange rate, and revenues and expenses are translated at average monthly exchange rates. Translation gains and losses are recorded in stockholders' equity and reflected as a component of other comprehensive loss.

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.

Restricted Cash—As of December 31, 2001, restricted cash represented amounts required to be held in escrow under the Company's credit facilities to pay interest on its convertible and senior note obligations. The restrictions related to these funds expired in August 2002.

Inventories—Inventories, which consist primarily of finished goods and raw material component parts, are stated at the lower of cost or market, with cost being determined on the first-in, first-out (FIFO) basis. The components of inventories as of December 31, 2002 and 2001 are as follows (in thousands):

	2002	2001
Finished goods	\$ 4,928	\$ 11,300
Raw materials	4,073	37,387
Work in process	91	645
Total	\$ 9,092	\$ 49,332

Property and Equipment—Property and equipment are recorded at cost or at estimated fair value (in the case of acquired properties). Cost for self-constructed towers includes direct materials and labor, indirect costs associated with construction and capitalized interest. Approximately \$5,835,000, \$15,321,000 and \$11,365,000 of interest was capitalized for the years ended December 31, 2002, 2001 and 2000, respectively.

Depreciation is provided using the straight-line method over the assets' estimated useful lives. Property and equipment acquired through capitalized leases are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Asset useful lives are as follows:

Equipment	3-15 years
Towers	15 years
Buildings	32 years
Building and land improvements	15-32 years

Expenditures for repairs and maintenance are expensed as incurred. Betterments and improvements that extend an asset's useful life or enhance capacity are capitalized.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Goodwill and Other Intangible Assets—In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, “Business Combinations” and SFAS No. 142, “Goodwill and Other Intangible Assets.” SFAS No. 141 eliminates the pooling-of-interests method of accounting for business combinations. SFAS No. 141 also includes enhanced criteria for identifying intangible assets separately from goodwill. The requirements of SFAS No. 141 were effective for any business combination consummated by the Company subsequent to June 30, 2001. The Company did not consummate any transactions subsequent to June 30, 2001 that gave rise to goodwill. As of January 1, 2002, the Company adopted the provisions of SFAS No. 142 “Goodwill and Other Intangible Assets.” SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized, but reviewed for impairment at least annually. Intangible assets that are deemed to have a definite life will continue to be amortized over their useful lives. The adoption of this statement reduced the Company’s amortization expense (including that related to discontinued operations) by approximately \$96.0 million for the year ended December 31, 2002. (See note 5).

Income Taxes—The consolidated financial statements reflect provisions for federal, state, local and foreign income taxes. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss and tax credit carryforwards. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards 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. The Company provides valuation allowances if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. (See note 12).

Loss Per Common Share—Basic and diluted net loss per common share has been computed by dividing the Company’s net loss by the weighted average number of common shares outstanding during the period. For the years ended December 31, 2002, 2001 and 2000, potential common shares, including options, warrants and shares issuable upon conversion of the Company’s convertible notes, have been excluded from the computation of diluted loss per common share, as their effect is anti-dilutive. Potential common shares excluded from the calculation of net loss per share were approximately 50.6 million, 46.4 million and 52.4 million for the years ended December 31, 2002, 2001 and 2000, respectively.

Impairments and Net Loss on Sale of Long-Lived Assets—The Company reviews long-lived assets, including intangibles with definite lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company assesses recoverability by determining whether the net book value of the related assets will be recovered through projected undiscounted future cash flows. If the Company determines that the carrying value on an asset may not be recoverable, it measures any impairment based on the projected future discounted cash flows or estimated sale proceeds to be provided from the asset as compared to its carrying value. The Company records impairment losses in the period in which it identifies such impairment.

During the years ended December 31, 2002 and 2001, the Company recorded impairments and net loss on sale of long-lived assets within its rental and management segment of \$90.7 million and \$74.3 million, respectively. The significant components of these charges and net losses include the following:

Non-Core Tower Asset Impairment Charges—During the year ended December 31, 2002, the Company sold approximately 720 non-core towers and recorded impairment charges to write-down certain other non-core towers. As a result, the Company recorded impairment charges and net losses of approximately \$46.8 million for the year ended December 31, 2002.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the year ended December 31, 2001, the Company recorded impairment charges of approximately \$11.7 million to write-down certain non-core towers.

Construction-In-Progress Impairment Charges—In September 2002, the Company reduced the scope of its new tower construction and build plans for the remainder of 2002 and for 2003 by implementing more stringent construction criteria than was previously in place. As a result, the Company wrote off approximately \$40.2 million of construction-in-progress costs associated with approximately 800 sites that it no longer plans to build.

In November 2001, the Company announced certain initiatives that included a reduction in the scope of its tower development activities. This resulted in a significant decrease in new tower construction and more stringent criteria for evaluating tower construction and acquisitions. As a result, in the fourth quarter of 2001, the Company wrote off approximately \$62.6 million of construction-in-progress costs associated with sites that it no longer intended to build.

Investments—Investments in those entities where the Company owns less than twenty percent of the voting stock of the individual entity and does not exercise significant influence over operating and financial policies of the entity are accounted for using the cost method. Investments in entities where the Company owns less than twenty percent but has the ability to exercise significant influence over operating and financial policies of the entity or where the Company owns more than twenty percent of the voting stock of the individual entity, but not in excess of fifty percent, are accounted for using the equity method. As of December 31, 2002 and 2001, the Company's investments were in companies that are not publicly traded, and, therefore, no established market for their securities exists. The Company has a policy in place to review the fair value of its investments on a regular basis to evaluate the carrying value of the investments in these companies. If the Company believes that the carrying value of an investment is in excess of fair market value, it is the Company's policy to record an impairment charge to adjust the carrying value to fair market value.

During the years ended December 31, 2002 and 2001, the Company recorded impairment charges on its cost and equity investments of approximately \$11.3 million and \$27.7 million, respectively. In addition, during the years ended December 31, 2002, 2001 and 2000, the Company recorded losses on equity method investments of approximately \$9.0 million, \$9.1 million and \$2.5 million, respectively. Losses on equity method investments are recorded in accordance with Emerging Issues Task Force No. 99-10 "Percentage Used to Determine the Amount of Equity Method Losses."

As of December 31, 2002 and 2001, the Company had cost and equity investments included in deposits, investments and other long-term assets of \$32.0 million and \$41.8 million, respectively.

Stock-Based Compensation—Pursuant to SFAS No. 123, "Accounting for Stock-Based Compensation," the Company applies the recognition and measurement principles of Accounting Principles Board (APB) No. 25, "Accounting for Stock Issued to Employees," to its equity grants and awards to employees officers and directors. The Company's stock option plans are more fully described in note 13.

In accordance with APB No. 25, compensation expense for stock options is recognized in income based on the excess, if any, of the quoted market price of the stock at the grant date of the award or other measurement date over the amount an employee must pay to acquire the stock. To date, the Company has not issued any stock options that would result in compensation expense under the provisions of APB No. 25. Accordingly, there is no recognition of compensation expense related to option grants reflected in the accompanying consolidated statements of operations.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table illustrates the effect on net loss and net loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based compensation. The estimated fair value of each option is calculated using the Black-Scholes option-pricing model (in thousands, except per share amounts):

	2002	2001	2000
Net loss as reported	\$ (1,141,879)	\$ (450,094)	\$ (194,628)
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(38,126)	(50,540)	(51,186)
Pro-forma net loss	\$ (1,180,005)	\$ (500,634)	\$ (245,814)
Basic and diluted net loss per share—as reported	\$ (5.84)	\$ (2.35)	\$ (1.15)
Basic and diluted net loss per share—pro-forma	\$ (6.04)	\$ (2.61)	\$ (1.46)

Fair Value of Financial Instruments—As of December 31, 2002, the carrying amounts of the Company's 5.0% convertible notes, the 2.25% convertible notes, the 6.25% convertible notes and the senior notes were approximately \$450.0 million, \$210.9 million, \$212.7 million and \$1.0 billion, respectively, and the fair values of such notes were \$291.4 million, \$187.2 million, \$144.4 million and \$780.0 million, respectively. As of December 31, 2001, the carrying amount of the Company's 5.0% convertible notes, the 2.25% convertible notes, the 6.25% convertible notes and the senior notes were approximately \$450.0 million, \$204.1 million, \$212.8 million and \$1.0 billion, respectively, and the fair values of such notes were \$268.3 million, \$173.1 million, \$158.2 million and \$805.0 million, respectively. Fair values were determined based on quoted market prices. The carrying values of all other financial instruments reasonably approximate the related fair values as of December 31, 2002 and 2001.

Retirement Plan—The Company has a 401(k) plan covering substantially all employees who meet certain age and employment requirements. Under the plan, the Company matches 35% of participants' contributions up to a maximum 5% of a participant's compensation. The Company contributed approximately \$979,000, \$1,540,000 and \$1,593,000 to the plan for the years ended December 31, 2002, 2001 and 2000, respectively.

Recent Accounting Pronouncements—In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement establishes accounting standards for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets and the related asset retirement costs. The requirements of SFAS No. 143 are effective for the Company as of January 1, 2003. The Company will adopt this statement in the first quarter of 2003 and does not expect the impact of adopting this statement to have a material impact on its consolidated financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," but retains many of its fundamental provisions. SFAS No. 144 also clarifies certain measurement and classification issues from SFAS No. 121. In addition, SFAS No. 144 supersedes the accounting and reporting provisions for the disposal of a business segment as found in APB No. 30, "Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". However, SFAS No. 144 retains the requirement in APB No. 30 to separately report discontinued operations, and broadens the scope of such requirement to include more types of disposal transactions. The scope of SFAS No. 144 excludes goodwill and other intangible assets that are not to be amortized, as the accounting for such items is prescribed by SFAS No. 142. The Company implemented SFAS No. 144 on January 1, 2002. Accordingly, all relevant impairment assessments and decisions concerning discontinued operations have been made under this standard in 2002.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In April 2002, the FASB issued SFAS No. 145 “Rescission of FASB Statement Nos. 4, 44, and 64, Amendment of FASB Statement No. 13 and Technical Corrections.” Upon adoption of SFAS No. 145, gains and losses from extinguishment of debt will no longer be classified as extraordinary items, but rather will be classified as part of other income (expense) on the Company’s consolidated statement of operations. Any such gains or losses classified as extraordinary items in prior periods will be reclassified in future financial statement presentations upon the adoption of SFAS No. 145. The Company will adopt the provisions of SFAS No. 145 for all reporting periods subsequent to January 1, 2003.

In July 2002, the FASB issued SFAS No. 146 “Accounting For Costs Associated with Exit or Disposal Activities.” The statement requires costs associated with exit or disposal activities to be recognized when they are incurred rather than at the date of a commitment to an exit or disposal plan. The requirements of SFAS No. 146 are effective for exit or disposal activities initiated after January 1, 2003. The Company will apply the provisions of this statement to all restructuring activity initiated after January 1, 2003.

In December 2002, the FASB issued SFAS No. 148, “Accounting for Stock-Based Compensation-Transition and Disclosure—an amendment of SFAS No. 123,” which provides optional transition guidance for those companies electing to voluntarily adopt the accounting provisions of SFAS No. 123. In addition, the statement mandates certain new disclosures that are incremental to those required by SFAS No. 123. The Company will continue to account for stock-based compensation in accordance with APB No. 25. As such, the Company does not expect this standard to have a material impact on its consolidated financial position or results of operations. The Company has adopted the disclosure-only provisions of SFAS No. 148 as of December 31, 2002.

In January 2003, the FASB issued Interpretation No. 46, “Consolidation for Variable Interest Entities, an Interpretation of ARB No. 51” which requires all variable interest entities (VIEs) to be consolidated by the primary beneficiary. The primary beneficiary is the entity that holds the majority of the beneficial interest in the VIE. In addition, the interpretation expands the disclosure requirements for both variable interest entities that are consolidated as well as VIEs from which the entity is the holder of a significant amount of beneficial interests, but not the majority. FIN 46 is effective for all new VIEs created or acquired after January 31, 2003. For VIEs created or acquired prior to February 1, 2003, the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. The adoption of this interpretation is not expected to be material to the Company’s consolidated financial position or results of operations.

Reclassifications—Certain reclassifications have been made to the 2001 and 2000 financial statements to conform with the 2002 presentation.

2. DISCONTINUED OPERATIONS

In 2002, in connection with the Company’s plan to focus on its core tower business, the Company sold or committed to sell several non-core businesses. In accordance with SFAS No. 144, the Company classified the operating results of these businesses as discontinued operations in the accompanying statements of operations. In addition, the assets and liabilities of the discontinued operations not disposed of as of December 31, 2002 have been reflected as assets held for sale and liabilities held for sale in the accompanying consolidated balance sheet as of December 31, 2002. The effect of suspending depreciation and amortization for the long-lived assets held for sale was not material for the year ended December 31, 2002.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following businesses have been reflected as discontinued operations in the accompanying statements of operations for all periods presented.

In July 2002, the Company consummated the sale of MTS Components (previously included in the network development services segment) and incurred a loss on disposal of approximately \$16.0 million (net of an income tax benefit of \$8.6 million). Proceeds from the sale were approximately \$32.0 million and consisted of approximately \$20.0 million in cash and \$12.0 million of notes receivable. The notes are comprised of a \$5.6 million, secured by the working capital of the sold operations payable through January 2003; and a \$6.4 million unsecured note guaranteed by certain stockholders of the purchaser, which bears interest at a rate of 10% and is due in July 2003. As of December 31, 2002, approximately \$0.5 million remains outstanding under the secured note and the entire amount remains outstanding under the unsecured note.

In December 2002, the Company consummated the sale of the building where it maintained its corporate headquarters for approximately \$68.0 million and recognized a gain on disposal of approximately \$5.7 million (net of an income tax provision of \$2.9 million). Proceeds from the sale were approximately \$68.0 million in cash. Approximately \$38.5 million of these proceeds were used to retire the building's existing mortgage. As the Company maintains its corporate offices within the building, it also entered into a lease agreement for approximately 11.5% of the building's total office space. The lease has been classified as an operating lease and approximately \$5.9 million of additional gain has been deferred in accordance with SFAS No. 13, "Accounting for Leases," as amended.

In December 2002, the Company committed to a plan to sell an office building. In January 2003, the Company entered in to a purchase and sale agreement to sell the office building for approximately \$10.6 million in cash. As of December 31, 2002, the Company recorded an estimated loss on disposal of \$3.2 million (net of an income tax benefit of \$1.8 million) based on the estimated net proceeds expected to be received upon disposition.

Both office buildings were held as rental property and previously reported in the rental and management segment.

In fourth quarter of 2002, the Company committed to sell Flash Technologies, Inc., its remaining components business (previously reported in the network development services segment). In January 2003, the Company consummated the sale for approximately \$41.1 million in cash, subject to a post-closing working capital adjustment. The estimated sale proceeds approximated the carrying value of the business.

In December 2002, the Company committed to a plan to sell Verestar. In February 2003, the Company consummated the sale of Maritime Telecommunications Network (MTN), a subsidiary of Verestar, for approximately \$26.8 million in cash, subject to a post-closing working capital adjustment. The estimated sale proceeds approximated the carrying value of the business. The Company expects to sell the remaining portion of Verestar by December 31, 2003.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Summary operating results of the discontinued operations are as follows (in thousands):

	2002	2001	2000
Revenue	\$ 298,715	\$ 349,041	\$ 225,361
(Loss) income from discontinued operations	(275,458)	(77,128)	28
Income tax benefit (provision) on loss from discontinued operations	25,541	16,912	(6,241)
Net loss on disposal of discontinued operations, net of tax benefit of \$7,566	(13,510)		
Loss from discontinued operations, net	\$ (263,427)	\$ (60,216)	\$ (6,213)

As of December 31, 2002, the Company had assets held for sale of approximately \$234.7 million and liabilities held for sale of approximately \$165.0 million. These amounts are comprised of the assets and liabilities of Verestar, Flash Technologies and an office building. The assets held for sale primarily represent: accounts receivable, net of \$21.8 million, inventory of \$7.2 million, prepaid and other current assets of \$6.3 million, property and equipment, net of \$178.8 million and intangible assets and other long term assets of \$20.6 million. The liabilities held for sale primarily represent: \$116.9 million of capital lease obligations, \$9.7 million of accounts payable, \$26.7 million of accrued expenses, \$3.5 million of unearned revenue and \$8.2 million of other long-term liabilities.

3. COSTS AND EARNINGS IN EXCESS OF BILLINGS ON UNCOMPLETED CONTRACTS AND UNBILLED RECEIVABLES

The Company derives a portion of its network development services revenue from customer contracts that either provide for billing only after certain milestones within contracts have been achieved or provide for progress billings as the Company fulfills its obligations under the related contracts. As the Company recognizes revenue on these contracts using the percentage-of-completion, cost plus profit and time and materials methodologies, such contracts may give rise to revenue which has been earned, but, as of a certain point in time, remains unbilled. Such amounts (along with unbilled rental revenue) are included in costs and earnings in excess of billings on uncompleted contracts and unbilled receivables in the accompanying consolidated balance sheets. These contracts may also give rise to billings that are in excess of amounts actually earned as of a certain point in time. The excess of amounts billed over the amount earned on these contracts is reflected (along with customer rent received in advance) in billings in excess of costs and earnings on uncompleted contracts and unearned revenue in the accompanying consolidated balance sheets.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following are the components of costs and earnings in excess of billings on uncompleted contracts and unbilled receivables and billings in excess of costs and earnings on uncompleted contracts and unearned revenue as of December 31, (in thousands):

	2002	2001
Costs incurred on uncompleted contracts	\$ 291,898	\$ 275,663
Estimated earnings	47,279	82,112
Unbilled receivables	21,823	7,311
Billings to date	(384,035)	(374,731)
	<u>\$ (23,035)</u>	<u>\$ (9,645)</u>
Included in the accompanying consolidated balance sheets:		
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	\$ 24,088	\$ 46,453
Billings in excess of costs on uncompleted contracts and unearned revenue	(47,123)	(56,098)
	<u>\$ (23,035)</u>	<u>\$ (9,645)</u>

4. PROPERTY AND EQUIPMENT

Property and equipment (including assets held under capital leases) consist of the following as of December 31, (in thousands):

	2002	2001
Towers	\$ 2,706,005	\$ 2,588,616
Equipment	140,786	459,369
Buildings and improvements	194,962	287,732
Land and improvements	178,466	182,260
Construction-in-progress	63,844	180,042
Total	<u>3,284,063</u>	<u>3,698,019</u>
Less accumulated depreciation and amortization	(549,178)	(410,446)
Property and equipment, net	<u>\$ 2,734,885</u>	<u>\$ 3,287,573</u>

5. GOODWILL AND OTHER INTANGIBLE ASSETS

As of January 1, 2002, the Company adopted the provisions of SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized, but reviewed for impairment at least annually. Intangible assets that are deemed to have a definite life will continue to be amortized over their useful lives. SFAS No. 142 also required that, as of January 1, 2002, the Company assess whether its goodwill was impaired by performing a transitional impairment test. This impairment test was comprised of two steps. The initial step (required to be completed within six months of adopting this standard) was designed to identify potential goodwill impairment by comparing an estimate of the fair value of the applicable reporting unit to its carrying value, including goodwill. If the carrying value exceeded fair value, a second step was performed, which compared the implied fair value of the applicable reporting unit's goodwill with the carrying amount of that goodwill, to measure the amount of goodwill impairment, if any.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company completed its transitional impairment testing in the second quarter of 2002 and concluded that all of the goodwill related to its satellite and fiber network access services (SFNA) segment and the majority of the goodwill in the network development services segment was impaired. As a result, the Company recognized a \$562.6 million non-cash charge (net of a tax benefit of \$14.4 million) related to the write-down of goodwill to its fair value. In accordance with the provisions of SFAS No. 142, the charge is included in the results of operations for the year ended December 31, 2002 as the cumulative effect of a change in accounting principle.

A description of the Company's reporting units (by segment) and the results of the related transitional impairment testing are as follows:

SFNA—SFNA was a single segment and reporting unit until December 2002, when the Company committed to a plan to dispose of Verestar, which comprised the entire SFNA segment. The Company recorded an impairment charge of \$189.3 million relating to the impairment of goodwill in this reporting unit. The fair value of this reporting unit was determined based on an independent third party appraisal.

Network Development Services (Services)—As of January 1, 2002, the reporting units in the Company's network development services segment included Kline Iron & Steel (Kline), Specialty Constructors, Galaxy Engineering, MTS Components and Flash Technologies. The Company estimated the fair value of these reporting units utilizing future discounted cash flows and market information as to the value of each reporting unit on January 1, 2002. The Company recorded an impairment charge of \$387.8 million related to the impairment of goodwill within these reporting units. Such charge included full impairment for all of the goodwill within the reporting units except Kline, for which only a partial impairment was recorded. As discussed in note 2, the assets of the MTS Components reporting unit were sold in July 2002 and the Flash Technologies reporting unit was reclassified to discontinued operations effective December 2002 and sold in January 2003.

Rental and Management (RM)—The Company obtained an independent third party appraisal of the rental and management reporting unit that contains goodwill and determined that goodwill was not impaired.

With the adoption of SFAS No. 142, the Company also reassessed the useful lives and residual values of all acquired intangible assets. Based on those assessments, no adjustments were made to the amortization periods or residual values of the Company's remaining intangible assets.

The Company has selected December 1st as the date to perform its annual impairment test. In December 2002, the Company completed its annual impairment testing under the provisions of SFAS No. 142 with respect to its rental and management reporting unit that contains goodwill and its Kline reporting unit (the only services business with remaining goodwill). In performing its testing, the Company obtained an independent third party appraisal of its rental and management reporting unit that contains goodwill and concluded that an impairment of the goodwill related to that unit was not required. In addition, the Company utilized market information to value its Kline reporting unit and determined that the remaining goodwill related to Kline was not impaired.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The changes in the net carrying amounts of goodwill by segment for the year ended December 31, 2002 are as follows (in thousands):

	RM	Services	SFNA	Total
Balance as of January 1, 2002	\$ 580,823	\$ 394,264	\$ 185,306	\$ 1,160,393
Reclassifications (primarily acquired workforce)	11,860	3,799	3,997	19,656
Transitional impairment charge		(387,753)	(189,303)	(577,056)
Balance as of December 31, 2002	\$ 592,683	\$ 10,310	\$	\$ 602,993

Prior to the adoption of SFAS No. 142, the Company had approximately \$1.2 billion of net goodwill that was amortized on a straight-line basis over a fifteen-year period. Had the Company not amortized goodwill in accordance with SFAS No. 142 in prior periods, net loss and net loss per share for the years ended December 31, 2002, 2001 and 2000 would have been as follows (in thousands):

	2002	2001	2000
Reported net loss	\$ (1,141,879)	\$ (450,094)	\$ (194,628)
Add back: Extraordinary losses	(1,065)		(4,338)
Adjusted net loss before extraordinary losses	(1,140,814)	(450,094)	(190,290)
Add back: Goodwill amortization and acquired workforce amortization		87,829	72,139
Adjusted net loss before extraordinary losses	(1,140,814)	(362,265)	(118,151)
Extraordinary losses	(1,065)		(4,338)
Adjusted net loss	\$ (1,141,879)	\$ (362,265)	\$ (122,489)
Basic and diluted per share amounts:			
Reported net loss per share	\$ (5.84)	\$ (2.35)	\$ (1.15)
Add back: Extraordinary losses	(0.01)		(0.02)
Adjusted net loss per share before extraordinary losses	(5.83)	(2.35)	(1.13)
Add back: Goodwill amortization and acquired workforce amortization		0.46	0.43
Adjusted net loss per share before extraordinary losses	(5.83)	(1.89)	(0.70)
Extraordinary losses	(0.01)		(0.02)
Adjusted net loss per share	\$ (5.84)	\$ (1.89)	\$ (0.72)

The Company's other intangible assets subject to amortization consist of the following as of December 31, (in thousands):

	2002	2001
Acquired customer base and network location intangibles	\$ 1,316,059	\$ 1,421,008
Deferred financing costs	100,408	104,957
Acquired licenses and other intangibles	43,054	65,914
Acquired workforce		13,056
Total	1,459,521	1,604,935
Less accumulated amortization	(317,010)	(257,417)
Other intangible assets, net	\$ 1,142,511	\$ 1,347,518

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company's network location intangible represents the excess of purchase price over tangible and identifiable intangible assets related to asset acquisitions. The Company amortizes its intangible assets over periods ranging from three to fifteen years. Amortization of intangible assets for the years ended December 31, 2002 and 2001 aggregated approximately \$88.1 million and \$90.2 million, respectively. The Company expects to record amortization expense of approximately \$90.3 million for the year ended December 31, 2003 and \$89.7 million for the years ended December 31, 2004, 2005 and 2006, respectively, and \$87.3 million for the year ended December 31, 2007.

6. NOTES RECEIVABLE

In 2000, the Company loaned TV Azteca S.A. de C.V., the owner of a major national television network in Mexico, \$119.8 million. The loan, which bears interest at 12.87%, payable quarterly, was discounted by the Company, as the fair value interest rate at the date of the loan was determined to be 14.25%. As of December 31, 2002, approximately \$119.8 million undiscounted (\$108.2 million discounted) under the loan was outstanding. The term of the loan is seventy years; however, the loan may be prepaid by TV Azteca without penalty during the last fifty years of the agreement. The discount on the loan is being amortized to interest income — TV Azteca, net using the effective interest method over the seventy-year term of the loan.

Simultaneous with the signing of the loan agreement, the Company also entered into a seventy year Economic Rights Agreement with TV Azteca regarding space not used by TV Azteca on approximately 190 of its broadcast towers. In exchange for the issuance of the below market interest rate loan discussed above and the annual payment of \$1.5 million to TV Azteca (under the Economic Rights Agreement), the Company has the right to market and lease the unused tower space on the broadcast towers (the Economic Rights). TV Azteca retains title to these towers and is responsible for their operation and maintenance. The Company is entitled to 100% of the revenues generated from leases with tenants on the unused space and is responsible for any incremental operating expenses associated with those tenants.

The term of the Economic Rights Agreement is seventy years; however, TV Azteca has the right to purchase, at fair market value, the Economic Rights from the Company at any time during the last fifty years of the agreement. Should TV Azteca elect to purchase the Economic Rights (in whole or in part), it would also be obligated to repay a proportional amount of the loan discussed above at the time of such election. The Company's obligation to pay TV Azteca \$1.5 million annually would also be reduced proportionally.

The Company has accounted for the annual payment of \$1.5 million as a capital lease (initially recording an asset and a corresponding liability of approximately \$18.6 million). The capital lease asset and the discount on the note, which aggregate approximately \$30.2 million, represent the cost to acquire the Economic Rights and are being amortized over the seventy-year life of the Economic Rights agreement.

On a quarterly basis, the Company assesses the recoverability of its note receivable from TV Azteca. As of December 31, 2002, the Company has assessed the recoverability of the note receivable from TV Azteca and concluded that no adjustment to its carrying value is required.

An executive officer and director of the Company became a director of TV Azteca in December 1999.

As of December 31, 2002 and 2001, the Company also had several other current and long-term notes receivable outstanding of approximately \$9.3 million and \$6.8 million, respectively. These notes bear interest at rates ranging from 9% to 11% and mature in periods through 2011.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. FINANCING ARRANGEMENTS

Outstanding amounts under the Company's long-term financing arrangements consisted of the following as of December 31, (in thousands):

	2002	2001
Credit facilities	\$ 1,510,000	\$ 1,445,000
Senior notes	1,000,000	1,000,000
Convertible notes, net of discount	873,640	866,852
Notes payable and capital leases	81,039	250,108
Total	3,464,679	3,561,960
Less:		
Convertible notes, net of discount—2.25%	(210,899)	
Current portion of other long-term obligations	(59,243)	(12,585)
Long-term debt	\$ 3,194,537	\$ 3,549,375

The following is a description of the Company's outstanding debt as of December 31, 2002:

Credit Facilities—The Company's credit facilities (prior to the February 2003 amendment discussed in note 19) provided for a borrowing capacity of up to \$2.0 billion (after giving effect to the amendment—\$1.575 billion). The Company's principal operating subsidiaries (other than Verestar) are the borrowers under the credit facilities. Borrowers under the credit facilities are subject to compliance with certain financial ratios.

- a \$650.0 million (as amended—\$425.0 million) revolving credit facility, of which \$160.0 million was drawn on December 31, 2002, maturing on June 30, 2007;
- an \$850.0 million (as amended—\$725.0 million) multi-draw term loan A, which was fully drawn on December 31, 2002, maturing on June 30, 2007; and
- a \$500.0 million (as amended—\$425.0 million) term loan B, which was fully drawn on December 31, 2002, maturing on December 31, 2007.

The credit facilities are scheduled to amortize quarterly commencing on March 31, 2003 through their maturity dates based on defined percentages of outstanding commitment and principal balances. The Company may also be required to make additional principal payments should operating cash flows exceed certain amounts. Any amounts repaid under the term loan A and the term loan B will reduce future borrowing capacity under these facilities to the extent of the amount repaid.

In January 2002, the Company terminated a \$250.0 million multi-draw term loan C facility, none of which facility had been drawn. As a result of this termination, the Company recorded a charge of \$7.2 million to loss on term loan cancellation in the accompanying 2002 consolidated statement of operations related to the write-off of certain deferred financing fees associated with this facility.

In February 2001, the Company's Mexican subsidiary, American Tower Corporation de Mexico, S. de R.L. de C.V. (ATC Mexico) and two of its subsidiaries consummated a loan agreement with a group of banks providing a credit facility of an initial aggregate amount of \$95.0 million (the Mexican Credit Facility). As of December 31, 2001, an aggregate of \$95.0 million was outstanding under this loan agreement. In February 2002, the Company repaid all loans outstanding under the Mexican Credit Facility with borrowings under the credit facilities and substantially all of the Mexican subsidiaries became restricted subsidiaries under the credit facilities. As a result of such repayment,

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

the Company recognized an extraordinary loss on extinguishment of debt of approximately \$1.1 million (net of an income tax benefit of \$0.6 million).

Interest rates for the revolving credit facility and the term loan A are determined at the option of the Company (at a margin based on leverage) at either 2.0% to 3.25% above the LIBOR Rate or 1.0% to 2.25% above the defined Base Rate. Notwithstanding the foregoing, the applicable margin with respect to the revolving credit facility and the term loan A from January 1, 2003 through September 30, 2003 shall not be less than 1.5% with respect to Base Rate advances and 2.5% with respect to LIBOR advances. Interest rates for the term loan B are determined (at a margin based on leverage) at 3.5% above LIBOR or 2.5% above the defined Base Rate. The Company is required to pay quarterly commitment fees on the undrawn portion of the facility, ranging from 0.5% to 1.0% per annum, depending on the level of facility usage. In addition, the credit facilities require compliance with financial coverage ratios that measure operating cash flow against total debt, operating cash flow against senior debt, interest coverage, pro forma debt service and fixed charges, as defined in the credit facilities. The credit facilities also contain financial and operational covenants and other restrictions which the Company, the borrowers and their restricted subsidiaries must comply with, whether or not there are borrowings outstanding. Such covenants and restrictions include restrictions on certain types of acquisitions, indebtedness, investments, liens, capital expenditures, and the ability of the borrowers to pay dividends and make other distributions. The borrowers under the credit facilities include the Company's principal domestic operating subsidiaries (other than Verestar). The Company and the restricted subsidiaries (as defined in the credit facilities) and Verestar and its subsidiaries have guaranteed all of the loans under the credit facilities. These loans are secured by liens on substantially all assets of the Company, the borrowers, the restricted subsidiaries and Verestar and its subsidiaries. The credit facilities also restrict the borrowers', the restricted subsidiaries' and Verestar's and its subsidiaries' ability to transfer funds to the Company. As of December 31, 2002 substantially all assets of the Company are held by the borrowers and the restricted subsidiaries.

Availability at December 31, 2002 under the revolving credit facilities was \$470.8 million, net of \$19.2 million of outstanding letters of credit. The availability was reduced to \$245.8 million, giving effect to the February 2003 amendment. (See note 19).

Prior to entering into of the credit facilities described above, the Company maintained credit facilities that provided for total capacity of \$925.0 million. All amounts outstanding under the prior credit facilities were repaid in January 2000 with proceeds from the new credit facilities. In connection with the repayment of borrowings under the Company's prior credit facilities, the Company recognized an extraordinary loss on extinguishment of debt of approximately \$3.0 million (net of a tax benefit of \$2.0 million), in January 2000.

Additionally, in February 2000, the Company repaid certain debt assumed in connection with an acquisition. Such debt repayment was at a premium of the outstanding principal balance. Accordingly, the Company recognized an extraordinary loss of \$1.3 million (net of an income tax benefit of \$0.9 million) from the extinguishment of this debt in 2000.

For the years ended December 31, 2002, 2001 and 2000, the combined weighted average interest rate related to the Company's credit facilities was 4.41%, 7.26% and 9.56% respectively. Commitment fees incurred by the Company related to the credit facilities aggregated approximately \$5,454,000, \$7,478,000 and \$9,777,000 for the years ended December 31, 2002, 2001 and 2000, respectively.

9³/8% Senior Notes—In January 2001, the Company completed a private notes placement of \$1.0 billion 9³/8% senior notes (senior notes), issued at 100% of their face amount. The senior notes mature on February 1, 2009.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Interest on the senior notes is payable semiannually on February 1 and August 1. The indenture governing the senior notes contains certain restrictive covenants including restrictions on the Company's ability to incur more debt, guarantee debt, pay dividends and make certain investments. Proceeds from the senior notes placement were used to finance construction of towers, fund acquisitions and for general corporate purposes. The senior notes rank equally with the Company's 5%, 6.25% and 2.25% convertible notes, described below, and are structurally and effectively junior to indebtedness outstanding under the Credit Facilities.

As of December 31, 2002 and 2001, the Company has \$1.0 billion outstanding under the senior notes.

5% Convertible Notes—In February 2000, the Company completed a private placement of \$450.0 million 5% Convertible Notes (5% Notes), issued at 100% of their face amount. The 5% Notes mature on February 15, 2010. Interest on the 5% Notes is payable semiannually on February 15 and August 15 of each year. The indenture governing the 5% Notes does not contain any restrictive covenants. The credit facilities restrict the Company's ability to repurchase the convertible notes for cash from the proceeds of borrowings under the credit facilities or from internally generated funds from any of the Company's restricted subsidiaries (under its credit facilities).

The 5% Notes are convertible at any time into shares of the Company's Class A common stock at a conversion price of \$51.50 per share, subject to adjustment in certain cases. The Company cannot redeem the 5% Notes prior to February 20, 2003. The initial redemption price on the 5% Notes is 102.5% of the principal amount, subject to ratable declines immediately after February 15 of the following year to 100% of the principal amount in 2006. The holders have the option of requiring the Company to repurchase all or any of the 5% Notes on February 20, 2007 at their principal amount, together with accrued and unpaid interest. The Company may, subject to certain conditions in the applicable indenture (including the condition that the Company's Class A common stock trade on a national securities exchange or Nasdaq), elect to pay the repurchase price in cash or shares of Class A common stock, or any combination thereof. The 5% Notes rank equally with the 6.25% and 2.25% Notes described below and the senior notes and are structurally and effectively junior to indebtedness outstanding under the Credit Facilities and the 12.25% senior subordinated discount notes described in note 19.

As of December 31, 2002 and 2001, the Company had \$450.0 million outstanding under the 5% Notes.

2.25% and 6.25% Convertible Notes—In October 1999, the Company completed a private placement of \$300.0 million 6.25% Convertible Notes (6.25% Notes), issued at 100% of their face amount and \$425.5 million 2.25% Convertible Notes (2.25% Notes), issued at 70.52% of their face amount (collectively, the "Notes"). The yield to maturity on the 2.25% Notes is 6.25%, giving effect to the original discount. The Notes mature on October 15, 2009. Interest on the Notes is payable semiannually on April 15 and October 15 of each year.

The 6.25% Notes and 2.25% Notes are convertible at any time, at the option of the holder, into the Company's Class A common stock at a conversion price of \$24.40 per share and \$24.00 per share, respectively, subject to adjustment in certain events. The Company may redeem the Notes at any time on or after October 22, 2002. The initial redemption price on the 6.25% Notes is 103.125% of the principal amount, subject to ratable declines immediately after October 15 of each following year to 100% of the principal amount in 2005. The 2.25% Notes are redeemable incrementally at increasing prices designed to reflect the accrued original issue discount. The holders have the option of requiring the Company to repurchase all or a portion of the 6.25% Notes on October 22, 2006 at their principal amount, together with accrued and unpaid interest, and all or a portion of the 2.25% Notes on October 22, 2003 at \$802.93 per note (accreted through October 22, 2003), plus accrued and unpaid interest. The Company may, subject to certain conditions in the applicable indenture (including the condition that the Company's Class A common stock trade on a national securities exchange or Nasdaq), elect to pay the repurchase price on the Notes in cash or shares of Class A common stock or any combination thereof. The credit facilities restrict the Company's ability to repurchase the convertible notes for cash from the proceeds of borrowings under the credit facilities or from internally generated funds from any of the Company's restricted

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

subsidiaries (under its credit facilities). The 6.25% Notes and 2.25% Notes rank equally with one another, the 5% Notes and the senior notes and are structurally and effectively junior to indebtedness outstanding under the credit facilities and the 12.25% senior subordinated discount notes described in note 19.

Based on the principal amount of the 2.25% notes outstanding as of December 31, 2002, the Company may be required to repurchase up to \$216.7 million (accreted through October 22, 2003) principal amount of its 2.25% convertible notes on October 22, 2003, if all of the holders exercise their put right. Based on the above, the \$210.9 million outstanding on the 2.25% notes has been classified as a current liability in the accompanying 2002 consolidated balance sheet. (See note 19).

In August of 2001, the Company acquired an aggregate of \$82.5 million face amount (\$61.6 million carrying amount) of the 2.25% Notes for an aggregate of 2,424,123 shares of Class A common stock. As an inducement to the noteholders to convert all or a portion of their holdings, the Company issued an aggregate of 1,538,414 shares of Class A common stock to such holders in addition to the amounts issuable upon conversion of those notes as provided in the applicable indentures. The Company made these exchanges pursuant to negotiated transactions with a limited number of noteholders. As a consequence of those exchanges, the Company recorded note conversion expense of approximately \$26.3 million in the third quarter of 2001 which represents the fair market value of the inducement shares.

In May 2000, the Company acquired an aggregate of \$87.3 million of the 6.25% Notes and \$73.1 million face amount of the 2.25% Notes for an aggregate of 5,724,180 shares of Class A common stock. As an inducement to the noteholders to convert all or a portion of their holdings, the Company issued an aggregate of 402,414 shares of Class A common stock to such holders in addition to the amounts issuable upon conversion of those notes as provided in the applicable indentures. The Company made these exchanges pursuant to negotiated transactions with a limited number of noteholders. As a consequence of those exchanges, the Company recorded note conversion expense of approximately \$17.0 million during the second quarter of 2000 which represents the fair market value of the inducement shares.

As of December 31, 2002 and 2001, the Company had \$210.9 million and \$204.2 million outstanding, respectively, under the 2.25% Notes. Further, as of December 31, 2002 and 2001, the Company had \$212.7 million outstanding under the 6.25% Notes.

Notes Payable—Notes payable approximated \$33.8 million and \$73.1 million as of December 31, 2002 and 2001, respectively. These obligations bear interest at rates ranging from 7.0% to 12.0% and mature in periods ranging from less than one year to approximately five years.

Capital Lease Obligations—The Company's capital lease obligations, which approximate \$47.2 million and \$177.0 million as of December 31, 2002 and 2001, respectively, expire in periods ranging from less than one year to approximately seventy years. As of December 31, 2002, approximately \$116.9 million of aggregate principal payments for Verestar capital leases are included in liabilities held for sale in the accompanying consolidated balance sheet.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Maturities—As of December 31, 2002, aggregate principal payments of long-term debt, including capital leases, (excluding the effects of the credit facilities amendment disclosed in note 19) for the next five years and thereafter are estimated to be (in thousands):

Year Ending December 31,	
2003	\$ 270,142
2004	195,086
2005	244,722
2006	565,794
2007	1,147,512
Thereafter	1,041,423
Total	\$ 3,464,679

The holders of the Company's convertible notes have the right to require the Company to repurchase their notes on specified dates prior to their maturity dates in 2009 and 2010, but we may pay the purchase price by issuing shares of Class A common stock, subject to certain conditions. Obligations with respect to the right of the holders to put the 2.25% notes, 6.25% notes and 5% notes have been included in the table above as if such notes mature at the date of their put rights in 2003, 2006 and 2007, respectively.

8. DERIVATIVE FINANCIAL INSTRUMENTS

Under the terms of the Company's Credit Facilities, the Company is required to enter into interest rate protection agreements on at least 50% of its variable rate debt. Under these agreements, the Company is exposed to credit risk to the extent that a counterparty fails to meet the terms of a contract. Such exposure is limited to the current value of the contract at the time the counterparty fails to perform. The Company believes its contracts as of December 31, 2002 are with credit worthy institutions. As of December 31, 2002, the Company had interest rate protection agreements outstanding as follows (in thousands):

Derivative	Notional Amount	Interest Range	Term	Fair Value
Interest rate swaps	\$ 400,000	4.09%-7.00%	Expiring 2003	\$ (10,383)
Interest rate collars	\$ 232,500	4.00%-9.00%	Expiring 2003	(5,307)
Interest rate caps	\$ 500,000	5.00%	Expiring 2004	150
Total				\$ (15,540)

As of December 31, 2002 and 2001, liabilities related to derivative financial instruments of \$15.5 million and \$35.2 million, respectively, are reflected in other long-term liabilities in the accompanying consolidated balance sheet.

During the year ended December 31, 2002, the Company recorded an unrealized loss of approximately \$9.1 million (net of a tax benefit of approximately \$4.9 million) in other comprehensive loss for the change in fair value of cash flow hedges and reclassified \$19.5 million (net of a tax benefit of approximately \$10.5 million) into results of operations. During the year ended December 31, 2001, the Company recorded an unrealized loss, excluding the charge for the cumulative effect of adopting SFAS No. 133, of approximately \$17.5 million (net of a tax benefit of approximately \$9.4 million) in other comprehensive loss for the change in fair value of cash flow hedges and reclassified \$9.4 million (net of a tax benefit of approximately \$5.1 million) into results of operations. Hedge ineffectiveness resulted in a gain of approximately \$1.0 million and a loss of approximately \$2.2 million

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

for the years ended December 31, 2002 and 2001, respectively, and is recorded in loss on investments and other expense in the accompanying consolidated statements of operations. The Company records the changes in fair value of its derivative instruments that are not accounted for as hedges in loss on investments and other expense. The Company estimates that approximately \$5.6 million of derivative losses (net of tax benefit) included in other comprehensive loss will be reclassified into the statement of operations within the next twelve months.

9. COMMITMENTS AND CONTINGENCIES

Lease Obligations—The Company leases certain land, office and tower space under operating leases that expire over various terms. Many of the leases contain renewal options with specified increases in lease payments upon exercise of the renewal option. Escalation clauses present in operating leases, excluding those tied to CPI, are straight-lined over the term of the lease.

Future minimum rental payments under non-cancelable operating leases in effect at December 31, 2002 are as follows (in thousands):

Year Ending December 31,	
2003	\$ 81,487
2004	72,091
2005	61,875
2006	52,159
2007	46,214
Thereafter	445,976
Total	\$ 759,802

Aggregate rent expense in loss from continuing operations under operating leases for the years ended December 31, 2002, 2001 and 2000 approximated \$97,457,000, \$86,854,000 and \$56,298,000, respectively.

Future minimum payments under capital leases (see note 7) in effect at December 31, 2002 are as follows (in thousands):

Year Ending December 31,	
2003	\$ 5,990
2004	5,792
2005	4,195
2006	3,404
2007	3,274
Thereafter	223,088
Total minimum lease payments	245,743
Less amounts representing interest	(198,523)
Present value of capital lease obligations	\$ 47,220

Commitments under operating and capital leases associated with discontinued operations have been excluded from the above tables. Minimum rental commitments under non-cancelable operating leases associated with discontinued operations held for sale at December 31, 2002 are: 2003—\$69,908,000, 2004—\$49,567,000, 2005—\$31,247,000, 2006—\$20,261,000, 2007—\$8,392,000 and thereafter—\$10,111,000. At December 31, 2002, the present value of capital lease obligations associated with discontinued operations was \$116.9 million and is included in liabilities held for sale in the accompanying December 31, 2002 consolidated balance sheet.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Customer Leases—The Company's lease agreements with its customers vary depending upon the industry. Television and radio broadcasters prefer long-term leases, while wireless communications providers favor leases in the range of five to ten years. Most leases contain renewal options. Escalation clauses present in operating leases, excluding those tied to CPI, are straight-lined over the term of the lease.

Future minimum rental receipts expected from customers under noncancelable operating lease agreements in effect at December 31, 2002 are as follows (in thousands):

Year Ending December 31,		
2003	\$	459,188
2004		439,959
2005		409,670
2006		363,010
2007		303,085
Thereafter		1,102,597
Total	\$	3,077,509

Acquisition Commitments—As of December 31, 2002, the Company was party to an agreement relating to the acquisition of tower assets from a third party for an estimated aggregate purchase price of approximately \$74.0 million. The Company may pursue the acquisitions of other properties and businesses in new and existing locations, although there are no definitive material agreements with respect thereto.

Build-to-Suit Agreements—As of December 31, 2002, the Company was party to various arrangements relating to the construction of tower sites under existing build-to-suit agreements. Under the terms of the agreements, the Company is obligated to construct up to 1,000 towers over a five year period which includes 650 towers in Mexico and 350 towers in Brazil over the next three years. The Company is in the process of renegotiating several of these agreements to reduce its overall commitment; however, there can be no assurance that it will be successful in doing so.

ATC Separation—The Company was a wholly owned subsidiary of American Radio Systems Corporation (American Radio) until consummation of the spin-off of the Company from American Radio on June 4, 1998 (the ATC Separation). On June 4, 1998, the merger of American Radio and a subsidiary of CBS Corporation (CBS) was consummated. As a result of the merger, all of the outstanding shares of the Company's common stock owned by American Radio were distributed or reserved for distribution to American Radio stockholders, and the Company ceased to be a subsidiary of, or to be otherwise affiliated with, American Radio. Furthermore, from that day forward the Company began operating as an independent publicly traded company.

In connection with the ATC Separation, the Company agreed to reimburse CBS for any tax liabilities incurred by American Radio as a result of the transaction. Upon completion of the final American Radio tax returns, the amount of these tax liabilities was determined and paid by the Company. The Company continues to be obligated under a tax indemnification agreement with CBS, however, until June 30, 2003, subject to the extension of federal and applicable state statutes of limitations.

The Company is currently aware that the Internal Revenue Service (IRS) is in the process of auditing certain tax returns filed by CBS and its predecessors, including those that relate to American Radio and the ATC Separation transaction. In the event that the IRS imposes additional tax liabilities on American Radio relating to the ATC Separation, the Company would be obligated to reimburse CBS for such liabilities. The Company cannot currently anticipate or estimate the potential additional tax liabilities, if any, that may be imposed by the IRS, however, such amounts could be material to the Company's consolidated financial position and results of operations. The Company is not aware of any material obligations relating to this tax indemnity as of December 31, 2002. Accordingly, no amounts have been provided for in the consolidated financial statements relating to this indemnification.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Litigation—The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. In the opinion of management, after consultation with counsel, 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 its operations or liquidity.

10. RELATED PARTY TRANSACTIONS

JP Morgan Chase Bank (Chase) is a lender under the Company's credit facilities and had participation percentages ranging from 1.68% to 6.67% during 2002, 2001 and 2000. Chase is an affiliate of J.P. Morgan Partners, LLC (JPMP), which indirectly controls J.P. Morgan Partners (BHCA), L.P. (JPLP) and J.P. Morgan Partners (23ASBIC), LLC (JPSBIC), stockholders of the Company. A director of the Company is an Executive Partner of JPMP. At December 31, 2002, 2001 and 2000, the aggregate principal amount outstanding under the credit facilities was approximately \$1.5 billion, \$1.4 billion and \$1.4 billion, respectively. Chase's participation in the credit facilities at December 31, 2002 was 2.22%. Chase's approximate share of interest and fees paid by the Company pursuant to its various credit arrangements was approximately \$0.9 million, \$1.5 million and \$3.2 million in 2002, 2001 and 2000, respectively.

In March 2001, the Company purchased 78,432 shares of Class B Common Stock, par value \$0.01 per share, of America Connect, Inc., a Delaware corporation, from JPSBIC for 100,000 shares of the Company's Class A common stock.

During 2002, 2001 and 2000, the Company made demand loans to five executive officers. As of December 31, 2002, all amounts have been repaid with the exception of \$0.2 million outstanding from two executive officers and a \$0.7 million note outstanding from a former employee and executive officer (which has repayment terms under the former executive's severance agreement). As of December 31, 2001 and 2000, amounts outstanding under the loans approximated \$1.0 million.

In October 2001, the Company consummated the sale of 8.7% of its Mexican subsidiary, ATC Mexico Holding Corp. (ATC Mexico Holding), to J. Michael Gearon, Jr., an executive officer and director, for \$8.4 million. Mr. Gearon paid \$1.7 million in cash and delivered a 7% secured note due 2010 in the principal amount of \$6.7 million. The note, which accrues interest and is payable quarterly, is secured by certain shares of the Company's Class A common stock owned by Mr. Gearon and his interest in ATC Mexico Holding. The purchase price represented the fair market value of an 8.7% interest in ATC Mexico Holding on the date of the sale as determined with the assistance of an independent appraiser. Mr. Gearon may require the Company to purchase his interest in ATC Mexico Holding, for its then fair market value, any time after the soonest to occur of July 1, 2004, a change in control (as defined in the stockholder agreement relating to Mr. Gearon's investment) of the Company or ATC Mexico Holding, or Mr. Gearon's death or disability. The Company has the right to purchase Mr. Gearon's interest in ATC Mexico Holding for its then fair market value after the soonest to occur of July 1, 2005, Mr. Gearon's death or disability or on either a Gearon Termination Event or a Forfeiture Event (each as defined in a stockholder agreement). Interest income (paid quarterly) on the 7% secured note approximated \$470,000 and \$104,000 for the years ended December 31, 2002 and 2001, respectively.

In January 2003, as a result of the occurrence of a change in control (as defined in the stockholder agreement), Mr. Gearon's right to require the Company to purchase his interest in ATC Mexico Holding for its fair market value was accelerated and is currently exercisable.

During the years ended December 31, 2002, 2001 and 2000, the Company retained several wholly-owned subsidiaries of Nordblom Co. Inc. to provide various real estate services in connection with its acquisition, financing, ownership and leasing of several properties. Services rendered by those companies included advice in connection with the acquisition and arranging mortgage financing of the Company's corporate headquarters building in Boston (which was sold in December 2002) and two other office buildings in which it has regional

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

offices; the management of those buildings; and the leasing of certain of them. The Company paid the Nordblom companies, including Nordic Properties, an affiliate of Nordblom, an aggregate of \$574,000, \$772,000 and \$474,000 in 2002, 2001 and 2000, respectively. Two brothers and the father of the Company's Chairman and Chief Executive Officer's (Mr. Dodge) wife own the controlling interest of Nordblom Co. Inc. and Nordic Properties. Mr. Dodge's wife has no interest in Nordblom Co. Inc. or Nordic Properties and Mr. Dodge was not involved in the negotiation of any of the arrangements. The Company believes that all of the arrangements with the Nordblom companies are on terms and conditions that are customary in the industry and at least as favorable to it as could be obtained from an unrelated real estate management company.

In December 2002, in connection with a potential financing transaction between the Company and SPO Partners II, LP (SPO), the Company entered into a letter agreement with SPO, which at the time was a holder of more than 5% of its Class A common stock. The agreement provided for a \$2.0 million break-up fee (plus expenses) payable to SPO in the event that the Company consummated an alternative financing transaction. As a result of the discount notes offering described in note 19, the Company expects to pay this \$2.0 million break-up fee and reimburse certain expenses to SPO in the first quarter of 2003.

11. RESTRUCTURING

In November 2001, the Company announced a restructuring of the organization and implemented an initiative to consolidate operations in each of its business segments. During the year ended December 31, 2001, the Company incurred employee separation costs associated with the termination of approximately 525 employees (primarily tower development and administrative employees) and facility closing costs associated with the shut-down of approximately 20 field office locations aggregating \$5.2 million. As a result of these continuing initiatives, in 2002, the Company incurred employee separation costs associated with the termination of approximately 460 employees (primarily development and administration) as well as costs associated with the termination of lease obligations and other incremental facility closing costs aggregating \$10.6 million. These costs are reflected as restructuring expense in the accompanying 2002 and 2001 consolidated statements of operations.

The following table displays activity with respect to the accrued restructuring liability related to continuing operations for the years ended December 31, 2001 and 2002 (in thousands). The accrued restructuring liability related to continuing operations is reflected in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of December 31, 2001 and 2002.

	2001 Restructuring Expense	2001 Cash Payments	Liability as of December 31, 2001	2002 Restructuring Expense	2002 Cash Payments	Liability as of December 31, 2002
Restructuring costs						
Employee separations	\$ 2,482	\$ (1,945)	\$ 537	\$ 6,501	\$ (5,399)	\$ 1,639
Lease terminations and other facility closing costs	2,754	(445)	2,309	4,137	(4,453)	1,993
Total	\$ 5,236	\$ (2,390)	\$ 2,846	\$ 10,638	\$ (9,852)	\$ 3,632

Additionally, in connection with businesses reported as discontinued operations in 2002, the Company incurred employee separation costs associated with the termination of approximately 150 employees (primarily operational and administrative) as well as costs associated with the termination of lease obligations and other incremental facility closing costs aggregating \$12.4 million. In addition, in 2001, the Company incurred

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

\$1.4 million of employee separation costs and facility closing costs related to businesses reported as discontinued operations. These costs are included within loss from discontinued operations, net in the accompanying consolidated statement of operations for the years ended December 31, 2002 and 2001, respectively. The accrued restructuring liability of \$6.7 million related to discontinued operations is reflected in liabilities held for sale in the accompanying December 31, 2002 consolidated balance sheet.

There were no material changes in estimates related to the accrued restructuring liabilities during the years ended December 31, 2001 or 2002. The Company expects to pay the balance of the employee separation liabilities related to continuing operations in the first quarter of 2003. Additionally, the Company is in the process of negotiating certain lease terminations associated with both continuing and discontinued operations. As of December 31, 2002, the Company has completed its restructuring initiatives to consolidate operations and does not anticipate future charges associated with this restructuring.

12. INCOME TAXES

The income tax benefit (provision) from continuing operations was comprised of the following for the years ended December 31, (in thousands):

	2002	2001	2000
Current:			
Foreign	\$ (3,147)	\$ (3,624)	\$ (1,220)
Deferred:			
Federal	117,929	138,142	74,029
State	15,435	18,081	9,338
Foreign	(2,170)	(4,475)	
Less:			
Benefit from disposition of stock options recorded to additional paid-in capital		(1,001)	(10,263)
Valuation allowance	(63,413)	(47,248)	(5,987)
Income tax benefit	<u>\$ 64,634</u>	<u>\$ 99,875</u>	<u>\$ 65,897</u>

A reconciliation between the U.S. statutory rate from continuing operations and the effective rate was as follows for the years ended December 31,

	2002	2001	2000
Statutory tax rate	35%	35%	35%
State taxes, net of federal benefit	5	4	4
Non-deductible intangible amortization and note conversion expense		(6)	(10)
Foreign taxes	(4)	(2)	1
Other (primarily valuation allowance)	(19)	(11)	(4)
Effective tax rate	<u>17%</u>	<u>20%</u>	<u>26%</u>

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The components of the net deferred tax asset and related valuation allowance are as follows (in thousands):

	2002	2001
Current assets:		
Allowances, accruals and other items not currently deductible	\$ 13,111	\$ 24,136
Long-term items:		
Assets:		
Basis step-up from corporate restructuring	97,219	108,030
Net operating loss carryforwards	447,682	328,085
Items not currently deductible and other	78,949	33,280
Liabilities:		
Depreciation and amortization	(97,038)	(159,906)
Other	(24,741)	(8,008)
Subtotal	\$ 502,071	\$ 301,481
Less: Valuation allowance	(118,640)	(56,266)
Net long-term deferred tax assets	\$ 383,431	\$ 245,215

Basis step-up from corporate restructuring represents the tax effects of increasing the basis for tax purposes of certain of the Company's assets in conjunction with its spin-off from American Radio.

At December 31, 2002, the Company had net federal and state operating loss carryforwards available to reduce future taxable income of approximately \$1.1 billion and \$1.3 billion, respectively. If not utilized, the Company's net operating loss carryforwards expire as follows (in thousands):

Years ended December 31,	Federal	State
2003 to 2007		\$ 528,098
2008 to 2012	\$ 13,685	61,766
2013 to 2017		123,618
2018 to 2022	1,092,493	572,287
Total	\$ 1,106,178	\$ 1,285,769

SFAS No. 109, "Accounting for Income Taxes," requires that companies record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." During the year ended December 31, 2002, the Company recorded a valuation allowance of \$27.5 million in connection with a plan to implement a tax planning strategy to accelerate the utilization of certain federal net operating losses. The valuation allowance represents the estimate net tax benefit and costs in connection with implementing this strategy. At December 31, 2002, the Company has provided a valuation allowance of approximately \$118.6 million, primarily related to state net operating loss carryforwards, capital loss carryforwards and the lost tax benefit and costs associated with implementing our tax planning strategy. The Company has not provided a valuation allowance for the remaining net deferred tax assets, primarily its federal net operating loss carryforwards, as management believes the Company will have sufficient time to realize these assets during the twenty-year carryforward period.

The Company intends to recover a portion of its deferred tax asset from its tax planning strategy to accelerate the utilization of certain federal net operating losses. The recoverability of its remaining net deferred tax asset has been assessed utilizing stable state (no growth) projections based on its current operations. The projections show a significant decrease in depreciation and interest expense in the later years of the carryforward period as a result of a significant portion of its assets being fully depreciated during the first fifteen years of the carryforward

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

period and debt repayments reducing interest expense. Accordingly, the recoverability of the net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on its current outlook of future taxable income during the carryforward period, management believes that the net deferred tax asset will be realized. The realization of the Company's deferred tax assets will be dependent upon its ability to generate approximately \$800.0 million in taxable income from January 1, 2003 to December 31, 2022. If the Company is unable to generate sufficient taxable income in the future, or implement its tax planning strategy, it will be required to reduce its net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

13. STOCKHOLDERS' EQUITY

Preferred Stock

As of December 31, 2002 the Company was authorized to issue up to 20.0 million shares of \$.01 par value preferred stock. As of December 31, 2002 and 2001 there were no preferred shares issued or outstanding.

Common Stock

As of December 31, 2002 the Company was authorized to issue up to 500.0 million shares of its \$.01 par value per share Class A common stock, 50.0 million shares of its \$.01 par value per share Class B common stock and 10.0 million shares of its \$.01 par value per share Class C common stock. The Class A and B common stockholders are entitled to one and ten votes per share, respectively. The Class C common stock is non-voting. In addition, holders of Class B and C common stock may exchange their shares on a one-to-one basis for shares of Class A common stock. During the years ended December 31, 2002, 2001 and 2000, holders of Class B and Class C common stock exchanged 84,699, 93,236 and 613,286 of their shares, respectively, for shares of Class A common stock.

Warrants

As of December 31, 2002, the Company had warrants outstanding to purchase approximately 2.7 million shares of its Class A common stock at an exercise price of \$22.00 per share. These vested warrants expire through 2005. (See note 14).

Principal Equity Transactions

The following is a summary of the Company's principal equity transactions during the years ended December 31, 2001 and 2000. There were no principal equity transactions during the year ended December 31, 2002.

2001

In January 2001, the Company completed a public offering of 10,000,000 shares of its Class A common stock, at \$36.50 per share. The Company's net proceeds of the offering (after deduction of the offering expenses) were approximately \$360.8 million. The Company used the proceeds to finance acquisitions and the construction of towers, as well as for general working capital purposes.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2000

In June 2000, the Company completed a public offering of 12,500,000 shares of its Class A common stock at \$41.125 per share. The Company's net proceeds of the offering (after deduction of the offering expenses) were approximately \$513.9 million. The Company used the proceeds to reduce borrowings under the Credit Facilities and to finance acquisitions and the construction of towers, as well as for general working capital purposes.

Stock Issued for Acquisitions—See note 14 of the consolidated financial statements for issuances of warrants, options and common stock in connection with the Company's acquisitions.

Stock Option Plans—The Company maintains a stock option plan for directors, officers and employees (the Plan), which provides for non qualified and incentive stock options. Exercise prices in the case of incentive stock options are not less than the fair market 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 Company's Board of Directors (which to date has not been less than the fair market value on the date of grant).

The option pool under the Plan consists of an aggregate of 27,000,000 shares of common stock. In addition to the shares authorized under the Plan, options to purchase approximately 2,042,000 shares of common stock were outstanding as of December 31, 2002 outside of the Plan. Options outside the Plan are the result of the exchange of certain American Radio options that occurred pursuant to the ATC Separation and the assumption of certain options that occurred pursuant to certain mergers.

Option grants generally vest ratably over various periods, generally three to five years, commencing one year from the date of grant. Option grants generally expire ten years from the date of grant.

The following table summarizes the Company's option activity for the periods presented:

	Options	Weighted Average Exercise Price	Options Exercisable
Outstanding as of January 1, 2000	16,717,242	\$ 16.23	4,132,562
Granted	7,092,350	32.77	
Exercised	(1,583,950)	15.45	
Cancelled	(627,503)	27.72	
Outstanding as of December 31, 2000	21,598,139	21.35	5,781,018
Granted	2,482,100	14.66	
Exercised	(217,658)	14.20	
Cancelled	(5,914,028)	29.72	
Outstanding as of December 31, 2001	17,948,553	17.77	8,620,691
Granted	8,835,624	3.08	
Cancelled	(4,669,201)	18.13	
Outstanding as of December 31, 2002	22,114,976	\$ 11.60	10,190,819

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table sets forth information regarding options outstanding at December 31, 2002:

Options Outstanding				Options Exercisable	
Outstanding Number of Options	Range of Exercise Price Per Share	Weighted Average Exercise Price Per Share	Weighted Average Remaining Life (Years)	Options Exercisable	Weighted Average Exercise Price Per Share
25,000	\$0.75—\$0.75	\$ 0.75	9.81		
2,457,300	1.07—1.55	1.51	9.86		
1,994,603	1.62—3.04	2.83	6.99	852,303	\$ 2.61
2,212,600	3.08—3.15	3.15	9.43		
2,770,763	3.18—5.91	4.41	7.88	619,432	4.31
1,307,481	5.98—8.77	7.12	6.29	825,906	7.76
3,060,190	9.09—10.00	9.88	4.87	2,520,890	9.85
3,415,244	10.83—21.13	17.56	6.07	2,336,910	17.76
3,038,771	21.20—23.81	23.43	6.43	2,099,716	23.47
1,833,024	24.25—48.88	31.18	7.69	935,662	31.03
22,114,976	\$ 0.75—\$48.88	\$ 11.60	7.17	10,190,819	\$ 15.30

Pro Forma Disclosure—As described in note 1, the Company uses APB No. 25 to account for equity grants and awards to employees. Accordingly, there is no compensation expense related to option grants reflected in the accompanying consolidated financial statements. The Company has adopted the disclosure-only provisions of SFAS No. 123, as amended by SFAS No. 148, and has presented such disclosure in note 1. The “fair value” of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average fair values of the Company’s options granted during 2002, 2001 and 2000 were \$2.23, \$9.04 and \$18.19 per share, respectively. Key assumptions used to apply this pricing model are as follows:

	2002	2001	2000
Approximate risk-free interest rate (the Company, ATC Mexico and ATC Teleports plans)	4.53%	4.97%	5.95%
Expected life of option grants (all plans)	5 years	5 years	5 years
Expected volatility of underlying stock (the Company plan)	92.3%	77.9%	68.0%
Expected volatility of underlying stock (ATC Mexico and ATC Teleports plans)	N/A	N/A	N/A
Expected dividends (the Company, ATC Mexico and ATC Teleports plans)	N/A	N/A	N/A

Voluntary Option Exchange—As a result of a voluntary option exchange program, the Company accepted for surrender and cancelled options to purchase 3,471,211 shares of its Class A common stock on October 26, 2001 and issued 2,027,612 options in May 2002 to eligible employees with an exercise price equal to the fair market value of the Class A common stock on the date of grant of \$3.84 per share. The program, which was offered to both full and part-time employees, excluding most of the Company’s executive officers, called for the grant (at least six months and one day from the surrender date to employees still employed on that date) of new options exercisable for two shares of Class A common stock for every three shares of Class A common stock issuable upon exercise of a surrendered option. No options were granted to any employees who participated in the exchange offer between the cancellation date and the new grant date.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

ATC Teleports Stock Option Plan—During 1999, Verestar’s Board of Directors approved the formation of the ATC Teleports Stock Option Plan (ATC Teleports Plan) that provided for the issuance of options to officers, employees, directors and consultants of Verestar. As approved in 1999, the ATC Teleports Plan limited the number of shares of common stock which could be granted to an aggregate of 1,000,000 shares. Provisions of the original ATC Teleports Plan specified that options granted would vest at the discretion of Verestar’s Board of Directors and expire ten years from the date of grant.

During 2000, Verestar granted 809,400 options to purchase shares of Verestar common stock to officers, directors and employees under the ATC Teleports Plan. Such options were issued at one time with an exercise price of \$7.75 per share. The exercise price per share was at fair market value based on an independent appraisal performed at the Company’s request. The fair value of ATC Teleports Plan options granted during 2000 were \$1.97 per share as determined by using the Black-Scholes option pricing model. During 2002 and 2001, no options were granted and 142,000 and 340,800 options were terminated under the ATC Teleports Plan. In addition, no options under the ATC Teleports Plan were exercised during 2002, 2001 or 2000, and 150,520 of the 486,600 options outstanding as of December 31, 2001 were exercisable. No options were exercisable as of December 31, 2000.

On November 1, 2002, Verestar’s Board of Directors approved a resolution that called for a reverse split of all Verestar’s issued and outstanding common stock at the rate of 5,000 to one. This resolution further stated that all options issued by Verestar that were outstanding as of November 1, 2002 should be accordingly reduced and that the exercise price per share should be increased to give effect to the reverse split. As a result, the new exercise price per share for the outstanding options under the ATC Teleports Plan became \$38,750. As of December 31, 2002, 65 options were outstanding under the ATC Teleports Plan, of which 13 were exercisable.

ATC Mexico Stock Option Plan—During 2001, ATC Mexico Holding’s Board of Directors approved the formation of the ATC Mexico Stock Option Plan (ATC Mexico Plan) that provides for the issuance of options to officers, employees, directors and consultants of ATC Mexico. The ATC Mexico Plan limits the number of shares of common stock which may be granted to an aggregate of 360 shares, subject to adjustment based on changes in ATC Mexico’s capital structure. During 2002, ATC Mexico granted 330 options to purchase shares of ATC Mexico common stock to officers and employees. Such options were issued at one time with an exercise price of \$10,000 per share. The exercise price per share was at fair market value based on an independent appraisal performed at the Company’s request. The fair value of ATC Mexico Plan options granted during 2002 were \$3,611 per share as determined by using the Black-Scholes option pricing model. Options granted vest upon the earlier to occur of (a) the exercise by or on behalf of J. Michael Gearon, Jr. of his right to sell his interest in ATC Mexico Holding to the Company, (b) the exercise by the Company of its right to acquire Mr. Gearon’s interest in ATC Mexico Holding, or (c) a change of control of the Company (as defined in the ATC Mexico Plan), and expire ten years from the date of grant. (See note 10). No options under the ATC Mexico Plan were exercised or cancelled in 2002 and no options were exercisable as of December 31, 2002.

Employee Stock Purchase Plan—During 2000, the Company established an employee stock purchase plan for all eligible employees. Under the plan, shares of the Company’s common stock may be purchased at six-month intervals at 85% of the lower of the fair market value on the first or the last day of each offering period. Employees may purchase shares having a value not exceeding 15% of their gross compensation during an offering period and may not purchase more than \$25,000 worth of stock in a calendar year (based on market values at the beginning of each offering period). During 2002, 2001 and 2000, employees purchased 396,295, 231,257 and 33,794 shares, respectively, at weighted average prices per share of \$3.24, \$11.90 and \$25.61, respectively. At December 31, 2002, 4,338,654 shares remain reserved for future issuance under the plan.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

14. ACQUISITIONS

General—The acquisitions consummated during 2002, 2001 and 2000 have been accounted for under the purchase method of accounting. The purchase prices have been allocated to the net assets acquired (principally tangible and intangible assets) and the liabilities assumed based on their estimated fair values at the date of acquisition. The Company has recorded the excess of purchase price over the estimated fair value of the net assets acquired as goodwill and other intangible assets. For certain acquisitions, the consolidated financial statements reflect preliminary allocations of purchase price, as appraisals of the net assets acquired have not been finalized. The Company does not expect any changes in depreciation and amortization from the finalization of these appraisals to be material to its consolidated results of operations.

During the years ended December 31, 2002, 2001 and 2000, the Company primarily acquired its tower assets from third parties in one of three ways:

- the purchase of assets,
- the purchase of a business; or
- a capital lease.

The structure of the transaction affects the way the Company allocates purchase price within the consolidated financial statements. Specifically, in the case of an asset purchase, the Company allocates a portion of the purchase price to property and equipment for the appraised value of the tower (replacement cost), intangible assets for existing customer base and any other identifiable intangibles (if applicable). Any remaining purchase price is then recorded within intangible assets as a “network/location intangible.”

In the case of tower assets acquired through the purchase of a business, the allocation is similar to the above except that the remaining purchase price after valuing all assets (including towers and identifiable intangibles) and liabilities is recorded in accordance with SFAS No. 141, “Business Combinations,” as goodwill. For tower assets acquired through capital lease, which as of December 31, 2002, represented only the ALLTEL transaction (as discussed below), the entire asset value is recorded as a capital lease and is reflected in property and equipment in the accompanying consolidated financial statements.

Property and equipment, network/location intangibles and assets held under capital lease related to tower acquisitions are all amortized over a fifteen-year period.

2002 Acquisitions—During the year ended December 31, 2002, the Company’s acquisitions were limited to transactions involving the acquisition of various communications sites for an aggregate purchase price of approximately \$55.7 million in cash. The principal transaction was as follows:

NII transaction—In December 2002, the Company entered into an agreement to acquire up to 540 communications sites from NII Holdings, Inc. (NII), predominantly in Mexico. The NII transaction is expected to occur through several closings for a total purchase price of \$100.0 million in cash. In December 2002, the first of these closings occurred, through which the Company acquired 140 towers for approximately \$26.2 million in cash.

2001 Acquisitions—During the year ended December 31, 2001, the Company consummated more than 30 transactions involving the acquisition of various communications sites and related businesses and satellite and fiber network access services assets for a purchase price of approximately of \$ 827.2 million. This purchase price includes approximately \$809.6 million in cash, the issuance of approximately 0.4 million shares of Class A

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

common stock valued at approximately \$8.5 million and the assumption of certain liabilities. Total purchase price allocated to goodwill was approximately \$30.7 million. The principal transaction was as follows:

ALLTEL transaction—In December 2000, the Company entered into an agreement to acquire the rights from ALLTEL to up to 2,193 communications towers through a fifteen-year sublease agreement. Under the agreement, the Company subleased these towers for cash consideration of up to \$657.9 million. The Company has the option under the agreement to purchase the towers at the end of the fifteen-year term. The purchase price per tower will be \$27,500 plus interest accrued at 3% per annum or 769 shares of the Company's Class A common stock at ALLTEL's option.

As of December 31, 2001, the Company subleased 1,748 towers and paid ALLTEL approximately \$524.4 million in cash. In the first quarter of 2002, the Company closed on an additional 28 towers and paid ALLTEL approximately \$8.4 million in cash. The Company will not close on the remaining 417 towers under the sublease agreement, as permitted by the agreement. The Company has accounted for the ALLTEL transaction as a capital lease.

2000 Acquisitions—During the year ended December 31, 2000, the Company consummated more than 60 transactions involving the acquisition of various communications sites and related businesses and several satellite and fiber network access services businesses for a purchase price of approximately \$1.8 billion. This purchase price includes approximately \$1.4 billion in cash, the issuance of approximately 4.5 million shares of Class A common stock and options valued at approximately \$164.0 million, warrants to purchase approximately 2.7 million shares of Class A common stock valued at \$64.7 million and the assumption of \$59.2 million of debt. Total purchase price allocated to goodwill was approximately \$426.8 million. The principal transactions were as follows:

AirTouch transaction—In August 1999, the Company agreed to lease on a long-term basis (99 years) up to 2,100 towers located throughout the United States from AirTouch Communications, Inc. (now part of Verizon Wireless Inc.) (AirTouch). The Company's cumulative lease payments, based on 2,100 towers, aggregate \$800.0 million in cash payable in part upon each closing and the issuance of five-year warrants to purchase up to 3.0 million shares of Class A common stock at \$22.00 per share. At various closings in 2000, the Company leased 1,801 towers, paid AirTouch approximately \$686.1 million in cash and issued warrants to purchase approximately 2.7 million shares of its Class A common stock. In 2001, the Company leased 61 towers and paid AirTouch approximately \$23.3 million in cash. The Company did not close on the balance of the towers included in the initial agreement. The Company has accounted for the AirTouch transaction as a purchase of assets.

AT&T transaction—In September 1999, the Company agreed to purchase up to 1,942 towers from AT&T. These towers are located throughout the United States and were constructed by AT&T for its microwave operations. The purchase price was \$260.0 million in cash, subject to adjustment if all towers were not purchased. At various closings in 2000, the Company acquired 1,929 towers and paid AT&T \$258.1 million. In 2001, the Company acquired two towers and paid AT&T approximately \$0.1 million. The Company did not close on the balance of the towers included in the agreement.

During 2000, the Company had recorded a liability of approximately \$2.0 million related primarily to contractual obligations assumed in its acquisition of towers from AT&T. During the years ended December 31, 2001 and 2000, the Company recorded charges of approximately \$0.6 million and \$0.8 million, respectively, against this liability. The Company reversed the remaining \$0.6 million against other intangible assets as of December 31, 2001.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

UNISite merger—In January 2000, the Company consummated its merger with UNISite, Inc. (UNISite). The purchase price was approximately \$196.4 million, which included payment of \$147.7 million in cash and the assumption of \$48.7 million of debt. In February 2000, the Company repaid the debt assumed in connection with the UNISite transaction. (See note 7).

Discontinued Operations—During the year ended December 31, 2000, the Company consummated four transactions involving the acquisition of satellite and fiber network access services businesses for a purchase price of approximately \$196.9 million. This purchase price includes approximately \$97.9 million in cash and the issuance of approximately 2.6 million shares of Class A common stock and vested options to purchase 0.4 million shares of Class A common stock valued in aggregate at approximately \$99.0 million.

In connection with one of these acquisitions, the Company recorded a liability of approximately \$7.4 million related to contractual obligations assumed. During the years ended December 31, 2002 and 2001, the Company recorded charges against this liability of approximately \$0.9 million and \$0.8 million, respectively. In 2001, as a result of finalizing its purchase price allocation, the Company reversed approximately \$3.8 million related to this liability against goodwill. In 2002, the Company reversed approximately \$1.6 million related to this liability to loss from discontinued operations, net, in the accompanying consolidated statement of operations. The remaining balance related to this liability of \$0.3 million as of December 31, 2002 is included in liabilities held for sale in the accompanying consolidated balance sheet.

Unaudited Pro Forma Operating Results—The unaudited pro forma results of operations for the years ended December 31, 2002 and 2001 are not presented due to the insignificant impact of the 2002 acquisitions (described above) on the Company's consolidated results of operations.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information and non-cash investing and financing activities are as follows (in thousands):

	2002	2001	2000
Supplemental cash flow information:			
Cash paid during the period for interest (including amounts capitalized)	\$ 251,705	\$ 243,856	\$ 140,251
Cash paid during the period for income taxes (net of refunds)	1,640	3,349	4,335
Non-cash investing and financing activities:			
Issuance of common stock, options and warrants and assumption of options for acquisitions	1,208	8,458	227,507
Treasury stock			2,812
Conversion of convertible notes (excluding note conversion expense)		60,107	136,399
Capital leases	453	47,426	77,427
Note receivable from sale of 8.7% of Mexican subsidiary		6,720	
Notes receivable and investments	16,581		
Issuance of common stock for equity investment		2,464	
(Decrease) increase in fair value of cash flow hedges (net of a tax provision of \$5,594 and a tax benefit of \$8,590, respectively)	(10,389)	15,953	

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

16. BUSINESS SEGMENTS

As of December 31, 2002, the Company operates in two business segments: rental and management (RM) and network development services (Services). The RM segment provides for the leasing and subleasing of antennae sites on multi-tenant towers and other properties for a diverse range of customers primarily in the wireless communication and broadcast industries. The Services segment offers a broad range of services, including antenna and line installation, maintenance, construction, site acquisition, zoning, radio frequency engineering, network design, tower monitoring and steel fabrication.

The accounting policies applied in compiling segment information below are similar to those described in note 1. In evaluating financial performance, management focuses on operating profit (loss), excluding depreciation and amortization, corporate general and administrative expense, restructuring expense, development expense and impairments and net loss on sale of long-lived assets. This measure of operating profit (loss) is also before interest income, interest expense, loss on investments and other expense, loss on term loan cancellation, note conversion expense, minority interest in net earnings of subsidiaries, income taxes, discontinued operations, extraordinary losses and cumulative effect of change in accounting principle. For reporting purposes the RM segment includes interest income, TV Azteca, net.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because each segment requires different resources, skill sets and marketing strategies. Summarized financial information concerning the Company's reportable segments as of and for the years ended December 31, 2002, 2001 and 2000 is shown in the following tables. The "Other expenses" disclosure below represents amounts excluded from specific segments, such as depreciation and amortization, corporate and general administrative expense, restructuring expense, development expense, impairments and net loss on sale of long-lived assets, interest income, interest expense, loss on investments and other expense, loss on term loan cancellation, note conversion expense and minority interest in net earnings of subsidiaries. The total operating profit (loss) represents the Company's loss from continuing operations before income taxes.

Revenue and operating profit (loss) by operating segment is as follows:

	December 31,		
	2002	2001	2000
	(In thousands)		
Rental and Management:			
Revenues	\$ 548,923	\$ 435,302	\$ 270,298
Operating profit	334,342	237,868	146,677
Network Development Services:			
Revenues	239,497	349,848	239,616
Operating profit	21,807	36,922	29,303
Other:			
Other expenses	(735,552)	(764,543)	(425,954)
Continuing Operations:			
Revenues	\$ 788,420	\$ 785,150	\$ 509,914
Loss from continuing operations before income taxes	\$ (379,403)	\$ (489,753)	\$ (249,974)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Additional information relating to the Company's operating segments is as follows:

	Depreciation and Amortization			Capital Expenditures		
	2002	2001	2000	2002	2001	2000
(In thousands)						
Rental and Management	\$ 296,089	\$ 300,833	\$ 210,816	\$ 147,883	\$ 464,258	\$ 483,699
Network Development Services	11,597	37,115	26,559	6,006	31,703	7,893
Other	9,190	8,072	3,836	7,061	34,383	12,686
Continuing Operations	\$ 316,876	\$ 346,020	\$ 241,211	\$ 160,950	\$ 530,344	\$ 504,278
Discontinued Operations				\$ 19,547	\$ 37,814	\$ 37,069
Total Assets						
(In thousands)						
Rental and Management				\$ 4,552,788	\$ 4,813,374	
Network Development Services				237,894	761,347	
Other				871,521	1,255,002	
				\$ 5,662,203	\$ 6,829,723	

The Other line item above includes corporate assets such as cash and cash equivalents, certain tangible and intangible assets and income tax accounts which have not been allocated to specific segments, as well as assets held for sale. In 2001, the Other line item above also includes the assets of the former satellite and fiber network access segment.

Summarized geographical information related to the Company's operating revenues and long-lived assets as of and for the years ended December 31 is as follows (in thousands):

	2002	2001	2000
Operating Revenues:			
United States	\$ 723,423	\$ 744,486	\$ 503,800
International (primarily Mexico)	64,997	40,664	6,114
Total operating revenues	\$ 788,420	\$ 785,150	\$ 509,914
Long-Lived Assets:			
United States	\$ 4,173,875	\$ 5,535,918	\$ 4,685,754
International (primarily Mexico)	306,514	259,566	116,597
Total long-lived assets	\$ 4,480,389	\$ 5,795,484	\$ 4,802,351

No single customer accounted for more than 10% of consolidated operating revenues for the years ended December 31, 2002, 2001 and 2000.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

17. INFORMATION PRESENTED PURSUANT TO THE INDENTURE FOR THE 9 ³/₈% SENIOR NOTES (UNAUDITED)

The following table sets forth information that is presented solely to address certain reporting requirements contained in the indenture for our senior notes. This information presents certain financial data of the Company on a consolidated basis and on a restricted group basis, as defined in the indenture governing the senior notes. All of the Company's subsidiaries are part of the restricted group, except its wholly owned subsidiary Verestar. In December 2002, the Company committed to a plan to dispose of Verestar by sale within the next twelve months. As a result of that plan, the results of operations related to Verestar have been included in loss from discontinued operations, net of tax in our consolidated statements of operations and the assets and liabilities of Verestar are included in assets held for sale and liabilities held for sale, respectively, within the consolidated balance sheet as of December 31, 2002.

	Consolidated		Restricted Group	
	Year Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
(In thousands)				
Statement of Operations Data:				
Operating revenues	\$ 788,420	\$ 785,150	\$ 788,420	\$ 785,150
Operating expenses:				
Rental and management	228,519	211,811	228,519	211,811
Network development services	217,690	312,926	217,690	312,926
Depreciation and amortization	316,876	346,020	316,876	346,020
Corporate general and administrative expense	24,349	26,478	24,349	26,478
Restructuring expense	10,638	5,236	10,638	5,236
Development expense	5,896	7,895	5,896	7,895
Impairments and net loss on sale of long-lived assets	90,734	74,260	90,734	74,260
Total operating expenses	894,702	984,626	894,702	984,626
Operating loss from continuing operations	(106,282)	(199,476)	(106,282)	(199,476)
Interest income, TV Azteca, net	13,938	14,377	13,938	14,377
Interest income	3,514	28,622	3,514	28,622
Interest expense	(255,645)	(267,825)	(255,645)	(267,825)
Loss on investments and other expense	(25,579)	(38,797)	(25,579)	(38,797)
Loss on term loan cancellation	(7,231)		(7,231)	
Note conversion expense		(26,336)		(26,336)
Minority interest in net earnings of subsidiaries	(2,118)	(318)	(2,118)	(318)
Loss from continuing operations before income taxes	(379,403)	(489,753)	(379,403)	(489,753)
Income tax benefit	64,634	99,875	64,634	99,875
Loss from continuing operations before extraordinary losses and cumulative effect of change in accounting principle	(314,769)	(389,878)	(314,769)	(389,878)
Loss from discontinued operations, net of tax	(263,427)	(60,216)	(21,852)	(9,251)
Loss before extraordinary losses and cumulative effect of change in accounting principle	\$ (578,196)	\$ (450,094)	\$ (336,621)	\$ (399,129)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	December 31, 2002	
	Consolidated	Restricted Group
	(In thousands)	
Balance Sheet Data:		
Cash and cash equivalents	\$ 127,292	\$ 127,292
Assets held for sale	234,724	39,026
Property and equipment, net	2,734,885	2,734,885
Total assets	5,662,203	5,466,505
Long-term obligations, including current portion	3,464,679	3,464,679
Liabilities held for sale	165,006	2,525
Total stockholders' equity	1,740,323	1,740,323

18. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The information presented below reflects certain businesses as discontinued operations. As a result, the quarterly data presented herein does not agree to previously issued quarterly statements. Selected quarterly financial data for the years ended December 31, 2002 and 2001 is as follows:

	Three Months Ended				Year Ended
	March 31, (1)	June 30,	September 30, (2)	December 31, (3)	December 31,
	(In thousands, except per share data)				
2002:					
Operating revenues	\$ 187,751	\$ 191,311	\$ 201,308	\$ 208,050	\$ 788,420
Operating loss from continuing operations	(7,844)	(13,374)	(84,326)	(738)	(106,282)
Loss before extraordinary losses and cumulative effect of a change in accounting principle	(70,706)	(101,169)	(353,877)	(52,444)	(578,196)
Net loss	(634,389)	(101,169)	(353,877)	(52,444)	(1,141,879)
Basic and diluted loss per common share amounts:					
Loss before extraordinary losses and cumulative effect of a change in accounting principle	\$ (0.36)	\$ (0.52)	\$ (1.80)	\$ (0.27)	\$ (2.96)
Net loss	\$ (3.25)	\$ (0.52)	\$ (1.80)	\$ (0.27)	\$ (5.84)
2001:					
Operating revenues	\$ 173,644	\$ 181,185	\$ 206,313	\$ 224,008	\$ 785,150
Operating loss from continuing operations	(28,832)	(27,648)	(35,436)	(107,560)	(199,476)
Net loss	(71,507)	(103,940)	(124,938)	(149,709)	(450,094)
Basic and diluted loss per common share amounts:					
Net loss	\$ (0.38)	\$ (0.54)	\$ (0.66)	\$ (0.77)	\$ (2.35)

- (1) Effective January 1, 2002, the Company recognized a \$562.6 million non-cash charge (net of a tax benefit of \$14.4 million) as the cumulative effect of change in accounting principle related to the write-down of goodwill to its fair value. In accordance with SFAS No. 142, this charge is reflected in the quarter ended March 31, 2002.
- (2) During the third quarter 2002, the Company recognized a \$84.6 million non-cash charge related to the write-down and sale of certain non-core towers and the write-off of construction-in-progress costs associated with approximately 800 towers that it no longer plans to build. The Company also recognized a \$187.8 million non-cash charge related to the write-down of certain long-lived assets of Verestar, which is included in loss from discontinued operations, net.
- (3) During the fourth quarter 2001, the Company recognized a \$62.6 million non-cash charge to write-off certain construction-in-progress costs associated with the abandonment of tower sites that the Company no longer intended to build.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

19. SUBSEQUENT EVENTS

12.25% Senior Subordinated Discount Notes and Warrants Offering—In January 2003, the Company issued 808,000 units, each consisting of (1) \$1,000 principal amount at maturity of the 12.25% senior subordinated discount notes due 2008 of a wholly owned subsidiary of the Company (ATI Notes) and (2) a warrant to purchase 14.0953 shares of Class A common stock of the Company, for gross proceeds of \$420.0 million. The gross offering proceeds were allocated between the ATI Notes (\$367.4 million) and the fair value of the warrants (\$52.6 million). Net proceeds from the offering aggregated approximately \$397.0 million and were or will be used for the purposes described below under Amended and Restated Loan Agreement.

The ATI Notes accrue no cash interest. Instead, the accreted value of each ATI Note will increase between the date of original issuance and maturity (August 1, 2008) at a rate of 12.25% per annum. The 808,000 warrants that were issued together with the ATI Notes each represent the right to purchase 14.0953 shares of Class A common stock at \$0.01 per share. The warrants are exercisable at any time on or after January 29, 2006 and will expire on August 1, 2008. As of the issuance date, the warrants represented approximately 5.5% of the Company's outstanding common stock (assuming exercise of all warrants).

The indenture governing the ATI Notes contains covenants that, among other things, limit the ability of the issuer subsidiary and its guarantors to incur or guarantee additional indebtedness, create liens, pay dividends or make other equity distributions, enter into agreements restricting the restricted subsidiaries' ability to pay dividends, purchase or redeem capital stock, make investments and sell assets or consolidate or merge with or into other companies. The ATI Notes rank junior in right of payment to all existing and future senior indebtedness, including all indebtedness outstanding under the credit facilities, and are structurally senior in right of payment to all existing and future indebtedness of the Company.

Amended and Restated Loan Agreement—On February 21, 2003, the Company completed an amendment to its credit facilities. The amendment provides for the following:

- *Prepayment of a Portion of Outstanding Term Loans.* The Company agreed to prepay an aggregate of \$200.0 million of the term loans outstanding under the credit facilities from a portion of the net proceeds of the ATI Notes offering completed in January 2003. This prepayment consisted of a \$125.0 million prepayment of the term loan A and a \$75.0 million prepayment of the term loan B, each to be applied to reduce future scheduled principal payments.

Giving effect to the prepayment of \$200.0 million of term loans under the credit facility and the issuance of the ATI Notes as discussed above as well as the paydown of debt from net proceeds of the sale of MTN (\$24.5 million in February 2003), the Company's aggregate principal payments of long-term debt, including capital leases, for the next five years and thereafter are as follows (in thousands):

Year Ending December 31,		
2003	\$	268,496
2004		131,262
2005		195,082
2006		538,479
2007		1,065,437
Thereafter		1,408,783
Total	\$	3,607,539

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- *Reduction to Revolving Loan Commitments.* The Company reduced its revolving credit facility by \$225.0 million for a total commitment of \$425.0 million.
- *Consent for Restricted Payments to Prepay or Repurchase the 2.25% Notes.* The lenders under the credit facilities have agreed to permit the Company to make payments of up to \$217.0 million, consisting of the balance of the net proceeds of the ATI Notes offering after prepayments of the term loans and cash on hand, to prepay or repurchase its 2.25% Notes. To the extent that the \$217.0 million is not used or required to prepay or repurchase any of the 2.25% Notes, the Company may use any remaining proceeds through June 30, 2004 to prepay or repurchase any indebtedness of the Company. Pending these payments, the \$217.0 million will be held in a restricted account that is pledged to the lenders and, to the extent the Company does not use the funds in the account for such payments by June 30, 2004, the Company must use the remaining funds to prepay a portion of the term loans outstanding under the credit facilities.
- *Leverage Ratio.* The leverage ratio was amended to take into account the issuance of the ATI Notes and a new senior leverage ratio has been added.
- *Revolving Credit Facility Drawdowns.* A provision has been added limiting future revolving credit facility drawdowns based on the Company's cash on hand.

The primary condition for the release of the net proceeds of the ATI Notes, which have been maintained in an escrow account since the closing on the ATI Notes, has now been satisfied as a result of entering into the amendment described above. Such release will occur in the first quarter of 2003.

20. SUBSIDIARY GUARANTEES

The Company's payment obligations under the ATI Notes are fully and unconditionally guaranteed on joint and several bases by the Company's parent and substantially all of the parent's and ATI's wholly owned domestic subsidiaries (collectively Restricted Guarantors). The ATI Notes and the subsidiary guarantees under the notes are subordinated to all indebtedness under the Company's credit facilities.

The following condensed consolidating financial data illustrates the composition of the Company's parent, the issuer of the ATI Notes (ATI), the combined guarantor subsidiaries under the ATI Notes and non-guarantor subsidiaries. These statements have been prepared in accordance with the rules and requirements of the Securities and Exchange Commission and the requirements contained in the ATI Notes indenture. The Company believes that separate complete financial statements of the respective guarantors would not provide additional material information which would be useful in assessing the financial composition of the guarantors. No single guarantor has any significant legal restrictions on the ability of investors or creditors to obtain access to its assets in event of default on the subsidiary guarantee other than its subordination to the Company's credit facilities described above.

Investments in subsidiaries are accounted for by the parent under the equity method for purposes of the supplemental consolidating presentation. In addition, ATI and the guarantor subsidiaries account for their subsidiaries that are not guarantors under the equity method. (Earnings) losses of subsidiaries accounted for under the equity method are therefore reflected in their parents' investment accounts. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2002
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents		\$ 107,600	\$ 756	\$ 18,936		\$ 127,292
Accounts receivable, net		59,848	14,720	8,609		83,177
Prepaid expenses and other current assets	\$ 6,026	54,245	5,346	12,332		77,949
Deferred income taxes	13,111					13,111
Assets held for sale		39,026		195,698		234,724
Total current assets	19,137	260,719	20,822	235,575		536,253
PROPERTY AND EQUIPMENT, NET		2,399,937	35,864	299,084		2,734,885
INTANGIBLE ASSETS, NET	42,877	1,617,351	20,094	65,182		1,745,504
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	3,221,521	36,635	393,036		\$ (3,651,192)	
OTHER LONG-TERM ASSETS	394,251	142,255	101	108,954		645,561
TOTAL	\$ 3,677,786	\$ 4,456,897	\$ 469,917	\$ 708,795	\$ (3,651,192)	\$ 5,662,203
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Current portion of long-term obligations	\$ 210,899	\$ 58,589		\$ 654		\$ 270,142
Accounts payable and accrued expenses	51,539	113,944	\$ 9,662	12,878		188,023
Other current liabilities		38,529	8,315	279		47,123
Liabilities held for sale		2,525		162,481		165,006
Total current liabilities	262,438	213,587	17,977	176,292		670,294
LONG-TERM OBLIGATIONS	1,662,741	1,480,297		51,499		3,194,537
OTHER LONG-TERM LIABILITIES		41,379		103		41,482
Total liabilities	1,925,179	1,735,263	17,977	227,894		3,906,313
MINORITY INTEREST IN SUBSIDIARIES		225		15,342		15,567
STOCKHOLDERS' EQUITY						
Common Stock	1,958					1,958
Additional paid-in capital	3,642,019	3,729,817	414,037	911,202	\$ (5,055,056)	3,642,019
Accumulated (deficit) earnings	(1,887,030)	(1,002,844)	37,903	(438,923)	1,403,864	(1,887,030)
Accumulated other comprehensive loss		(5,564)				(5,564)
Note receivable				(6,720)		(6,720)
Treasury stock	(4,340)					(4,340)
Total stockholders' equity	1,752,607	2,721,409	451,940	465,559	(3,651,192)	1,740,323
TOTAL	\$ 3,677,786	\$ 4,456,897	\$ 469,917	\$ 708,795	\$ (3,651,192)	\$ 5,662,203

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2002
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		\$ 611,390	\$ 97,557	\$ 79,473		\$ 788,420
Operating expenses		740,856	89,053	64,793		894,702
Operating (loss) income from continuing operations		(129,466)	8,504	14,680		(106,282)
Other income (expense):						
Interest income, TV Azteca, net of interest expense				13,938		13,938
Interest income		3,376		138		3,514
Interest expense	\$ (149,123)	(102,407)		(4,115)		(255,645)
Other expense	(18,891)	(10,205)	(20)	(3,694)		(32,810)
Minority interest in losses (earnings) of subsidiaries		8		(2,126)		(2,118)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(1,001,560)	2,489	14,260		\$ 984,811	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(1,169,574)	(236,205)	22,744	18,821	984,811	(379,403)
INCOME TAX BENEFIT (PROVISION)	27,695	39,344	(1,398)	(1,007)		64,634
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY LOSS AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(1,141,879)	(196,861)	21,346	17,814	984,811	(314,769)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT		(26,660)		(236,767)		(263,427)
EXTRAORDINARY LOSS ON EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT				(1,065)		(1,065)
(LOSS) INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(1,141,879)	(223,521)	21,346	(220,018)	984,811	(579,261)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF INCOME TAX BENEFIT		(368,431)	(4,884)	(189,303)		(562,618)
NET (LOSS) INCOME	\$ (1,141,879)	\$ (591,952)	\$ 16,462	\$ (409,321)	\$ 984,811	\$ (1,141,879)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Totals
CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$ (134,540)	\$ 188,339	\$ 7,897	\$ 43,453	\$ 105,149
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(135,252)	(1,675)	(43,570)	(180,497)
Payments for acquisitions, net of cash acquired		(17,424)		(38,937)	(56,361)
Proceeds from sale of businesses and other long-term assets		43,253		66,100	109,353
Deposits, investments, and other long-term assets	2,000	(3,771)	2	14,017	12,248
Cash provided by (used for) investing activities	2,000	(113,194)	(1,673)	(2,390)	(115,257)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Borrowings under notes payable and credit facilities		160,000			160,000
Repayment of notes payable, credit facilities and capital leases		(7,358)		(140,912)	(148,270)
Net proceeds from stock options and employee stock purchase plan	1,305				1,305
Deferred financing costs, restricted cash and other	94,071	(5,664)			88,407
Investments in and advances from (to) subsidiaries	37,164	(140,435)	(8,465)	111,736	
Cash provided by (used for) financing activities	132,540	6,543	(8,465)	(29,176)	101,442
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		81,688	(2,241)	11,887	91,334
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		25,912	2,997	7,049	35,958
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	\$ 107,600	\$ 756	\$ 18,936	\$ 127,292

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2001
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents		\$ 25,912	\$ 2,997	\$ 7,049		\$ 35,958
Restricted cash	\$ 94,071					94,071
Accounts receivable, net		110,034	22,837	49,741		182,612
Prepaid expenses and other current assets	7,104	115,587	7,808	54,931		185,430
Deferred income taxes	23,021			1,115		24,136
Total current assets	124,196	251,533	33,642	112,836		522,207
PROPERTY AND EQUIPMENT, NET						
		2,623,514	37,699	626,360		3,287,573
INTANGIBLE ASSETS, NET	49,590	2,120,727	21,597	315,997		2,507,911
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	4,355,653	37,881	261,795		\$ (4,655,329)	
OTHER LONG-TERM ASSETS	280,921	111,186	103	119,822		512,032
TOTAL	\$ 4,810,360	\$ 5,144,841	\$ 354,836	\$ 1,175,015	\$ (4,655,329)	\$ 6,829,723
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Current portion of long-term obligations		\$ 3,970		\$ 8,615		\$ 12,585
Accounts payable and accrued expenses	\$ 51,535	143,991	\$ 14,695	63,810		274,031
Other current liabilities		34,408	18,136	3,554		56,098
Total current liabilities	51,535	182,369	32,831	75,979		342,714
LONG-TERM OBLIGATIONS	1,866,852	1,384,042		298,481		3,549,375
OTHER LONG-TERM LIABILITIES		48,786		5,715		54,501
Total liabilities	1,918,387	1,615,197	32,831	380,175		3,946,590
MINORITY INTEREST IN SUBSIDIARIES		233		13,704		13,937
STOCKHOLDERS' EQUITY						
Common Stock	1,954					1,954
Additional paid-in capital	3,639,510	3,956,360	300,564	817,458	\$ (5,074,382)	3,639,510
Accumulated (deficit) earnings	(745,151)	(410,892)	21,441	(29,602)	419,053	(745,151)
Accumulated other comprehensive loss		(16,057)				(16,057)
Note receivable				(6,720)		(6,720)
Treasury stock	(4,340)					(4,340)
Total stockholders' equity	2,891,973	3,529,411	322,005	781,136	(4,655,329)	2,869,196
TOTAL	\$ 4,810,360	\$ 5,144,841	\$ 354,836	\$ 1,175,015	\$ (4,655,329)	\$ 6,829,723

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		\$ 632,039	\$ 98,783	\$ 54,328		\$ 785,150
Operating expenses		850,656	94,092	39,878		984,626
Operating (loss) income from continuing operations		(218,617)	4,691	14,450		(199,476)
Other income (expense):						
Interest income, TV Azteca, net of interest expense				14,377		14,377
Interest income		28,122	132	368		28,622
Interest expense	\$ (143,160)	(114,911)	(6)	(9,748)		(267,825)
Other expense	(32,479)	(6,411)	(3)	96		(38,797)
Note conversion expense	(26,336)					(26,336)
Minority interest in losses (earnings) of subsidiaries		31	46	(395)		(318)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(298,869)	2,483	8,827		\$ 287,559	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(500,844)	(309,303)	13,687	19,148	287,559	(489,753)
INCOME TAX BENEFIT (PROVISION)	50,750	57,992	(1,029)	(7,838)		99,875
(LOSS) INCOME FROM CONTINUING OPERATIONS	(450,094)	(251,311)	12,658	11,310	287,559	(389,878)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT		(9,503)		(50,713)		(60,216)
NET (LOSS) INCOME	\$ (450,094)	\$ (260,814)	\$ 12,658	\$ (39,403)	\$ 287,559	\$ (450,094)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Totals
CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$ (92,343)	\$ 96,194	\$ 14,378	\$ 7,841	\$ 26,070
CASH FLOWS USED FOR INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(450,559)	(3,759)	(113,840)	(568,158)
Payments for acquisitions, net of cash acquired		(723,394)	(24,090)	(65,298)	(812,782)
Proceeds from sale of businesses and other long-term assets		1,680			1,680
Deposits, investments, and other long-term assets	(20,130)	(18,788)	(151)	(26,974)	(66,043)
Cash used for investing activities	(20,130)	(1,191,061)	(28,000)	(206,112)	(1,445,303)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:					
Borrowings under notes payable and credit facilities		70,000		111,500	181,500
Proceeds from issuance of debt securities	1,000,000				1,000,000
Repayment of notes payable, credit facilities and capital leases		(73,986)		(7,147)	(81,133)
Net proceeds from equity offerings, stock options, and employee stock purchase plan	366,671				366,671
Deferred financing costs, restricted cash and other	(84,441)	(9,444)			(93,885)
Investments in and advances (to) from subsidiaries	(1,169,757)	1,080,429	14,293	75,035	
Cash provided by financing activities	112,473	1,066,999	14,293	179,388	1,373,153
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(27,868)	671	(18,883)	(46,080)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		53,780	2,326	25,932	82,038
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	\$ 25,912	\$ 2,997	\$ 7,049	\$ 35,958

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		\$ 450,246	\$ 47,536	\$ 12,132		\$ 509,914
Operating expenses		556,644	47,071	13,500		617,215
Operating (loss) income from continuing operations		(106,398)	465	(1,368)		(107,301)
Other income (expense):						
Interest income, TV Azteca, net of interest expense				12,679		12,679
Interest income		15,896		58		15,954
Interest expense	\$ (54,421)	(96,265)		(1,016)		(151,702)
Other expense	(2,000)	(490)	56			(2,434)
Note conversion expense	(16,968)					(16,968)
Minority interest in (earnings) losses of subsidiaries		(122)	225	(305)		(202)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(140,213)	312	8,407		\$ 131,494	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(213,602)	(187,067)	9,153	10,048	131,494	(249,974)
INCOME TAX BENEFIT (PROVISION)	18,974	48,444	(192)	(1,329)		65,897
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY LOSSES	(194,628)	(138,623)	8,961	8,719	131,494	(184,077)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT (PROVISION)		(8,437)		2,224		(6,213)
EXTRAORDINARY LOSSES ON EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT		(4,338)				(4,338)
NET (LOSS) INCOME	\$ (194,628)	\$ (151,398)	\$ 8,961	\$ 10,943	\$ 131,494	\$ (194,628)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2000
(In thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Totals
CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$ (41,649)	\$ (36,132)	\$ 396	\$ 40,211	\$ (37,174)
CASH FLOWS USED FOR INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(424,168)	(1,765)	(115,414)	(541,347)
Payments for acquisitions, net of cash acquired		(1,212,956)	(4,701)	(150,367)	(1,368,024)
Deposits, investments, and other long-term assets	(44,984)	88,553	(372)	(133,040)	(89,843)
Cash used for investing activities	(44,984)	(1,548,571)	(6,838)	(398,821)	(1,999,214)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:					
Borrowings under notes payable and credit facilities		1,777,000			1,777,000
Proceeds from issuance of debt securities	450,000				450,000
Repayment of notes payable, credit facilities and capital leases		(583,572)		(583)	(584,155)
Net proceeds from equity offerings, stock options, and employee stock purchase plan	535,435				535,435
Deferred financing costs, restricted cash and other	(46,036)	(39,030)			(85,066)
Investments in and advances (to) from subsidiaries	(852,766)	465,730	8,592	378,444	
Cash provided by financing activities	86,633	1,620,128	8,592	377,861	2,093,214
INCREASE IN CASH AND CASH EQUIVALENTS		35,425	2,150	19,251	56,826
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		18,355	176	6,681	25,212
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	\$ 53,780	\$ 2,326	\$ 25,932	\$ 82,038

EXHIBIT INDEX

The exhibits below are included, either by being filed herewith or by incorporation by reference, as part of this Annual Report on Form 10-K. Exhibits are identified according to the number assigned to them in Item 601 of Regulation S-K. Documents that are incorporated by reference are identified by their Exhibit number as set forth in the filing from which they are incorporated by reference. The filings of the Registrant from which various exhibits are incorporated by reference into this Annual Report are indicated by parenthetical numbering which corresponds to the following key:

- (1) Quarterly Report Form 10-Q (File No. 001-14195) filed on August 16, 1999;
- (2) Registration Statement on Form S-3 (File No. 333-89345) filed on October 20, 1999;
- (3) Current Report on Form 8-K (File No. 001-14195) filed on February 24, 2000;
- (4) Annual Report on Form 10-K (File No. 001-14195) filed on March 29, 2000;
- (5) Annual Report on Form 10-K (File No. 001-14195) filed on April 2, 2001;
- (6) Quarterly Report on Form 10-Q (File No. 001-14195) filed August 14, 2001;
- (7) Annual Report on Form 10-K (File No. 001-14195) filed on April 1, 2002; and
- (8) Current Report on Form 8-K (File No. 001-14195) filed February 25, 2003.

Exhibit No.	Description of Document	Exhibit File No.
3.1	Restated Certificate of Incorporation, as amended, of the Company as filed with the Secretary of State of the State of Delaware on June 4, 1999	3(i) (1)
3.2	By-Laws, as amended as of February 26, 2003, of the Company	Filed herewith as Exhibit 3.2
4.1	Indenture, by and between the Company and The Bank of New York as Trustee, for the 6.25% Convertibles Notes due 2009, dated as of October 4, 1999, including form of 6.25% Note	4.1 (2)
4.2	Indenture by and between the Company and The Bank of New York as Trustee, for the 2.25% Convertibles Notes due 2009, dated as of October 4, 1999, including the form of 2.25% Note	4.2 (2)
4.3	Indenture, by and between the Company and The Bank of New York as Trustee, for the 5.0% Convertibles Notes due 2010, dated as of February 15, 2000, including form of 5.0% Note	4.1 (3)
4.4	Indenture, by and between the Company and The Bank of New York as Trustee, for the 9 3/8% Senior Notes due 2009, dated January 31, 2001, including the form of 9 3/8% Senior Note	4.9 (5)
4.5	Indenture by and between ATI (as successor by merger to American Tower Escrow Corporation) and The Bank of New York as Trustee, for the 12.25% Senior Subordinated Discount Notes due 2008, dated January 29, 2003, including the form of 12.25% Senior Subordinated Discount Note	Filed herewith as Exhibit 4.5
4.6	Warrant Agreement by and among the Company and the Bank of New York, as warrant agent named therein, dated as of January 29, 2003	Filed herewith as Exhibit 4.6

Table of Contents

<u>Exhibit No.</u>	<u>Description of Document</u>	<u>Exhibit File No.</u>
4.7	Form of Warrant to purchase an aggregate of 11,389,012 shares of Class A Common Stock	Filed herewith as Exhibit 4.7
10.1	Amended and Restated American Tower Systems Corporation 1997 Stock Option Plan, as amended May 17, 2001	10.1 (6)*
10.2	American Tower Corporation 2000 Employee Stock Purchase Plan	10.18 (4)*
10.3	ATC Mexico Holding Corporation 2001 Stock Option Plan	Filed herewith as Exhibit 10.3*
10.4	Letter of Agreement, dated as of August 22, 2001, by and between the Company and James D. Taiclet, Jr.	Filed herewith as Exhibit 10.4 *
10.5	Amended and Restated Registration Rights Agreement, dated as of February 25, 1999, by and among the Company and each of the parties named therein	10.2 (5)
10.6	Second Amended and Restated Loan Agreement, dated as of February 21, 2003, among American Tower, L.P., American Towers, Inc., American Tower International, Inc., Towersites Monitoring, Inc., and American Tower LLC, as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the financial institutions thereto	99.1 (8)
10.7	Stockholder/Optionee Agreement, dated as of October 11, 2001, by and among ATC Mexico Holding Corp., the Company, American Tower International, Inc., J. Michael Gearon, Jr., and the Persons who from time to time execute a counterpart of the Agreement	10.28 (7)
10.8	Non-Competition and Confidentiality Agreement, dated as of October 11, 2001, by and between the Company and J. Michael Gearon, Jr.	10.29 (7)
10.9	Pledge Agreement, dated as of October 11, 2001, by and among J. Michael Gearon, Jr. and ATC Mexico Holding Corp.	10.30 (7)
10.10	Secured Note, dated October 11, 2001, by and among J. Michael Gearon, Jr. and ATC Mexico Holding Corp.	10.31 (7)
10.11	Registration Rights Agreement, dated as of January 29, 2003, by and between ATI, the Guarantors named therein, and the Initial Purchasers named therein with respect to the 12.25% Senior Subordinated Discount Note due 2008	Filed herewith as Exhibit 10.11
10.12	Warrant Registration Rights Agreement, dated as of January 29, 2003, by and between the Company and the Initial Purchasers named therein with respect to Warrants to purchase shares of Class A Common Stock of the Company	Filed herewith as Exhibit 10.12
12	Statement Regarding Computation of Earnings to Fixed Charges	Filed herewith as Exhibit 12
21	Subsidiaries of the Company	Filed herewith as Exhibit 21
23	Independent Auditors' Consent—Deloitte & Touche LLP	Filed herewith as Exhibit 23
99	Certifications pursuant to 18 U.S.C. Section 1350	Filed herewith as Exhibit 99(a) and 99(b)

* Management contracts and compensatory plans and arrangements required to be filed as exhibits to this Form 10-K pursuant to Item 15(c).

BY-LAWS

OF

AMERICAN TOWER CORPORATION
(a Delaware Corporation)

* As Amended Through February 26, 2003

AMERICAN TOWER CORPORATION
(a Delaware Corporation)

BY-LAWS
TABLE OF CONTENTS

	Page

ARTICLE I. OFFICES.....	1
SECTION 1. Registered Office.....	1
SECTION 2. Other Offices.....	1
ARTICLE II. SEAL.....	1
ARTICLE III. MEETINGS OF STOCKHOLDERS.....	1
SECTION 1. Place of Meeting.....	1
SECTION 2. Annual Meetings.....	1
SECTION 3. Special Meetings.....	1
SECTION 4. Notice.....	2
SECTION 5. Quorum and Adjournments.....	2
SECTION 6. Votes; Proxies.....	3
SECTION 7. Organization.....	3
SECTION 8. Consent of Stockholders in Lieu of Meeting.....	3
ARTICLE IV. DIRECTORS.....	4
SECTION 1. Number.....	4
SECTION 2. Term of Office.....	5
SECTION 3. Vacancies.....	5
SECTION 4. Removal by Stockholders.....	5
SECTION 5. Meetings.....	5
SECTION 6. Votes.....	6
SECTION 7. Quorum and Adjournment.....	6
SECTION 8. Compensation.....	6
SECTION 9. Action By Consent of Directors.....	6
ARTICLE V. COMMITTEES OF DIRECTORS.....	6
SECTION 1. Executive Committee.....	6
SECTION 2. Audit Committee.....	7
SECTION 3. Other Committees.....	8
SECTION 4. Term of Office.....	9

* As Amended Through February 26, 2003

ARTICLE VI.	OFFICERS.....	9
SECTION 1.	Officers.....	9
SECTION 2.	Vacancies.....	9
SECTION 3.	Chairman of the Board.....	9
SECTION 4.	President.....	9
SECTION 5.	Executive Vice Presidents and Vice Presidents.....	9
SECTION 6.	Secretary.....	9
SECTION 7.	Assistant Secretaries.....	10
SECTION 8.	Treasurer.....	10
SECTION 9.	Assistant Treasurers.....	10
SECTION 10.	Controller.....	10
SECTION 11.	Assistant Controller.....	10
SECTION 12.	Subordinate Officers.....	11
SECTION 13.	Compensation.....	11
SECTION 14.	Removal.....	11
SECTION 15.	Bonds.....	11
ARTICLE VII.	CERTIFICATES OF STOCK.....	11
SECTION 1.	Form and Execution of Certificates.....	11
SECTION 2.	Transfer of Shares.....	12
SECTION 3.	Closing of Transfer Books.....	12
SECTION 4.	Fixing Date for Determination of Stockholders of Record.....	12
SECTION 5.	Lost or Destroyed Certificates.....	13
SECTION 6.	Uncertificated Shares.....	14
ARTICLE VIII.	EXECUTION OF DOCUMENTS.....	14
SECTION 1.	Execution of Checks, Notes, etc.....	14
SECTION 2.	Execution of Contracts, Assignments, etc.....	14
SECTION 3.	Execution of Proxies.....	14
ARTICLE IX.	INSPECTION OF BOOKS.....	14
ARTICLE X.	FISCAL YEAR.....	15
ARTICLE XI.	AMENDMENTS.....	15
ARTICLE XII.	INDEMNIFICATION.....	15
SECTION 1.	Indemnification.....	15
SECTION 2.	Authorization.....	16
SECTION 3.	Expense Advance.....	16
SECTION 4.	Nonexclusivity.....	16
SECTION 5.	Insurance.....	17
SECTION 6.	"The Corporation".....	17
SECTION 7.	Other Indemnification.....	17

* As Amended Through February 26, 2003

SECTION 8.	Other Definitions.....	17
SECTION 9.	Continuation of Indemnification.....	17
SECTION 10.	Amendment or Repeal.....	18

* As Amended Through February 26, 2003

-iii-

AMERICAN TOWER CORPORATION
(a Delaware Corporation)

BY-LAWS

ARTICLE I

OFFICES

SECTION 1. Registered Office. The registered office of the Corporation shall be located in Wilmington, County of New Castle, State of Delaware, and the name of the resident agent in charge thereof shall be Corporation Service Company.

SECTION 2. Other Offices. The Corporation may also have offices at such other places, within or without the State of Delaware, as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II

SEAL

The seal of the Corporation shall, subject to alteration by the Board of Directors, consist of a flat-faced circular die with the word "Delaware", together with the name of the Corporation and the year of incorporation, cut or engraved thereon.

ARTICLE III

MEETINGS OF STOCKHOLDERS

SECTION 1. Place of Meeting. Meetings of the stockholders shall be held either within or without the State of Delaware at such place as the Board of Directors may fix from time to time.

SECTION 2. Annual Meetings. The annual meeting of stockholders shall be held for the election of directors on such date and at such time as the Board of Directors may fix from time to time. Any other proper business may be transacted at the annual meeting.

SECTION 3. Special Meetings. Special meetings of the stockholders for any purpose or purposes may be called by the Chairman of the Board of Directors, if there be one, the President or by the directors (either by written instrument signed by a majority or by resolution adopted by a vote of the majority), and special meetings shall be called by the President or the Secretary

* As Amended Through February 26, 2003

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. So long as the Certificate of Incorporation provides for more or less than one vote for any share, or any matter, every reference in these By-Laws to a majority or other proportion of shares shall refer to such majority or other proportion of the votes of such shares. 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.

* As Amended Through February 26, 2003

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.

Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or may authorize another person or persons to vote for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of Delaware by the stockholder or such stockholder's authorized agent and delivered (including by electronic transmission) to the Secretary of the Corporation. No such proxy shall be voted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period. 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 an inspector 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 an inspector of election be appointed, the Chairman shall appoint one inspector of election, who shall first take and subscribe an oath or affirmation faithfully to execute the duties of an inspector at such meeting with strict impartiality and according to the best of his 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.

* As Amended Through February 26, 2003

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.

* As Amended Through February 26, 2003

At any time during any year, except as otherwise provided by law, the Certificate of Incorporation, these By-Laws, or otherwise, the number of directors may be increased or reduced, in each case by vote of a majority of the stock issued and outstanding and present in person or represented by proxy and entitled to vote for the election of directors or a majority of the directors in office at the time of such increase or decrease, regardless of whether such majority constitutes a quorum.

SECTION 2. Term of Office. Each director shall hold office until the next annual meeting of stockholders and until his or her successor is duly elected and qualified or until his or her earlier death or resignation, subject to the right of the stockholders at any time to remove any director or directors as provided in Section 4 of this Article.

SECTION 3. Vacancies. If any vacancy shall occur among the directors, or if the number of directors shall at any time be increased, the directors then in office, although less than a quorum, by a majority vote may fill the vacancies or newly- created directorships, or any such vacancies or newly-created directorships may be filled by the stockholders at any meeting.

SECTION 4. Removal by Stockholders. Except as otherwise provided by law, the Certificate of Incorporation or otherwise, the holders of record of the capital stock of the Corporation entitled to vote for the election of directors may, by a majority vote, remove any director or directors, with or without cause, and, in their discretion, elect a new director or directors in place thereof.

SECTION 5. Meetings. Meetings of the Board of Directors shall be held at such place, within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors or by the Chairman of the Board, if there be one, or by the President, and as may be specified in the notice or waiver of notice of any meeting. Meetings may be held at any time upon the call of the Chairman of the Board, if there be one, or the President or any two (2) of the directors in office by oral, telegraphic, telex, telecopy or other form of electronic transmission, or written notice, duly served or sent or mailed to each director not less than twenty-four (24) hours before such meeting, except that, if mailed, not less than seventy two (72) hours before such meeting.

Meetings may be held at any time and place without notice if all the directors are present and do not object to the holding of such meeting for lack of proper notice or if those not present shall, in writing or by telegram, telex, telecopy or other form of electronic transmission, waive notice thereof. A regular meeting of the Board may be held without notice immediately following the annual meeting of stockholders at the place where such meeting is held. Regular meetings of the Board may also be held without notice at such time and place as shall from time to time be determined by resolution of the Board. Except as otherwise provided by law, the Certificate of Incorporation or otherwise, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors or any committee thereof need be specified in any written waiver of notice.

Members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear

* As Amended Through February 26, 2003

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 (which may be in counterparts) or by electronic transmission, and the writing, writings, or electronic transmission or transmissions 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.

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

* As Amended Through February 26, 2003

business and affairs of the Corporation; provided, however, that the Executive Committee shall not, except to the extent the Certificate of Incorporation or the resolution providing for the issuance of shares of stock adopted by the Board of Directors as provided in Section 151(a) of the Delaware General Business Corporation Law, have the power:

- (i) to amend or authorize the amendment of the Certificate of Incorporation or these By-Laws;
 - (ii) to authorize the issuance of stock in excess of one million (1,000,000) shares in any single transaction or group of related transactions;
 - (iii) to authorize the payment of any dividend;
 - (iv) to adopt an agreement of merger or consolidation pursuant to which the Corporation will merge or consolidate or to recommend to the stockholders the sale, lease or exchange of all or substantially all the property and business of the Corporation;
 - (v) to recommend to the stockholders a dissolution, or a revocation of a dissolution, of the Corporation; or
 - (vi) to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware Business Corporation Law; and further
- (c) Reports. The Executive Committee shall keep regular minutes of its proceedings, and all action by the Executive Committee shall be reported promptly to the Board of Directors. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.
- (d) Appointment of Additional Members. In the absence or disqualification of any member of the Executive Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 2. Audit Committee. The Board of Directors may, by resolution passed by a majority of the whole Board, appoint an Audit Committee of one (1) or more members who shall not be officers or employees of the Corporation to serve during the pleasure of the Board. The Board of Directors shall designate the Chairman of the Audit Committee.

- (a) Procedure. The Audit Committee, by a vote of a majority of its members, shall fix its own times and places of meeting, shall determine the number of its members constituting a quorum for the transaction of business, and shall prescribe

its own rules of procedure, no change in which shall be made save by a majority vote of its members.

- (b) Responsibilities. The Audit Committee shall review the annual financial statements of the Corporation prior to their submission to the Board of Directors, shall consult with the Corporation's independent auditors, and may examine and consider such other matters in relation to the internal and external audit of the Corporation's accounts and in relation to the financial affairs of the Corporation and its accounts, including the selection and retention of independent auditors, as the Audit Committee may, in its discretion, determine to be desirable.
- (c) Reports. The Audit Committee shall keep regular minutes of its proceedings, and all action by the Audit Committee shall, from time to time, be reported to the Board of Directors as it shall direct. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.
- (d) Appointment of Additional Members. In the absence or disqualification of any member of the Audit Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3. Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, at any time appoint one or more other committees from and outside of its own number. Every such committee must include at least one member of the Board of Directors. The Board may from time to time designate or alter, within the limits permitted by law, the Certificate of Incorporation and this Article, if applicable, the duties, powers and number of members of such other committees or change their membership, and may at any time abolish such other committees or any of them.

- (a) Procedure. Each committee, appointed pursuant to this Section, shall, by a vote of a majority of its members, fix its own times and places of meeting, determine the number of its members constituting a quorum for the transaction of business, and prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.
- (b) Responsibilities. Each committee, appointed pursuant to this Section, shall exercise the powers assigned to it by the Board of Directors in its discretion.
- (c) Reports. Each committee appointed pursuant to this Section shall keep regular minutes of proceedings, and all action by each such committee shall, from time to time, be reported to the Board of Directors as it shall direct. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

- (d) Appointment of Additional Members. In the absence or disqualification of any member of each committee, appointed pursuant to this Section, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors (or, to the extent permitted, another person) to act at the meeting in place of any such absent or disqualified member.

SECTION 4. Term of Office. Each member of a committee shall hold office until the first meeting of the Board of Directors following the annual meeting of stockholders (or until such other time as the Board of Directors may determine, either in the vote establishing the committee or at the election of such member or otherwise) and until his or her successor is elected and qualified, or until he or she sooner dies, resigns, is removed, is replaced by change of membership or becomes disqualified by ceasing to be a director (where membership on the Board is required), or until the committee is sooner abolished by the Board of Directors.

ARTICLE VI

OFFICERS

SECTION 1. Officers. The Board of Directors shall elect a President, a Secretary and a Treasurer, and, in their discretion, may elect a Chairman of the Board, a Vice Chairman of the Board, a Controller, and one or more Executive Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers as deemed necessary or appropriate. Such officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders (or at such other meeting as the Board of Directors determines), and each shall hold office for the term provided by the vote of the Board, except that each will be subject to removal from office in the discretion of the Board as provided herein. The powers and duties of more than one office may be exercised and performed by the same person.

SECTION 2. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors, at any regular or special meeting.

SECTION 3. Chairman of the Board. The Chairman of the Board of Directors, if elected, shall be a member of the Board of Directors and shall preside at its meetings. The Chairman, if other than the President, shall advise and counsel with the President, and shall perform such duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 4. President. The President shall be the chief executive officer of the Corporation. Subject to the directions of the Board of Directors, the President shall have and exercise direct charge of and general supervision over the business and affairs of the Corporation and shall perform all duties incident to the office of the chief executive officer of a corporation and such other duties as from time to time may be assigned to him or her by the Board of Directors. The President may but need not be a member of the Board of Directors.

* As Amended Through February 26, 2003

SECTION 5. Executive Vice Presidents and Vice Presidents. Each Executive Vice President and Vice President shall have and exercise such powers and shall perform such duties as from time to time may be assigned to him or to her by the Board of Directors or the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the stockholders and of the Board of Directors in books provided for the purpose; shall see that all notices are duly given in accordance with the provisions of law and these By-Laws; the Secretary shall be custodian of the records and of the corporate seal or seals of the Corporation; shall see that the corporate seal is affixed to all documents the execution of which, on behalf of the Corporation under its seal, is duly authorized, and, when the seal is so affixed, he or she may attest the same; the Secretary may sign, with the President, an Executive Vice President or a Vice President, certificates of stock of the Corporation; and, in general, the Secretary shall perform all duties incident to the office of secretary of a corporation, and such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 7. Assistant Secretaries. The Assistant Secretaries in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Secretary.

SECTION 8. Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; may endorse for collection on behalf of the Corporation checks, notes and other obligations; may sign receipts and vouchers for payments made to the Corporation; may sign checks of the Corporation, singly or jointly with another person as the Board of Directors may authorize, and pay out and dispose of the proceeds under the direction of the Board; the Treasurer shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; the Treasurer may sign, with the President, or an Executive Vice President or a Vice President, certificates of stock of the Corporation; and in general, shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as from time to time may be assigned by the Board of Directors. Unless the Board of Directors shall otherwise determine, the Treasurer shall be the chief financial officer of the Corporation.

SECTION 9. Assistant Treasurers. The Assistant Treasurers in order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Treasurer.

SECTION 10. Controller. The Controller, if elected, shall be the chief accounting officer of the Corporation and shall perform all duties incident to the office of a controller of a corporation, and, in the absence of or disability of the Treasurer or any Assistant Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties

* As Amended Through February 26, 2003

as the Board of Directors shall prescribe or as from time to time may be assigned by the President or the Treasurer.

SECTION 11. Assistant Controllers. The Assistant Controllers in order of their seniority shall, in the absence or disability of the Controller, perform the duties and exercise the powers of the Controller and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Controller.

SECTION 12. Subordinate Officers. The Board of Directors may appoint such subordinate officers as it may deem desirable. Each such officer shall hold office for such period, have such authority and perform such duties as the Board of Directors may prescribe. The Board of Directors may, from time to time, authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof.

SECTION 13. Compensation. The Board of Directors shall fix the compensation of all officers of the Corporation. It may authorize any officer, upon whom the power of appointing subordinate officers may have been conferred, to fix the compensation of such subordinate officers.

SECTION 14. Removal. Any officer of the Corporation may be removed, with or without cause, by action of the Board of Directors.

SECTION 15. Bonds. The Board of Directors may require any officer of the Corporation to give a bond to the Corporation, conditional upon the faithful performance of his or her duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

ARTICLE VII

CERTIFICATES OF STOCK

SECTION 1. Form and Execution of Certificates. The interest of each stockholder of the Corporation shall be evidenced by a certificate or certificates for shares of stock in such form as the Board of Directors may from time to time prescribe. The certificates of stock of each class shall be consecutively numbered and signed by the Chairman or Vice Chairman of the Board, if any, the President, an Executive Vice President or a Vice President and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer of the Corporation, and may be countersigned and registered in such manner as the Board of Directors may by resolution prescribe, and shall bear the corporate seal or a printed or engraved facsimile thereof. Where any such certificate is signed by a transfer agent or transfer clerk acting on behalf of the Corporation, the signatures of any such Chairman, Vice Chairman, President, Executive Vice President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimiles, engraved or printed. In case any officer or officers, who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates, shall cease to be such officer or officers, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered by the Corporation as though the person or

* As Amended Through February 26, 2003

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

* As Amended Through February 26, 2003

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

* As Amended Through February 26, 2003

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.

* As Amended Through February 26, 2003

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.

* As Amended Through February 26, 2003

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

* As Amended Through February 26, 2003

Corporation as a director, officer, partner, member, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise or non-profit entity against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(c) To the extent that any person referred to in paragraphs (a) or (b) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to therein, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

SECTION 2. Authorization. Any indemnification under Section 1 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, partner, member, trustee, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 of this Article. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (c) by the stockholders.

SECTION 3. Expense Advance. Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in Section 2 of this Article upon receipt of an undertaking by or on behalf of such officer or director to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this Article. Such expenses (including attorneys' fees) incurred by other employees or agents of the Corporation may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

SECTION 4. Nonexclusivity. The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a

* As Amended Through February 26, 2003

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,

* As Amended Through February 26, 2003

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.

* As Amended Through February 26, 2003

AMERICAN TOWER ESCROW CORPORATION

ISSUER

12.25% SENIOR SUBORDINATED DISCOUNT NOTES DUE 2008

DATED AS OF JANUARY 29, 2003

THE BANK OF NEW YORK

TRUSTEE

CROSS-REFERENCE TABLE*

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
-----	-----
310(a)(1).....	7.10
(a)(2).....	7.10
(a)(3).....	N.A.
(a)(4).....	N.A.
(a)(5).....	7.10
(b).....	7.10
(c).....	N.A.
311(a).....	7.11
(b).....	7.11
(c).....	N.A.
312(a).....	2.05
(b).....	13.03
(c).....	13.03
313(a).....	7.06
(b)(1).....	7.06
(b)(2).....	7.06; 7.07
(c).....	7.06; 13.02
(d).....	7.06
314(a).....	4.03; 4.04; 13.02;
(b).....	13.05
(c)(1).....	N.A.
(c)(2).....	13.04
(c)(3).....	13.04
(d).....	N.A.
(e).....	N.A.
(f).....	13.05
315(a).....	N.A.
(b).....	7.01
(c).....	7.05; 13.02
(d).....	7.01
(e).....	7.01
316(a)(last sentence).....	6.11
(a)(1)(A).....	2.09
(a)(1)(B).....	6.05
(a)(2).....	6.04
(b).....	N.A.
(c).....	6.07
317(a)(1).....	N.A.
(a)(2).....	6.08
(b).....	6.09
318(a).....	2.04
(b).....	13.01
(c).....	13.01
N.A. means not applicable	N.A.
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* This Cross Reference Table is not part of the Indenture.

TABLE OF CONTENTS

	PAGE

ARTICLE 1 DEFINITIONS AND INCORPORATION BY REFERENCE.....	1
Section 1.01. Definitions.....	1
Section 1.02. Other Definitions.....	29
Section 1.03. Incorporation by Reference of Trust Indenture Act.....	30
Section 1.04. Rules of Construction.....	30
ARTICLE 2 THE NOTES.....	31
Section 2.01. Form and Dating.....	31
Section 2.02. Execution and Authentication.....	32
Section 2.03. Registrar and Paying Agent.....	33
Section 2.04. Paying Agent to Hold Money in Trust.....	33
Section 2.05. Holder Lists.....	34
Section 2.06. Transfer and Exchange.....	34
Section 2.07. Replacement Notes.....	42
Section 2.08. Outstanding Notes.....	42
Section 2.09. Treasury Notes.....	43
Section 2.10. Temporary Notes.....	43
Section 2.11. Cancellation.....	43
Section 2.12. CUSIP Numbers.....	43
ARTICLE 3 REDEMPTION AND PREPAYMENT.....	44
Section 3.01. Notices to Trustee.....	44
Section 3.02. Selection of Notes to Be Redeemed.....	44
Section 3.03. Notice of Redemption.....	44
Section 3.04. Effect of Notice of Redemption.....	45
Section 3.05. Deposit of Redemption Price.....	45
Section 3.06. Notes Redeemed in Part.....	46
Section 3.07. Optional Redemption.....	46
Section 3.08. Mandatory Redemption.....	46
Section 3.09. Offer to Purchase by Application of Excess Proceeds.....	47
ARTICLE 4 COVENANTS.....	49
Section 4.01. Payment of Notes.....	49
Section 4.02. Maintenance of Office or Agency.....	49
Section 4.03. Reports.....	50
Section 4.04. Compliance Certificate.....	51
Section 4.05. Taxes.....	51

Section 4.06.	Stay, Extension and Usury Laws.....	51
Section 4.07.	Restricted Payments.....	52
Section 4.08.	Dividend and Other Payment Restrictions Affecting Subsidiaries.....	56
Section 4.09.	Incurrence of Indebtedness and Issuance of Preferred Stock.....	58
Section 4.10.	Asset Sales.....	61
Section 4.11.	Transactions with Affiliates.....	63
Section 4.12.	Liens.....	65
Section 4.13.	Corporate Existence.....	65
Section 4.14.	Offer to Repurchase Upon Change of Control.....	65
Section 4.15.	Anti-Layering.....	67
Section 4.16.	Sale and Leaseback Transactions.....	67
Section 4.17.	Covenant Suspension.....	68
Section 4.18.	Additional Subsidiary Note Guarantees.....	68
Section 4.19.	Designation of Restricted and Unrestricted Subsidiaries.....	69
ARTICLE 5 SUCCESSORS.....		69
Section 5.01.	Merger, Consolidation, or Sale of Assets.....	69
Section 5.02.	Successor Corporation Substituted.....	70
ARTICLE 6 DEFAULTS AND REMEDIES.....		71
Section 6.01.	Events of Default.....	71
Section 6.02.	Acceleration.....	73
Section 6.03.	Other Remedies.....	73
Section 6.04.	Waiver of Past Defaults.....	73
Section 6.05.	Control by Majority.....	74
Section 6.06.	Limitation on Suits.....	74
Section 6.07.	Rights of Holders of Notes to Receive Payment.....	74
Section 6.08.	Collection Suit by Trustee.....	75
Section 6.09.	Trustee May File Proofs of Claim.....	75
Section 6.10.	Priorities.....	75
Section 6.11.	Undertaking for Costs.....	76
ARTICLE 7 TRUSTEE.....		76
Section 7.01.	Duties of Trustee.....	76
Section 7.02.	Rights of Trustee.....	77
Section 7.03.	Individual Rights of Trustee.....	78
Section 7.04.	Trustee's Disclaimer.....	78
Section 7.05.	Notice of Defaults.....	78
Section 7.06.	Reports by Trustee to Holders of the Notes.....	78
Section 7.07.	Compensation and Indemnity.....	79
Section 7.08.	Replacement of Trustee.....	80
Section 7.09.	Successor Trustee by Merger, etc.....	81

Section 7.10.	Eligibility; Disqualification.....	81
Section 7.11.	Preferential Collection of Claims Against Company.....	81
Section 7.12.	Trustee's Application for Instructions from the Company.....	81
ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE.....		81
Section 8.01.	Option to Effect Legal Defeasance or Covenant Defeasance.....	81
Section 8.02.	Legal Defeasance and Discharge.....	82
Section 8.03.	Covenant Defeasance.....	82
Section 8.04.	Conditions to Legal or Covenant Defeasance.....	83
Section 8.05.	Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.....	84
Section 8.06.	Repayment to Company.....	85
Section 8.07.	Reinstatement.....	85
ARTICLE 9 AMENDMENT, SUPPLEMENT AND WAIVER.....		86
Section 9.01.	Without Consent of Holders of Notes.....	86
Section 9.02.	With Consent of Holders of Notes.....	86
Section 9.03.	Compliance with Trust Indenture Act.....	88
Section 9.04.	Revocation and Effect of Consents.....	88
Section 9.05.	Notation on or Exchange of Notes.....	89
Section 9.06.	Trustee to Sign Amendments, etc.....	89
ARTICLE 10 NOTE GUARANTEES.....		89
Section 10.01.	Guarantee.....	89
Section 10.02.	Subordination of Note Guarantee.....	90
Section 10.03.	Limitation on Guarantor Liability.....	90
Section 10.04.	Evidence of Note Guarantee.....	91
Section 10.05.	Guarantors May Consolidate, etc., on Certain Terms.....	91
Section 10.06.	Releases.....	92
ARTICLE 11 SUBORDINATION.....		93
Section 11.01.	Agreement to Subordinate.....	93
Section 11.02.	Liquidation; Dissolution; Bankruptcy.....	93
Section 11.03.	Default on Designated Senior Debt.....	93
Section 11.04.	Acceleration of Notes.....	94
Section 11.05.	When Distribution Must Be Paid Over.....	94
Section 11.06.	Notice by Company.....	95
Section 11.07.	Subrogation.....	95
Section 11.08.	Relative Rights.....	95
Section 11.09.	Subordination May Not Be Impaired by Company.....	96
Section 11.10.	Distribution or Notice to Representative.....	96

Section 11.11.	Rights of Trustee and Paying Agent.....	96
Section 11.12.	Authorization to Effect Subordination.....	97
Section 11.13.	Amendments.....	97
ARTICLE 12 SATISFACTION AND DISCHARGE.....		97
Section 12.01.	Satisfaction and Discharge.....	97
Section 12.02.	Notices.....	98
ARTICLE 13 MISCELLANEOUS.....		99
Section 13.01.	Trust Indenture Act Controls.....	99
Section 13.02.	Notices.....	99
Section 13.03.	Communication by Holders of Notes with Other Holders of Notes.....	100
Section 13.04.	Certificate and Opinion as to Conditions Precedent.....	100
Section 13.05.	Statements Required in Certificate or Opinion.....	100
Section 13.06.	Rules by Trustee and Agents.....	101
Section 13.07.	No Personal Liability of Directors, Officers, Employees and Stockholders.....	101
Section 13.08.	Governing Law.....	101
Section 13.09.	No Adverse Interpretation of Other Agreements.....	101
Section 13.10.	Successors.....	101
Section 13.11.	Severability.....	102
Section 13.12.	Counterpart Originals.....	102
Section 13.13.	Table of Contents, Headings, etc.....	102

EXHIBITS

Exhibit A	FORM OF NOTE
Exhibit B	FORM OF SUPPLEMENTAL INDENTURE TO BE DELIVERED BY SUBSEQUENT GUARANTORS
Exhibit C	INTENTIONALLY OMITTED
Exhibit D	FORM OF REGULATION S CERTIFICATE
Exhibit E	FORM OF RESTRICTED NOTES CERTIFICATE
Exhibit F	FORM OF UNRESTRICTED NOTES CERTIFICATE

INDENTURE dated as of January 29, 2003 among American Tower Escrow Corporation, a Delaware corporation ("Escrow Corp.") and The Bank of New York, a New York banking corporation, as trustee (the "Trustee") and, from and after the consummation of the Escrow Corp. Merger (as defined in Section 1.01 hereof), the guarantors listed on the signature pages hereto (the "Guarantors").

Escrow Corp. and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined in Section 1.01 hereof) of the 12.25% Senior Subordinated Discount Notes due 2008 (each, a "Note" and, collectively, the "Notes"):

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"Accreted Value" means, as of any date of determination, an amount per \$1,000 principal amount at maturity of the Notes that is equal to the sum of (a) the initial offering price of each Note and (b) the portion of the excess of the principal amount at maturity of each Note over such initial offering price which shall have been accreted thereon through such date, such amount to be so accreted on a daily basis at a rate of 12.25% per annum of the initial offering price of the Notes, compounded semi-annually on each February 1 and August 1 commencing on August 1, 2003 through the date of determination, computed on the basis of a 360-day year of twelve 30-day months; provided that, at maturity, the Accreted Value of each Note shall be equal to the principal amount of such Note.

"Acquired Debt" means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Additional Parent Indebtedness" means (i) Indebtedness (excluding Acquired Debt) of the Parent or shares of Disqualified Stock or preferred stock of the Parent if the Parent at the time of incurrence of the Indebtedness or the issuance of the Disqualified Stock or preferred stock, after giving pro forma effect thereto as if such Indebtedness had been incurred or such Disqualified Stock or preferred stock had been issued and the proceeds thereof had been applied at the beginning of the applicable four-quarter period, would have had a Debt to Adjusted Consolidated Cash Flow Ratio no greater than 7.5 to 1.0, (ii) Acquired Debt of the Parent and

(iii) Indebtedness of the Parent or shares of Disqualified Stock or preferred stock of the Parent that is issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund any Indebtedness or shares of Disqualified Stock or preferred stock of the Parent described pursuant to clauses (i) or (ii) hereof.

"Adjusted Consolidated Cash Flow" means, with respect to any Person and as of any date of determination, the sum of:

- (1) the Consolidated Cash Flow of such Person for the four most recent full fiscal quarters ending immediately prior to such date for such Person for which internal financial statements are available, less such Person's Tower Cash Flow for such four-quarter period; plus
- (2) the product of four times such Person's Tower Cash Flow for the most recent fiscal quarter for which internal financial statements are available.

For purposes of making the computation referred to above:

- (1) acquisitions that have been made by such Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the reference period or subsequent to such reference period and on or prior to the calculation date shall be deemed to have occurred on the first day of the reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (2) of the proviso set forth in the definition of Consolidated Net Income;
- (2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the calculation date, shall be excluded; and
- (3) the corporate development expense of such Person and its Restricted Subsidiaries calculated in a manner consistent with the audited financial statements of the Parent included in the Offering Circular shall be added to Consolidated Cash Flow to the extent it was included in computing Consolidated Net Income.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. No natural person who is an executive officer or director of a Person shall, solely by virtue of such position, be deemed to control such Person.

"Agent" means any Registrar, co-registrar, Paying Agent or additional paying agent.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Sale" means:

- (1) the sale, conveyance or other disposition of any assets or rights; provided that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole shall be governed by the provisions of Section 4.14 hereof and/or the provisions of Section 5.01 hereof and not by the provisions of Section 4.10 hereof; and
- (2) the issuance of Equity Interests by any of the Restricted Subsidiaries (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company, a Sister Guarantor or a Restricted Subsidiary).

Notwithstanding the preceding, none of the following items shall be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets, rights or Equity Interests having a fair market value of less than \$1.0 million;
- (2) a transfer of assets between or among the Company, the Sister Guarantors and the Restricted Subsidiaries;
- (3) an issuance of Equity Interests by a Restricted Subsidiary to the Company, a Sister Guarantor or to another Restricted Subsidiary;
- (4) the sale, lease or other disposition of equipment, inventory or accounts receivable in the ordinary course of business;
- (5) the sale or other disposition of cash or Cash Equivalents;
- (6) a transfer of Equity Interests of an Unrestricted Subsidiary or an issue of Equity Interests by an Unrestricted Subsidiary;
- (7) grants of leases or licenses in the ordinary course of business;
- (8) the issuance of Equity Interests of the Company or a Sister Guarantor; and
- (9) a Restricted Payment that is permitted by Section 4.07 hereof or a Permitted Investment.

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"Board of Directors" means:

- (1) with respect to a corporation, the board of directors (or its executive committee) of the corporation;
- (2) with respect to a partnership, the board of directors of the general partner (if a corporation) of the partnership; and
- (3) with respect to any other Person, the board or committee of such Person serving a similar function.

"Business Day" means any day other than a Legal Holiday.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means:

- (1) marketable, direct obligations of the United States of America, its agencies and instrumentalities maturing within 365 days of the date of purchase;
- (2) commercial paper and other short-term obligations of 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 270 days from the date of original issue thereof, and whose issuer is, at the time of purchase, rated "P-2" or better by Moody's or "A-2" or better by S&P ;
- (3) repurchase agreements, bankers' acceptances and domestic and Eurodollar certificates of deposit maturing within 365 days of the date of purchase which are issued by, or time deposits maintained with
 - (a) a United States national or state bank (or any domestic branch of a foreign bank) subject to supervision and examination by federal or state banking or depository institution authorities and having capital, surplus and undivided profits totaling more than \$100,000,000 and rated "A" or better by Moody's or S&P,
 - (b) a broker/dealer (acting as principal) registered as a broker or a dealer under Section 15 of the Exchange Act the unsecured short-term debt obligations of which are rated "P-1" by Moody's and at least "A-1" by S&P at the date of purchase, or
 - (c) an unrated broker/dealer, acting as principal, that is a Wholly Owned Restricted Subsidiary (but substituting "Subsidiary" for "Restricted Subsidiary" in the definition thereof) of a non-bank or bank holding company, the unsecured short-term debt obligations of which are rated "P-1" by Moody's and at least "A-1" by S&P at the date of purchase; and
- (4) money market funds having a rating from Moody's and S&P in the highest investment category granted thereby.

"Change of Control" means the occurrence of any of the following:

- (1) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions,

of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than the Principal or a Related Party of the Principal;

- (2) the adoption of a plan relating to the liquidation or dissolution of the Company;
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principal and his Related Parties or a Subsidiary of the Parent, Beneficially Owns (i) 35% or more of the Voting Stock of the Company (measured by voting power rather than number of shares) if the Company is not a Subsidiary of any Person or, if the Company is a Subsidiary of any Person, of the ultimate parent entity of which the Company is a Subsidiary, and (ii) a greater percentage of such Voting Stock (measured by voting power rather than number of shares) than the Principals and their Related Parties; or
- (4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

"Clearstream" means Clearstream Banking S.A. (or any successor securities clearing agency).

"Company" means, prior to the consummation of the Escrow Corp. Merger, American Tower Escrow Corporation, and after the consummation of the Escrow Corp. Merger, American Towers, Inc.

"Consolidated" means (i) when used with respect to the Parent, the consolidated financial position and results of operations of the Parent, the Company, the Sister Guarantors and the Restricted Subsidiaries (excluding any other Subsidiaries of the Parent and notwithstanding any reference to such Subsidiaries in any other definition) and (ii) when used with respect to any other Person, the consolidated financial position and results of operations of such Person and its Restricted Subsidiaries.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period; plus

- (1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income; plus
- (2) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance

costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers' acceptance financings, and net payments (if any) pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income; plus

- (3) depreciation, amortization (including amortization of goodwill and other intangibles) and other non-cash expenses (including write-offs or write-downs of goodwill and other intangible assets but excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; minus
- (4) non-cash items increasing such Consolidated Net Income for such period (excluding any items that were accrued in the ordinary course of business),

in each case, on a consolidated basis and determined in accordance with GAAP.

"Consolidated Indebtedness" means, with respect to any Person as of any date of determination, the sum, without duplication, of:

- (1) the total amount of Indebtedness of such Person and its Restricted Subsidiaries; plus
- (2) the total amount of Indebtedness of any other Person, to the extent that such Indebtedness has been Guaranteed by the referent Person or one or more of its Restricted Subsidiaries; plus
- (3) the aggregate liquidation value of all Disqualified Stock of such Person and all preferred stock of Restricted Subsidiaries of such Person,

in each case, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period:

- (1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period determined in accordance with GAAP, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and

charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments, if any, pursuant to Hedging Obligations); plus

- (2) all preferred stock dividends paid or accrued in respect of such Person's and its Restricted Subsidiaries' preferred stock to Persons other than such Person or its Wholly Owned Restricted Subsidiaries of other than preferred stock dividends paid by such Person in shares of preferred stock that is not Disqualified Stock.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

- (1) the Net Income of any Person (other than the specified Person) that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary thereof and shall not be included if a net loss;
- (2) the Net Income (and net loss) of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded;
- (3) the cumulative effect of a change in accounting principles shall be excluded; and
- (4) the Net Income (and net loss) of any Unrestricted Subsidiary shall be excluded whether or not distributed to such specified Person or one of its Restricted Subsidiaries.

"Consolidated Tangible Assets" means, with respect to a specified Person, the total consolidated assets of such Person and its Restricted Subsidiaries, less the total intangible assets of such Person and its Restricted Subsidiaries, as shown on the most recent internal consolidated balance sheet of such Person and such Restricted Subsidiaries calculated on a consolidated basis in accordance with GAAP.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who:

- (1) was a member of such Board of Directors on the Issue Date;
- (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election; or

- (3) is a designee of the Principal or was nominated by the Principal.

"Convertible Notes" mean, collectively, (a) the \$300,000,000.00 6.25% Convertible Notes Due 2009 issued pursuant to that certain indenture dated October 4, 1999 of the Parent with The Bank of New York as trustee, (b) the \$425,500,000.00 2.25% Convertible Notes Due 2009 issued pursuant to that certain indenture dated October 4, 1999 of the Parent with The Bank of New York as trustee and (c) the \$450,000,000.00 5.00% Convertible Notes Due 2010 issued pursuant to that certain indenture dated February 15, 2000 of the Parent with The Bank of New York as trustee.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Company.

"Credit Agreement" means that certain Amended and Restated Loan Agreement, dated as of January 6, 2000, by and among The Toronto Dominion Bank, New York Branch, as Issuing Bank, Toronto Dominion (Texas), Inc., as Administrative Agent, the several lenders and other agents party thereto and American Tower, L.P., American Towers, Inc., Towersites Monitoring, Inc. and American Tower International, Inc., as borrowers, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case, as amended, supplemented, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time, including to permit an increase in borrowings thereunder.

"Credit Facilities" means one or more debt, commercial paper or securitization facilities or financings (including, without limitation, the Credit Agreement), in each case, as amended, supplemented, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time, including to permit an increase in borrowings thereunder.

"Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Debt to Adjusted Consolidated Cash Flow Ratio" means, with respect to any Person and as of any date of determination, the ratio of:

- (1) the Consolidated Indebtedness of such Person as of such date to
- (2) the Adjusted Consolidated Cash Flow of such Person as of such date.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depository" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depository with respect to the Notes, and any and all successors thereto appointed as depository hereunder and having become such pursuant to the applicable provision of this Indenture.

"Designated Senior Debt" means:

- (1) any Indebtedness outstanding under the Credit Agreement; and
- (2) after payment in full of all Obligations under the Credit Agreement, any other Senior Debt permitted under this Indenture the principal amount of which is \$25.0 million or more and that has been designated by the Company as "Designated Senior Debt."

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof.

"Effectiveness Target Date" shall have the meaning set forth in Section 6(a)(iii) of the Registration Rights Agreement.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Escrow Account" means the escrow account for the deposit of approximately \$432.7 million, which represents 101% of the Accreted Value of the Notes on March 30, 2003 to be held in escrow under the Escrow Agreement pending consummation of the Escrow Corp. Merger or a mandatory redemption of the Notes as described in Section 3.08 hereof.

"Escrow Agreement" means the Escrow and Disbursement Agreement, dated the Issue Date, among Escrow Corp., the Trustee and The Bank of New York, as escrow agent governing the disbursement of funds from the Escrow Account, as amended from time to time in accordance with this Indenture.

"Escrow Corp." means American Tower Escrow Corporation, a Delaware corporation.

"Escrow Corp. Merger" means the merger transaction involving Escrow Corp. and American Towers, Inc. pursuant to the Escrow Corp. Merger Agreement.

"Escrow Corp. Merger Agreement" means an Agreement and Plan of Merger with respect to the Escrow Corp. Merger, dated as of the Issue Date.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system (or any successor securities clearing agency).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Note" means any Note issued in exchange for an Original Note or Original Notes pursuant to the Exchange Offer or otherwise registered under the Securities Act and any Note with respect to which the next preceding Predecessor Note of such Note was an Exchange Note.

"Exchange Offer" has the meaning set forth in the form of Note attached as Exhibit A.

"Exchange Registration Statement" has the meaning set forth in the form of Note attached as Exhibit A.

"Excluded International Sale" means an issue, sale or other disposition of Capital Stock of a Restricted Subsidiary of the Company or a Sister Guarantor the principal operations of which are conducted, and the principal assets of which are located, outside the United States, so long as after giving effect thereto such Restricted Subsidiary would remain a Restricted Subsidiary of the Company or a Sister Guarantor.

"Existing Indebtedness" means Indebtedness of the Company, the Sister Guarantors and their Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the Issue Date, until such amounts are repaid.

"Existing Parent Indebtedness" means the Senior Notes Due 2009 and the Convertible Notes and any Indebtedness of the Parent issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund any such Indebtedness which meets the conditions for Permitted Refinancing Indebtedness set forth in clauses (1) and (2) of the definition thereof.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date.

"Global Notes" means, the global Notes, substantially in the form of Exhibit A hereto.

"Global Note Legend" means the legend set forth in Section 2.06(f)(i), which is required to be placed on all Global Notes issued under this Indenture.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"Group Guarantors" means, upon the consummation of the Escrow Corp. Merger, each of the Guarantors other than the Parent.

"Guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

"Guarantors" means, upon the consummation of the Escrow Corp. Merger, each of:

- (1) the Wholly Owned Domestic Restricted Subsidiaries of the Company;
- (2) the Sister Guarantors;
- (3) the Wholly Owned Domestic Restricted Subsidiaries of the Sister Guarantors;
- (4) any other Subsidiary of the Company or any of the Sister Guarantors that executes a Note Guarantee pursuant to Section 4.18 hereof; and
- (5) the Parent;

and their respective successors and assigns unless or until released as provided for in Section 10.6 hereof. Prior to the consummation of the Escrow Corp. Merger, there shall be no Guarantor.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and
- (2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency exchange rates.

"Holder" means a Person in whose name a Note is registered.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker's acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person whether or not such Indebtedness is assumed by the specified Person (the amount of such Indebtedness as of any date being deemed to be the lesser of the value of such property or assets as of such date or the principal amount of such Indebtedness of such other Person so secured) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

The amount of any Indebtedness outstanding as of any date shall be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and
- (2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Company, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Company as a replacement agency, if any such agency exists at such time).

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees of Indebtedness or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If such Person or any of its Restricted Subsidiaries sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of such Person such that, after giving effect to any such sale or disposition, it is no longer a Restricted Subsidiary of such Person, such Person shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of such Person's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof.

"Issue Date" means the date on which the Original Notes are first authenticated and delivered under this Indenture.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in The City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed.

"Licenses" means, collectively, 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 Federal Communications Commission (or other similar or successor agency of the federal government administering the Communications Act of 1934 or any similar or successor federal statute) and held by the Company, the Sister Guarantors or any of the Restricted Subsidiaries.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Liquidated Damages" means all liquidated damages then owing pursuant to Section 6 of the Registration Rights Agreement.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

- (1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with:
 - (a) any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions); or
 - (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and
- (2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"Net Proceeds" means the aggregate cash proceeds received by the Company, any Sister Guarantor or any of the Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of:

- (1) the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, sales commissions and finders', brokers' or similar fees) and any relocation or severance expenses incurred as a result thereof;
- (2) taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements);
- (3) amounts required to be applied to the repayment of Indebtedness (other than Senior Debt) secured by a Lien on the asset or assets that were the subject of such Asset Sale;
- (4) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Sale;
- (5) the deduction of appropriate amounts provided by the seller as a reserve in accordance with GAAP against any liabilities associated with the assets disposed of in such Asset Sale and retained by the Company, any Sister Guarantor or any Restricted Subsidiary after such Asset Sale; and
- (6) without duplication, any reserves that the Company's Board of Directors determines in good faith should be made in respect of the sale price of such asset or assets for post closing adjustments;

provided that in the case of any reversal of any reserve referred to in clause (5) or (6) above, the amount so reversed shall be deemed to be Net Proceeds from an Asset Sale as of the date of such reversal.

"Non-Recourse Debt" means Indebtedness:

- (1) as to which none of the Company, any Sister Guarantor or any of the Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable as a guarantor or otherwise;
- (2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Company, any Sister Guarantor or any of the Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its stated maturity; and
- (3) as to which the lenders have been notified in writing that they shall not have any recourse to the stock or assets of the Company, any Sister Guarantor or any of the Restricted Subsidiaries.

"Non-Tower Cash Flow" means, with respect to any Person and as of any date of determination, the Consolidated Cash Flow of such Person and its Restricted Subsidiaries for the four most recent full fiscal quarters ending immediately prior to such date for which internal financial statements are available that is not included in Tower Cash Flow of such Person, all determined on a consolidated basis and in accordance with GAAP. Non-Tower Cash Flow of such Person shall not include revenues derived from asset sales, other than sales or other dispositions of inventory in the ordinary course of business.

"Notes" has the meaning assigned to it in the preamble to this Indenture and includes the Exchange Notes and the Original Notes.

"Note Guarantee" means the Guarantee by each Guarantor of the Company's payment obligations under this Indenture and the Notes, as provided pursuant to Article 10 of this Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offering" means the private offering of the Notes by the Company.

"Offering Circular" means the Confidential Offering Circular, dated January 22, 2003, including the documents incorporated by reference therein, relating to the private offering of the Original Notes and the Warrants.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 13.04 hereof.

"Opinion of Counsel" means an opinion from legal counsel that meets the requirements of Section 13.04 hereof. The counsel may be an employee of or counsel to the Company or any Subsidiary of the Company.

"Parent" means American Tower Corporation, a Delaware corporation.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"Permitted Business" means any business of the type conducted by the Parent or its Subsidiaries on the Issue Date and any other business related, ancillary or complementary to any such business.

"Permitted Investment" means:

- (1) any Investment in the Company, any Sister Guarantor or any Restricted Subsidiary;
- (2) any Investment in Cash Equivalents;
- (3) any Investment by the Company, any Sister Guarantor or any Restricted Subsidiary in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company, any Sister Guarantor or any Restricted Subsidiary;
- (4) any Investment by the Company, any Sister Guarantor or any Restricted Subsidiary that
 - (a) is in substance the acquisition of a class of Capital Stock of a Restricted Subsidiary (the "Target"),

- (b) increases the percentage of one or more classes of Capital Stock of the Target beneficially owned by the Company, the Sister Guarantors and the Restricted Subsidiaries,
 - (c) does not decrease the percentage of the total voting power of shares of Capital Stock of the Target entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the Target that is owned by the Company, the Sister Guarantors and the Restricted Subsidiaries, and
 - (d) does not decrease the percentage of stockholders' equity (including stock subject to mandatory redemption) of the Target, as reflected on its most recent internal balance sheet prepared in accordance with GAAP, available upon liquidation of the Target to Capital Stock of the Target owned by the Company, the Sister Guarantors and the Restricted Subsidiaries;
- (5) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;
 - (6) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company or a Sister Guarantor;
 - (7) receivables created in the ordinary course of business;
 - (8) loans or advances to employees made in the ordinary course of business since the Issue Date not to exceed \$5.0 million at any one time outstanding;
 - (9) securities and other assets received in settlement of trade debts or other claims arising in the ordinary course of business;
 - (10) Investments since the Issue Date of up to an aggregate of \$100.0 million at any one time outstanding (each such Investment being measured as of the date made and without giving effect to subsequent changes in value);
 - (11) Investments in Verestar and its Subsidiaries since the Issue Date of up to an aggregate amount of \$25.0 million at any one time outstanding (each such Investment being measured as of the date made and without giving effect to subsequent changes in value); and
 - (12) other Investments in Permitted Businesses since the Issue Date not to exceed an amount equal to \$10.0 million plus 10% of the Consolidated Tangible Assets of the Company and the Sister Guarantors (on a combined

basis) at any one time outstanding (each such Investment being measured as of the date made and without giving effect to subsequent changes in value).

"Permitted Junior Securities" means:

- (1) Equity Interests in the Company or any Guarantor; or
- (2) debt securities that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the Notes and the Note Guarantees are subordinated to Senior Debt under this Indenture.

"Permitted Liens" means:

- (1) Liens securing Senior Debt of the Company or the Guarantors;
- (2) Liens securing any Indebtedness of any of the Restricted Subsidiaries that are not Guarantors that was permitted by the terms of this Indenture to be incurred;
- (3) Liens in favor of the Company or a Sister Guarantor;
- (4) Liens existing on the Issue Date and renewals and replacements thereof to the extent they secure Permitted Refinancing Indebtedness;
- (5) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor;
- (6) 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;
- (7) 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 60 days;
- (8) restrictions on the transfer of Licenses or assets of the Company, any Sister Guarantor or any of the Restricted Subsidiaries imposed by any of the Licenses as in effect on the Issue Date or imposed by the

Communications Act of 1934, any similar or successor federal statute or the rules and regulations of the Federal Communications Commission (or other similar or successor agency of the federal government administering such Act or successor statute) thereunder, all as the same may be in effect from time to time;

- (9) Liens arising by operation of law in favor of purchasers in connection with the sale of an asset; provided, however, that such Lien only encumbers the property being sold;
- (10) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids or tenders;
- (11) judgment Liens which do not result in an Event of Default;
- (12) Liens in connection with escrow deposits made in connection with any acquisition of assets;
- (13) Liens securing Indebtedness permitted to be incurred under clauses (4) and (7) of the second paragraph of Section 4.09 hereof;
- (14) easements, rights-of-way, zoning restrictions, licenses or restrictions on use and other similar encumbrances on the use of real property that:
 - (a) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business); and
 - (b) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of business by the Company, the Sister Guarantors and the Restricted Subsidiaries;
- (15) Liens on property of the Company, a Sister Guarantor or a Restricted Subsidiary at the time the Company, a Sister Guarantor or Restricted Subsidiary acquired the property, including acquisition by means of a merger or consolidation with or into the Company, a Sister Guarantor or any Restricted Subsidiary, provided, however, that such Liens are not created, incurred or assumed in connection with or in contemplation of such acquisition, and provided further that such Liens may not extend to any other property owned by the Company, any Sister Guarantor or any Restricted Subsidiary; and
- (16) Liens securing Indebtedness in an aggregate principal amount at any time outstanding that, together with any Attributable Debt, does not exceed 10% of:

- (a) Consolidated Tangible Assets of the Company and the Sister Guarantors (on a combined basis), reduced by
- (b) the amount of current liabilities (excluding current maturities of long-term debt) of the Company, the Sister Guarantors and the Restricted Subsidiaries, further reduced by
- (c) appropriate adjustments on account of minority interests in Restricted Subsidiaries held by Persons other than the Company, a Sister Guarantor and the Restricted Subsidiaries,

all as shown on the most recent internal consolidated balance sheet of the Company and its Restricted Subsidiaries and each Sister Guarantor and its Restricted Subsidiaries calculated on a combined basis in accordance with GAAP.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company, any Sister Guarantor or any of the Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company, any Sister Guarantor or any of the Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

- (1) the principal amount (or initial accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a final maturity date not earlier than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and
- (3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Predecessor Note" of any particular Note means every previous Note issued before, and evidencing all or a portion of the same Indebtedness as that evidenced by, such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.07 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Note shall be deemed to evidence the same Indebtedness as the mutilated, destroyed, lost or stolen Note.

"Principal" means Steven B. Dodge and any Related Party of Steven B. Dodge.

"Public Equity Offering" means any underwritten public offering of common stock of the Company pursuant to an effective registration statement under the Securities Act.

"Purchase Agreement" means the Purchase Agreement, dated as of January 22, 2003, among the Company, the Parent, the Guarantors (from and after the consummation of the Escrow Corp. Merger) and the Purchasers, as such agreement may be amended from time to time.

"Purchasers" means Credit Suisse First Boston LLC and Goldman, Sachs & Co.

"Qualified Proceeds" means assets that are used or useful in, or Capital Stock of any Person engaged in, a Permitted Business.

"Rating Agencies" mean Moody's and S&P.

"Registered Notes" means the Exchange Notes and all other Notes sold or otherwise disposed of pursuant to an effective registration statement under the Securities Act, together with their respective Successor Notes.

"Registration Default" has the meaning set forth in the form of Note attached as Exhibit A.

"Registration Rights Agreement" means the Registration Rights Agreement among American Towers, Inc., the Guarantors (from and after the consummation of the Escrow Corp. Merger) and the Purchasers, dated as of the Issue Date, as such agreement may be amended, modified or supplemented from time to time.

"Regulation S" means Regulation S under the Securities Act (or any successor provision), as it may be amended from time to time.

"Regulation S Certificate" means a certificate substantially in the form set forth in Exhibit D.

"Regulation S Global Note" has the meaning specified in Section 2.01(d).

"Regulation S Legend" means a legend substantially in the form of the legend required in the form of Note attached as Exhibit A to be placed upon each Regulation S Note.

"Regulation S Notes" means all Notes required pursuant to Section 2.06(f)(ii) to bear a Regulation S Legend. Such term includes the Regulation S Global Note.

"Related Party" with respect to the Principal means:

- (1) any Person that is a Subsidiary of the Principal; or
- (2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, members, partners, owners or Persons beneficially holding an over-50% controlling interest of which consists of the Principal and/or such other Persons referred to in the immediately preceding clause (1).

"Representative" means the indenture trustee or other trustee, agent or representative for any Senior Debt.

"Responsible Officer" with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of its Indenture.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" has the meaning specified in Section 2.01(d).

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Notes" means all Notes required pursuant to Section 2.06(f)(ii) to bear any Restricted Notes Legend. Such term includes the Restricted Global Note.

"Restricted Notes Certificate" means a certificate substantially in the form set forth in Exhibit E.

"Restricted Notes Legend" means, collectively, the legends substantially in the forms of the legends required in the form of Note attached as Exhibit A to be placed upon each Restricted Note.

"Restricted Period" means the period of 41 consecutive days beginning on and including the later of (i) the day on which Notes are first offered to persons other than distributors (as defined in Regulation S) in reliance on Regulation S and (ii) the Issue Date.

"Restricted Subsidiary" of a Person means any Subsidiary of such Person that is not an Unrestricted Subsidiary and, in the absence of any designation, means a Restricted Subsidiary of the Company or of a Sister Guarantor, as the case may be, and, for purposes of any financial calculations with respect to the Parent, shall mean the Company, the Sister Guarantors and the Restricted Subsidiaries of the Company and the Sister Guarantors.

"Rule 144A" means Rule 144A under the Securities Act (or any successor provision), as such Rule 144A may be amended from time to time.

"Rule 144A Notes" means the Notes purchased by the Purchasers from the Company pursuant to the Purchase Agreement.

"S&P" means Standard & Poor's Ratings Service or any successor to the rating agency business thereof.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Act Legend" means a Restricted Notes Legend or a Regulation S Legend.

"Senior Debt" means:

- (1) in the case of the Company or any Group Guarantor:
 - (a) all Indebtedness of the Company or any Group Guarantor outstanding under clause (1) of the second paragraph of Section 4.09 hereof (including, without limitation, the Credit Agreement) and all Hedging Obligations with respect thereto; and
 - (b) all Obligations with respect to the items listed in the preceding clause (a); and
- (2) in the case of the Parent:
 - (a) all Indebtedness of the Parent outstanding under clause (1) of the second paragraph of Section 4.09 hereof (including, without limitation, the Credit Agreement) and all Hedging Obligations with respect thereto;
 - (b) any other Indebtedness of the Parent, unless the instrument under which such Indebtedness is incurred expressly provides that it is on parity with or subordinated in right of payment to the Notes or any Note Guarantee; and
 - (c) all Obligations with respect to the items listed in the preceding clauses (a) and (b).

Notwithstanding anything to the contrary in the preceding, Senior Debt shall not include:

- (1) any liability for federal, state, local or other taxes owed or owing by the Company or any Guarantor;

- (2) any intercompany Indebtedness of the Company, any Sister Guarantor or any of their Subsidiaries to the Company, any Sister Guarantor or any of their Affiliates;
- (3) any trade payables; or
- (4) the portion of any Indebtedness that is incurred in violation of this Indenture.

"Senior Note Indenture" means that certain indenture, dated January 31, 2001 with the Bank of New York as trustee, as amended or supplemented from time to time, relating to the Senior Notes Due 2009.

"Senior Notes Due 2009" means, collectively, those certain 9-3/8% Senior Notes due 2009 of the Parent issued pursuant to the Senior Note Indenture.

"Separation Date" means the earliest of:

- (1) the date that is 180 days from the Issue Date;
- (2) the commencement of the Exchange Offer;
- (3) the effectiveness of any shelf registration statement with respect to the Warrants;
- (4) such date as Credit Suisse First Boston LLC in its sole discretion shall determine; and
- (5) in the event of a Change in Control, the date the Company mails the requisite notice to the Holders.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

"Sister Guarantors" means American Tower International, Inc., American Tower LLC and Towersites Monitoring, Inc.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Step-Down Date" has the meaning set forth in the form of Note attached as Exhibit A.

"Subsidiary" means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"Successor Note" of any particular Note means every Note issued after, and evidencing all or a portion of the same debt as that evidenced by, such particular Note; and, for purposes of this definition, any Note authenticated and delivered under Section 2.07 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Note shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Note.

"Surplus Asset Sale" means (i) an Asset Sale of communications transmission towers that were acquired from AT&T Corporation and its Affiliates, have an aggregate book value on the Parent's GAAP balance sheet at September 30, 2002 and at the Issue Date of not more than \$20.0 million, and are shown on the GAAP accounting records of the Parent at September 30, 2002 and at the Issue Date as being held for disposal, and (ii) Asset Sales in any one-year period for aggregate net proceeds of up to \$5.0 million.

"Tax Sharing Agreement" means the Tax Sharing Agreement, dated as of January 1, 2000, among the Company, the Parent and other Subsidiaries of the Parent.

"Teleports Business" means the business of providing domestic and international satellite and internet protocol network transmission services.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA.

"Tower Asset Exchange" means any transaction in which the Company, a Sister Guarantor or one or more of the Restricted Subsidiaries exchanges assets for, or issues its Capital Stock in exchange for, Tower Assets and/or cash or Cash Equivalents where the fair market value (evidenced by a resolution of the Board of Directors of the Company set forth in an Officers' Certificate delivered to the Trustee) of the Tower Assets and cash or Cash Equivalents received by the Company, the Sister Guarantors and the Restricted Subsidiaries in such exchange is at least equal to the fair market value of the assets disposed of, or the Capital Stock issued, in such exchange.

"Tower Assets" means wireless transmission or broadcast towers and related assets that are located on the site of a wireless transmission or broadcast tower.

"Tower Cash Flow" means, with respect to any Person and for any period, the Consolidated Cash Flow of such Person and its Restricted Subsidiaries, in each case that is directly attributable (including related expenses) to (i) site rental revenue or license fees (including space reservation payments) paid to lease, sublease or retain space on communications sites owned or leased by such Person or its Restricted Subsidiaries, (ii) fees paid to such Person or its Restricted Subsidiaries for management of communications sites and (iii) real estate lease and similar payments (whether or not related to communications sites) paid to such Person or its Restricted Subsidiaries to the extent included in the same operating segment for GAAP reporting purposes as site rental revenue, all determined on a consolidated basis and in accordance with GAAP. Tower Cash Flow shall not include revenue or expenses attributable to non-site rental services provided by such Person or any of its Restricted Subsidiaries to lessees of communication sites or revenues derived from the sale of assets.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Notes Certificate" means a certificate substantially in the form set forth in Exhibit F.

"Unrestricted Subsidiary" means (a) upon the consummation of the Escrow Corp. Merger, any of ATS-Needham LLC, Haysville Towers, LLC, ATC Realty Holding, Inc., ATC Connecticut, Inc., ATC Westwood, Inc., ATC Presidential Way, Inc., 10 Presidential Way Associates, LLC, Unisite/OmniPoint FL Tower Venture, LLC, Unisite/OmniPoint NE Tower Venture, LLC and Unisite/OmniPoint PA Tower Venture, LLC or (b) any Subsidiary of the Company or any Sister Guarantor that is designated by the Board of Directors of the Company, on or after the Issue Date, as an Unrestricted Subsidiary pursuant to a board resolution, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt or Indebtedness owed to the Company, any Sister Guarantor or any of the Restricted Subsidiaries;
- (2) is not party to any agreement, contract, arrangement or understanding with the Company, any Sister Guarantor or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company, such Sister Guarantor or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company or the Sister Guarantors;
- (3) is a Person with respect to which none of the Company, a Sister Guarantor, or any of the Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company, any Sister Guarantor or any of the Restricted Subsidiaries.

Any designation of a Subsidiary of the Company or a Sister Guarantor as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09 hereof, the Company or the Sister Guarantor, as applicable, shall be in default under such Section. The Board of Directors of the Company or a Sister Guarantor may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company or the Sister Guarantor, as applicable, of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under Section 4.09 hereof; and (2) no Default or Event of Default would be in existence following such designation.

"Verestar" means Verestar, Inc. (formerly ATC Teleports Inc.), a Delaware corporation.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Warrants" means 808,000 warrants to purchase 11,389,012 shares of Class A common stock of American Tower Corporation, as contemplated by the Offering Circular.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that shall elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Domestic Restricted Subsidiary" means any Wholly Owned Restricted Subsidiary of the specified person that (i) was formed under the laws of the United States or any state of the United States or the District of Columbia and (ii) in the case of a Wholly Owned

Domestic Restricted Subsidiary of the Company or of a Sister Guarantor, guarantees Indebtedness under the Credit Agreement or is a co-borrower thereunder.

"Wholly Owned Restricted Subsidiary" of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person or by such Person and one or more Wholly Owned Restricted Subsidiaries of such Person. If all of the outstanding Capital Stock or other ownership interests (other than directors' qualifying shares) of a Restricted Subsidiary of the Company or a Sister Guarantor that are not owned by the Company or such Sister Guarantor are owned by one or more of the Company or a Sister Guarantor or a Wholly Owned Restricted Subsidiary of the Company or a Sister Guarantor, such Restricted Subsidiary shall be deemed to be a Wholly Owned Restricted Subsidiary of the Company or a Sister Guarantor, as determined by the Company.

Section 1.02. Other Definitions.

TERM -----	DEFINED IN SECTION -----
"Affiliate Transaction".....	4.11
"Asset Sale Offer".....	3.09
"Authentication Order".....	2.02
"Change of Control Offer".....	4.14
"Change of Control Payment".....	4.14
"Change of Control Payment Date".....	4.14
"Covenant Defeasance".....	8.03
"DTC".....	2.03
"Event of Default".....	6.01
"Excess Proceeds".....	4.10
"incur".....	4.09
"Investment Company Act Legend"	2.06
"Legal Defeasance".....	8.02
"Mandatory Redemption Payment Date"	3.08
"Mandatory Redemption Price"	3.08
"Offer Amount".....	3.09
"Offer Period".....	3.09
"OID Legend"	2.06
"Original Notes".....	2.02
"Paying Agent".....	2.03
"Payment Blockage Notice"	11.03
"Payment Default".....	6.01
"Permitted Debt".....	4.09
"Private Placement Legend"	Exhibit A
"Purchase Date".....	3.09

TERM ----	DEFINED IN SECTION -----
"Registrar".....	2.03
"Release Date"	3.08
"Restricted Payments".....	4.07
"restricted security"	2.06
"Suspended Covenants".....	4.17
"Unit Legend"	2.06

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;
 "indenture security Holder" means a Holder of a Note;
 "indenture to be qualified" means this Indenture;
 "indenture trustee" or "institutional trustee" means the Trustee; and
 "obligor" on the Notes means the Company and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by the TIA's reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

- (a) a term has the meaning assigned to it;
- (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (c) "or" is not exclusive;
- (d) words in the singular include the plural, and in the plural include the singular;
- (e) provisions apply to successive events and transactions; and
- (f) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time.

ARTICLE 2

THE NOTES

Section 2.01. Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of \$1,000 and integral multiples thereof.

The Notes may consist of Original Notes and/or Exchange Notes, which shall rank *pari passu* in right of payment with each other and with all other existing and future senior subordinated obligations of the Company. Unless the context otherwise requires, Original Notes and Exchange Notes shall be considered collectively to be a single class for all purposes of this Indenture, including without limitation waivers, amendments, redemptions and Asset Sale Offers.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto).

Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount at maturity of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount at maturity of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions, repurchases and transfers of interests. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount at maturity of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) Euroclear and Clearstream Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in Global Notes that are held by Participants through Euroclear or Clearstream.

(d) Restricted and Regulation S Global Notes. Upon their original issuance, Rule 144A Notes shall be issued in the form of one or more Global Notes registered in the name of the Depositary or its nominee and deposited with the Trustee, as Custodian for the Depositary, for credit by the Depositary to the respective accounts of beneficial owners of the Notes represented thereby (or such other accounts as they may direct). Such Global Notes, together with their Successor Notes which are Global Notes other than the Regulation S Global Notes, are collectively herein called the "Restricted Global Note".

Upon their original issuance, Regulation S Notes shall be issued in the form of one or more Global Notes registered in the name of the Depositary, or its nominee and deposited with the Trustee, as Custodian for the Depositary, for credit to the respective accounts of the beneficial owners of the Notes represented thereby (or such other accounts as they may direct), provided that upon such deposit all such Notes shall be credited to or through accounts maintained at the Depositary by or on behalf of Euroclear or Clearstream. Such Global Notes, together with their Successor Notes which are Global Notes other than the Restricted Global Note, are collectively herein called the "Regulation S Global Note".

Section 2.02. Execution and Authentication.

Two Officers shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Company signed by two Officers (an "Authentication Order"), authenticate Notes for original issue on the Issue Date in an aggregate principal amount at maturity not to exceed \$808 million (the "Original Notes"). The aggregate principal amount at maturity of Notes (including Exchange Notes) outstanding at any time may not exceed the aggregate principal amount at maturity stated in paragraph 4 of the Notes except as provided in Section 2.08 hereof. Notes shall be dated the date of their authentication.

At any time and from time to time after the execution and delivery of this Indenture and after the effectiveness of a Registration Statement under the Securities Act with respect thereto, the Company may deliver Exchange Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Exchange Notes and a like principal amount at maturity of Original Notes for cancellation in accordance with Section 2.11 of this Indenture, and the Trustee in accordance with the Company Order shall authenticate and deliver such Notes. In authenticating such Exchange Notes, and accepting the additional responsibilities under this Indenture in relation to such Notes, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Opinion of Counsel stating,

- (i) that such Exchange Notes have been duly and validly issued in accordance with the terms of this Indenture, and are entitled to all the rights and benefits set forth herein; and
- (ii) that the issuance of the Exchange Notes in exchange for the Original Notes has been effected in compliance with the Securities Act.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03. Registrar and Paying Agent.

The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company shall promptly notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of Accreted Value of, or premium, if any, on the Notes, and shall notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before February 1 and August 1 of any given year and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes, and the Company shall otherwise comply with TIA Section 312(a).

Section 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if (i) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary, (ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee, or (iii) upon request of a Holder if there shall have occurred and be continuing a Default or an Event of Default. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06, or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

- (i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

- (ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount at maturity of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.
- (iii) Restricted Global Note to Regulation S Global Note. If the owner of a beneficial interest in the Restricted Global Note wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Regulation S Global Note, such transfer may be effected only in accordance with the provisions of this clause (iii) and clause (v) below and subject to the Applicable Procedures. Upon receipt by the Trustee, as Registrar, of (A) an order given by the Depositary or its authorized representative directing that a beneficial interest in the Regulation S Global Note in a specified principal amount at maturity be credited to a specified Participant's account and that a beneficial interest in the Restricted Global Note in an equal principal amount at maturity be debited from another specified Participant's account and (B) a Regulation S Certificate, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the Restricted Global Note or his attorney duly authorized in writing, then the Trustee, as Registrar but subject to clause (v) below, shall reduce the principal amount at maturity of the Restricted Global Note and increase the principal amount at maturity of the Regulation S Global Note by such specified principal amount at maturity.
- (iv) Regulation S Global Note to Restricted Global Note. If the owner of a beneficial interest in the Regulation S Global Note wishes at any time to

transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Restricted Global Note, such transfer may be effected only in accordance with this clause (iv) and subject to the Applicable Procedures. Upon receipt by the Trustee, as Registrar, of (A) an order given by the Depositary or its authorized representative directing that a beneficial interest in the Restricted Global Note in a specified principal amount at maturity be credited to a specified Participant's account and that a beneficial interest in the Regulation S Global Note in an equal principal amount at maturity be debited from another specified Participant's account and (B) if such transfer is to occur during the Restricted Period, a Restricted Notes Certificate, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the Regulation S Global Note or his attorney duly authorized in writing, then the Trustee, as Registrar, shall reduce the principal amount at maturity of the Regulation S Global Note and increase the principal amount at maturity of the Restricted Global Note by such specified principal amount at maturity.

- (v) Regulation S Global Note to be Held Through Euroclear or Clearstream during Restricted Period. The Company shall use its best efforts to cause the Depositary to ensure that, until the expiration of the Restricted Period, beneficial interests in the Regulation S Global Note may be held only in or through accounts maintained at the Depositary by Euroclear or Clearstream (or by Participants acting for the account thereof), and no person shall be entitled to effect any transfer or exchange that would result in any such interest being held otherwise than in or through such an account; provided that this clause (v) shall not prohibit any transfer or exchange of such an interest in accordance with clause (iv) above.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes. If any Holder of a beneficial interest in a Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Sections 2.06(a) and 2.06(b)(ii) hereof, the Trustee shall cause the aggregate principal amount at maturity of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount at maturity. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c) shall bear the legend restricting transfers that is borne by such Global Note and shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant.

(d) Transfer or Exchange of Definitive Notes for Beneficial Interests. Upon request by a Holder of Definitive Notes to exchange such Definitive Notes for a beneficial interest in a

Global Note and such requesting Holder's presenting or surrendering to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing, the Registrar shall register the transfer or exchange of Definitive Notes and effect the transfer or exchange through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. The Trustee shall cancel the Definitive Note and cause the aggregate principal amount at maturity of the applicable Global Note to be increased accordingly pursuant to the terms of this Indenture and the Applicable Procedures. If the Definitive Note to be transferred in whole or in part is a Restricted Note, or is a Regulation S Note and the transfer is to occur during the Restricted Period, then the Trustee shall have received (A) a Restricted Notes Certificate, satisfactory to the Trustee and duly executed by the transferor Holder or his attorney duly authorized in writing, in which case the transferee Holder shall take delivery in the form of a beneficial interest in the Restricted Global Note, or (B) a Regulation S Certificate, satisfactory to the Trustee and duly executed by the transferor Holder or his attorney duly authorized in writing, in which case the transferee Holder shall take delivery in the form of a beneficial interest in the Regulation S Global Note (subject in every case to Section 2.06(f)).

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such requesting Holder's presenting or surrendering to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing, the Registrar shall register the transfer or exchange of Definitive Notes; provided that, if the Note to be transferred in whole or in part is a Restricted Note, or is a Regulation S Note and the transfer is to occur during the Restricted Period, then the Trustee shall have received (A) a Restricted Notes Certificate, satisfactory to the Trustee and duly executed by the transferor Holder or his attorney duly authorized in writing, in which case the transferee Holder shall take delivery in the form of a Restricted Note, or (B) a Regulation S Certificate, satisfactory to the Trustee and duly executed by the transferor Holder or his attorney duly authorized in writing, in which case the transferee Holder shall take delivery in the form of a Regulation S Note (subject in every case to Section 2.06(f)).

(f) Legends.

(i) Global Notes Legends. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE

- (ii) Securities Act Legends. Rule 144A Notes and their Successor Notes shall bear a Restricted Notes Legend, and the Regulation S Notes and their Successor Notes shall bear a Regulation S Legend, subject to the following:
 - (1) subject to the following sub-clauses of this clause (ii), a Note or any portion thereof which is exchanged, upon transfer or otherwise, for a Global Note or any portion thereof shall bear the Securities Act Legend borne by such Global Note while represented thereby;
 - (2) subject to the following sub-clauses of this clause (ii), a new Note which is not a Global Note and is issued in exchange for another Note (including a Global Note) or any portion thereof, upon transfer or otherwise, shall bear the Securities Act Legend borne by such other Note, provided that, if such new Note is required pursuant to Section 2.06(a) to be issued in the form of a Restricted Note, it shall bear a Restricted Note Legend and, if such new Note is so required to be issued in the form of a Regulation S Note, it shall bear a Regulation S Legend;
 - (3) Registered Notes shall not bear a Securities Act Legend;
 - (4) at any time after the Notes may be freely transferred without registration under the Securities Act or without being subject to transfer restrictions pursuant to the Securities Act, a new Note which does not bear a Securities Act Legend may be issued in exchange for or in lieu of a Note (other than a Global Note) or any portion thereof which bears such a legend if the Trustee has received an Unrestricted Notes Certificate, satisfactory to the Trustee and duly executed by the Holder of such legended Note or his attorney duly authorized in writing, and after such date and receipt of such certificate, the Trustee shall authenticate and deliver such a new Note in exchange for or in lieu of such other Note as provided in this Article 2;
 - (5) a new Note which does not bear a Securities Act Legend may be issued in exchange for or in lieu of a Note (other than a Global Note) or any portion thereof which bears such a legend if, in the Company's judgment, placing such a legend upon such new Note is not necessary to ensure compliance with the registration requirements of the Securities Act, and the Trustee, at the written

direction of the Company, shall authenticate and deliver such new Note as provided in this Article 2; and

- (6) notwithstanding the foregoing provisions of this clause (ii) of Section 2.06(f), a Successor Note of a Note that does not bear a particular form of Securities Act Legend shall not bear such form of legend unless the Company has reasonable cause to believe that such Successor Note is a "restricted security" within the meaning of Rule 144, in which case the Trustee, at the direction of the Company, shall authenticate and deliver a new Note bearing a Restricted Notes Legend in exchange for such Successor Note as provided in this Article 2.
- (iii) Investment Company Act Legend. Prior to the Escrow Corp. Merger, the Notes shall bear a legend in substantially the following form (the "Investment Company Act Legend"):

"THE HOLDER OF THIS NOTE REPRESENTS THAT IT IS A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER. THE FOLLOWING PERSONS ARE "QUALIFIED PURCHASERS": (I) ANY NATURAL PERSON (ALONE OR JOINTLY WITH THAT PERSON'S SPOUSE) WHO OWNS NOT LESS THAN \$5 MILLION IN "INVESTMENT" AS DEFINED IN RULE 2A51-L UNDER THE INVESTMENT COMPANY ACT; (II) ANY COMPANY THAT OWNS NOT LESS THAN \$5 MILLION IN INVESTMENTS AND THAT IS OWNED DIRECTLY OR INDIRECTLY BY TWO OR MORE NATURAL PERSONS WHO ARE RELATED AS SIBLINGS, SPOUSES (INCLUDING FORMER SPOUSES), OR DIRECT LINEAL DESCENDANTS (WHETHER BY BIRTH OR ADOPTION), SPOUSES OF SUCH PERSONS, ESTATES OF SUCH PERSONS, OR FOUNDATIONS, CHARITABLE ORGANIZATIONS, OR TRUSTS ESTABLISHED BY OR FOR THE BENEFIT OF SUCH PERSONS, PROVIDED SUCH COMPANY WAS NOT FORMED FOR THE PURPOSE OF ACQUIRING ESCROW CORP.'S SECURITIES; (III) ANY TRUST NOT COVERED BY CLAUSE (II) THAT WAS NOT FORMED FOR THE PURPOSE OF ACQUIRING ESCROW CORP.'S SECURITIES, AS TO WHICH THE TRUSTEE OR OTHER PERSON AUTHORIZED TO MAKE THE TRUST'S INVESTMENT DECISIONS, AND EACH SETTLOR OR OTHER PERSON WHO HAS CONTRIBUTED ASSETS TO THE TRUST, IS A PERSON DESCRIBED IN CLAUSES (I), (II) OR (IV); (IV) ANY PERSON, ACTING FOR ITS OWN ACCOUNT OR THE ACCOUNTS OF OTHER QUALIFIED PURCHASERS, WHO IN THE AGGREGATE OWNS AND INVESTS ON A DISCRETIONARY BASIS NOT LESS THAN \$25 MILLION IN INVESTMENTS; (V) ANY COMPANY, EACH OF THE BENEFICIAL OWNERS OF WHICH IS A QUALIFIED PURCHASER, AND (VI) ANY PERSON THAT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A, EXCEPT THAT (A) A DEALER IS A QUALIFIED PURCHASER ONLY IF IT OWNS AND INVESTS ON A DISCRETIONARY BASIS NOT LESS THAN \$25 MILLION IN SECURITIES OF COMPANIES THAT ARE NOT AFFILIATED PERSONS OF THE DEALER; AND (B) ANY EMPLOYEE BENEFIT PLAN, OR TRUST FUND HOLDING THE

ASSETS OF SUCH A PLAN, THAT IS A QUALIFIED INSTITUTIONAL BUYER IS A QUALIFIED PURCHASER ONLY WITH RESPECT TO INVESTMENT DECISIONS MADE BY THE PLAN'S FIDUCIARY TRUSTEE, OR SPONSOR OR, WITH RESPECT TO INVESTMENT DECISIONS MADE BY PLAN BENEFICIARIES, SUCH BENEFICIARIES WHO ARE THEMSELVES QUALIFIED PURCHASERS."

- (iv) Original Issue Discount Legend. Each Note shall bear a legend in substantially the following form (the "OID Legend"):

"THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTION 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY CONTACT THE CHIEF FINANCIAL OFFICER OF THE COMPANY AT 116 HUNTINGTON AVENUE, BOSTON, MA 02116, (617) 375-7500, WHO WILL PROVIDE YOU WITH ANY REQUIRED INFORMATION REGARDING THE ORIGINAL ISSUE DISCOUNT."

- (v) Unit Legend. Each Note issued prior to the Separation Date shall bear a legend in substantially the following form (the "Unit Legend"):

"THE NOTES EVIDENCED BY THIS CERTIFICATE ARE INITIALLY ISSUED AS PART OF AN ISSUANCE OF UNITS (THE "UNITS"), EACH OF WHICH CONSISTS OF \$1,000 PRINCIPAL AMOUNT AT MATURITY OF THE 12.25% SENIOR SUBORDINATED DISCOUNT NOTES DUE 2008 (THE "NOTES") OF ESCROW CORP. AND ONE WARRANT TO PURCHASE 14.0953 SHARES, PAR VALUE \$0.01 PER SHARE, OF AMERICAN TOWER CORPORATION.

PRIOR TO THE EARLIEST TO OCCUR OF (I) 180 DAYS AFTER THE CLOSING OF THE OFFERING, (II) THE DATE ON WHICH A REGISTRATION STATEMENT FOR A REGISTERED EXCHANGE OFFER WITH RESPECT TO THE NOTES IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (III) THE DATE A SHELF REGISTRATION STATEMENT WITH RESPECT TO THE WARRANTS IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (IV) SUCH DATE AS CREDIT SUISSE FIRST BOSTON LLC IN ITS SOLE DISCRETION SHALL DETERMINE AND (V) IN THE EVENT OF A CHANGE OF CONTROL, THE DATE AMERICAN TOWER ESCROW CORPORATION (OR ITS SUCCESSOR) MAILES THE REQUISITE NOTICE TO THE HOLDERS, THE NOTES EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED OR EXCHANGED SEPARATELY FROM, BUT MAY BE TRANSFERRED OR EXCHANGED ONLY TOGETHER WITH, THE WARRANTS."

(g) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount at

maturity of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(h) General Provisions Relating to Transfers and Exchanges.

- (i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Company's order or at the Registrar's request.
- (ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.14 and 9.05 hereof).
- (iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.
- (iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.
- (v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.
- (vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of Accreted Value of, Liquidated

Damages and premium, if any, on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

- (vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.
- (viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07. Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08. Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(b) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount at maturity of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and its Accreted Value ceases to increase.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date,

then on and after that date such Notes shall be deemed to be no longer outstanding and its Accreted Value shall cease to increase.

Section 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount at maturity of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned shall be so disregarded.

Section 2.10. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.11. Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such cancelled Notes in its customary manner in accordance with prudent business practices. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation except as expressly permitted pursuant to this Indenture.

Section 2.12. CUSIP Numbers.

The Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders if the Company uses "CUSIP" numbers in issuing the Notes; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE 3

REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (1) the redemption date, (2) the principal amount at maturity of Notes to be redeemed and (3) the redemption price (expressed as a percentage of the Accreted Value).

Section 3.02. Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed as follows:

- (1) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed; or
- (2) if the Notes are not listed on any national securities exchange, on a pro rata basis.

No Notes of \$1,000 of principal amount at maturity or less shall be redeemed in part. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Notes called for redemption become due on the date fixed for redemption.

Section 3.03. Notice of Redemption.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address. Notices of redemption may not be conditional.

The notice shall identify the Notes to be redeemed and shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) if any Note is being redeemed in part, the portion of the principal amount at maturity of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes

in principal amount at maturity equal to the unredeemed portion shall be issued upon cancellation of the original Note;

- (4) the name and address of the Paying Agent;
- (5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
- (6) that the Accreted Value of the Notes or portions of them called for redemption shall cease to increase on and after the redemption date;
- (7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and
- (8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price.

Section 3.05. Deposit of Redemption Price.

One Business Day prior to the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of all Notes to be redeemed on that date plus Liquidated Damages, if any. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and Liquidated Damages, if any, on, all Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, the Accreted Value of the Notes or the portions of the Notes called for redemption shall cease to increase.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount at maturity to the unredeemed portion of the Note surrendered. If a Global Note is so surrendered, such new Note shall also be a Global Note.

Section 3.07. Optional Redemption.

(a) On or after February 1, 2006, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of Accreted Value) set forth below plus Liquidated Damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

YEAR	PERCENTAGE
----	-----
2006.....	106.125%
2007.....	103.063%
2008 and thereafter.....	100.000%

(b) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

Section 3.08. Mandatory Redemption.

(a) If the Escrow Corp. Merger has not occurred on or before the 60th day after the Issue Date or, or such earlier date as the Company in good faith reasonably determines that the conditions to the Escrow Corp. Merger cannot be met and notifies the Trustee thereof in writing (in each case, a "Release Date"), the Company shall redeem all and not less than all of the Notes issued under this Indenture at a redemption price equal to 101% of the Accreted Value of such Notes as of the redemption date (the "Mandatory Redemption Price").

(b) The Company shall make the payment by not later than 12:00 noon (New York City time) on the second Business Day after the Release Date (the "Mandatory Redemption Payment Date"). The payment shall be made by depositing immediately available funds from the Escrow Account equal to the Mandatory Redemption Price with the Paying Agent on the Mandatory Redemption Payment Date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the Mandatory Redemption Price. The Trustee shall give the notice of redemption to each Holder of Notes in the Company's name and at its expense at least one Business Day prior to the Mandatory Redemption Date setting forth the applicable information required to be provided to the Holders of the Notes under Section 3.03 hereof. Once such notice is provided, the Notes shall become irrevocably due and payable on the Mandatory Redemption Date at the Mandatory Redemption Price.

(c) Except as provided in clauses (a) and (b) of this Section 3.08, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Section 3.09. Offer to Purchase by Application of Excess Proceeds.

In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence an offer to all Holders to purchase Notes (an "Asset Sale Offer"), it shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Company shall purchase the Accreted Value of the Notes and the aggregate principal amount (or accreted value, as applicable) of other senior subordinated Indebtedness of the Company required to be purchased pursuant to Section 4.10 hereof (on a pro rata basis if Notes and other senior subordinated Indebtedness of the Company tendered are in excess of the Excess Proceeds) (which maximum amount shall be the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes and other senior subordinated Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made pursuant to Section 4.01 hereof.

Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

- (i) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;
- (ii) the Offer Amount, the purchase price and the Purchase Date;
- (iii) that the Accreted Value of any Note not tendered or accepted for payment shall continue to increase;
- (iv) that the Accreted Value of any Note accepted for payment pursuant to the Asset Sale Offer shall cease to increase after the Purchase Date;
- (v) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in integral multiples of \$1,000 only;
- (vi) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled

"Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

- (vii) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount at maturity of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;
- (viii) that, if the aggregate Accreted Value of the Notes and the principal amount (or accreted value, as applicable) of other senior subordinated Indebtedness of the Company surrendered exceeds the Offer Amount, the Company shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of \$1,000, or integral multiples thereof, shall be purchased); and
- (ix) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount at maturity to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes and other senior subordinated Indebtedness tendered, and shall deliver to the Trustee an Officers' Certificate stating that the Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note, and the Trustee, upon written request from the Company shall authenticate and mail or deliver such new Note to such Holder, in a principal amount at maturity equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

The Company shall comply with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations to the extent those laws and regulations are applicable to any Asset Sale Offer. If the provisions of any of the applicable securities laws or securities regulations conflict with the provisions of this Section 3.09, the Company shall comply

with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 3.09 by virtue of the compliance.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

The provisions under this Indenture relating to the Company's obligation to make an Asset Sale Offer may be waived or modified with the written consent of the Holders of at least a majority in principal amount at maturity of the Notes then outstanding.

ARTICLE 4

COVENANTS

Section 4.01. Payment of Notes.

The Company shall pay or cause to be paid the Accreted Value of, Liquidated Damages and premium, if any, on the Notes on the dates and in the manner provided in the Notes. Accreted Value and premium, if any, shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m., Eastern Time, on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all Accreted Value and premium, if any, then due. The Company shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue Accreted Value and premium, if any, at a rate equal to 1% per annum in excess of the then applicable rate of accretion of the Notes, to the extent lawful. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued increase of Accreted Value.

Section 4.02. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission

shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03. Reports.

Whether or not required by the SEC, so long as any Notes are outstanding, the Company shall furnish to the Holders of Notes:

- (1) all quarterly and annual financial information of the Parent that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Parent were required to file such Forms, and, with respect to the annual information only, a report on the annual financial statements by the Parent's certified independent accountants;
- (2) the Tower Cash Flow for the most recently completed fiscal quarter and the Adjusted Consolidated Cash Flow and Non-Tower Cash Flow for the most recently completed four-quarter period, in each case of the Parent; and
- (3) all current reports that would be required to be filed with the SEC on Form 8-K if the Parent were required to file such reports.

in each case within the time periods specified in the SEC's rules and regulations.

If the Company or a Sister Guarantor has designated any of its respective Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary (or group of Unrestricted Subsidiaries) is a Significant Subsidiary, then the quarterly and annual financial information required by the preceding paragraph shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company. The Company may furnish the foregoing required information to the Holders of the Notes supplementally in Parent's reports consistent with Rule 3-10 of Regulation S-X and not include such information in Company reports filed with the SEC. In no event shall the foregoing required information apply to any discontinued operations.

In addition, following the consummation of the Exchange Offer contemplated by the Registration Rights Agreement, whether or not required by the SEC, all of the information and reports referred to in clauses (1) through (3) above shall be filed with the SEC for public

availability within the time periods specified in the SEC's rules and regulations (unless the SEC shall not accept such a filing) and make such information available to securities analysts and prospective investors upon request. In addition, the Company and the Guarantors have agreed that, for so long as any Notes (but not Exchange Notes) remain outstanding, they shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In the event that the Company is at any time required by the SEC to file reports under the Exchange Act, the Company shall, so long as any Notes (but not Exchange Notes) are outstanding furnish to the Holders of Notes, within the time periods specified in the SEC's rules and regulations, the foregoing required information.

Section 4.04. Compliance Certificate.

- (1) The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto).
- (2) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05. Taxes.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of,

any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

The Company and each Sister Guarantor shall not, and each of them shall not permit any of their respective Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Company's, any Sister Guarantor's or any of the Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company, any Sister Guarantor or any of the Restricted Subsidiaries) or to the direct or indirect holders of the Company's, any Sister Guarantor's or any of the Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or a Sister Guarantor or to the Company or a Sister Guarantor or a Restricted Subsidiary);
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company or a Sister Guarantor, as the case may be) any Equity Interests of the Company or a Sister Guarantor or of any Person of which the Company or a Sister Guarantor is a Subsidiary (other than any such Equity Interests owned by the Company, a Sister Guarantor or any of the Restricted Subsidiaries);
- (3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes or the Note Guarantees, except a payment of interest or principal at the Stated Maturity thereof (other than payments to the Company or a Sister Guarantor or payments by a Restricted Subsidiary to the Company or a Sister Guarantor or to another Restricted Subsidiary); or
- (4) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (4) above, being collectively referred to as "Restricted Payments"),

unless, at the time of and after giving effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and
- (2) the Parent, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, would have had a Debt to Adjusted Consolidated Cash Flow Ratio no greater than 7.5 to 1.0; provided that this clause (2) shall not apply in connection with any Restricted Investment; and
- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company, the Sister Guarantors and the Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4) and (6)) of the next succeeding paragraph), is less than the sum, without duplication, of:
 - (a) 100% of the Consolidated Cash Flow of the Parent for the period (taken as one accounting period) from the beginning of the fiscal quarter during which the Issue Date falls to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if the Consolidated Cash Flow for such period is a deficit, less 100% of the deficit), less 1.4 times the Consolidated Interest Expense of the Parent since the beginning of the fiscal quarter during which the Issue Date falls to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, plus
 - (b) (i) 100% of the aggregate net cash proceeds plus (ii) 70% of the aggregate value, as reflected on the balance sheets of the Company and the Sister Guarantors in accordance with GAAP using purchase accounting, of any Qualified Proceeds valued as of the date the Company's or a Sister Guarantor's Equity Interests were issued, sold or exchanged therefor, in each case, received by the Company or any Sister Guarantor since the Issue Date as a contribution to its common equity capital or from the issue, sale or exchange of Equity Interests of the Company and the Sister Guarantor (other than Disqualified Stock) or from the issue or sale (whether before or after the Issue Date) of Disqualified Stock or debt securities of the Company or any Sister Guarantor that have been converted after the Issue Date into Equity Interests (other than Equity Interests (or Disqualified Stock or

convertible debt securities) sold to or held by a Subsidiary of the Company or of any Sister Guarantor and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock); plus

- (c) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or otherwise liquidated or repaid for cash, the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment, plus
- (d) to the extent that any Unrestricted Subsidiary of the Company or any Sister Guarantor and all of its Subsidiaries are designated as or become Restricted Subsidiaries after the Issue Date, the lesser of:
 - (A) the fair market value of the Investments by the Company or the Sister Guarantors in such Subsidiaries as of the date they are designated or become Restricted Subsidiaries, or
 - (B) the sum of: (x) the fair market value of the Investments by the Company and the Sister Guarantors in such Subsidiaries as of the date on which such Subsidiaries were most recently designated as Unrestricted Subsidiaries, and (y) the amount of any Investments made in such Subsidiaries subsequent to such designation as Unrestricted Subsidiaries (and treated as Restricted Payments or excluded from clause (3)(b) pursuant to the proviso of clause (2) of the next paragraph) by the Company, a Sister Guarantor or any Restricted Subsidiary; plus
- (e) 100% of any dividends or other distributions received by the Company, a Sister Guarantor or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends were not otherwise included in Consolidated Net Income of the Company and the Sister Guarantors (on a combined basis) for such period.

The preceding provisions shall not prohibit:

- (1) the payment of any dividend or the making of any distribution within 60 days after the date of declaration of the dividend or distribution, if at the date of declaration the dividend payment or distribution would have complied with the provisions of this Indenture;
- (2) (a) the making of any Investment or (b) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness or Equity Interests of the Company or a Sister Guarantor, in the case of (a) or (b), in exchange for, or out of the net cash proceeds from

the substantially concurrent sale after the Issue Date (other than to a Subsidiary of the Company or a Sister Guarantor) of Equity Interests of the Company or of a Sister Guarantor (other than any Disqualified Stock); provided that, in each case, the amount of any net cash proceeds (or other assets, as applicable) that are so utilized shall be excluded from clause (3)(b) of the preceding paragraph;

- (3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of the Company or any Group Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;
- (4) the payment of any dividend by a Restricted Subsidiary to the holders of its Equity Interests on a pro rata basis;
- (5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent, the Company, any Sister Guarantor or any Restricted Subsidiary held by any member of the Parent's, the Company's or any Sister Guarantor's (or any of the Restricted Subsidiaries') management pursuant to any management equity subscription agreement, stockholders agreement, stock option agreement or restricted stock agreement in effect as of the Issue Date; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed \$500,000 in any twelve-month period and \$5.0 million in the aggregate since the Issue Date; and
- (6) any dividend, payment, advance or distribution made to the Parent, (i) which is applied by Parent to pay scheduled interest, dividends or principal or premium or liquidation preference at the Stated Maturity thereof or pursuant to a mandatory redemption or repurchase obligation on the Existing Parent Indebtedness or Additional Parent Indebtedness, (ii) in an amount equal to up to \$217 million to be used for purposes described under the caption "Use of Proceeds" in the Offering Circular, or (iii) in accordance with clause (7) of the second paragraph of Section 4.11 hereof.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company, such Sister Guarantor or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

The fair market value of any assets or securities that are required to be valued by this Section shall be determined by the Board of Directors whose resolution with respect thereto shall be delivered to the Trustee. Not later than the date of making any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this

Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

Section 4.08. Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company and each Sister Guarantor shall not, and shall not permit any of their respective Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Company, any Sister Guarantor or any of the Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits;
- (2) pay any Indebtedness owed to the Company, any Sister Guarantor or any of the Restricted Subsidiaries;
- (3) make loans or advances to the Company, any Sister Guarantor or any of the Restricted Subsidiaries; or
- (4) transfer any of its properties or assets to the Company, any Sister Guarantor or any of the Restricted Subsidiaries.

However, the preceding restrictions shall not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness as in effect on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, provided that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date unless such restrictions are ordinary and customary for agreements of that type as determined in the good faith judgment of the Company's Board of Directors (and evidenced in a board resolution), which determination shall be conclusively binding;
- (2) Indebtedness of the Company, any Sister Guarantor or any Restricted Subsidiary under any Credit Facility that is permitted to be incurred pursuant to Section 4.09 hereof; provided that such Credit Facility and Indebtedness contain only such encumbrances and restrictions on such Restricted Subsidiary's ability to engage in the activities set forth in clauses (1) through (4) of the preceding paragraph as are, at the time such Credit Facility is entered into or amended, modified, restated, renewed, increased, supplemented, refunded, replaced or refinanced, ordinary and

customary for a Credit Facility of that type as determined in the good faith judgment of the Company's Board of Directors (and evidenced in a board resolution), which determination shall be conclusively binding;

- (3) encumbrances and restrictions applicable to any Unrestricted Subsidiary, as the same are in effect as of the date on which the Subsidiary becomes a Restricted Subsidiary, and as the same may be amended, modified, restated, renewed, increased, supplemented, refunded, replaced or refinanced; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to the dividend and other payment restrictions than those contained in the applicable series of Indebtedness of such Subsidiary as in effect on the date on which such Subsidiary becomes a Restricted Subsidiary unless such restrictions are ordinary and customary for agreements of that type as determined in the good faith judgment of the Company's Board of Directors (and evidenced in a board resolution), which determination shall be conclusively binding;
- (4) any Indebtedness incurred in compliance with Section 4.09 hereof or any agreement pursuant to which such Indebtedness is issued if the encumbrance or restriction applies only in the event of a payment default or default with respect to a financial covenant contained in the Indebtedness or agreement and the encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined by the Company) and the Company determines that any such encumbrance or restriction will not materially affect the Company's ability to pay the Accreted Value of the Notes;
- (5) this Indenture, the Notes and the Note Guarantees;
- (6) applicable law;
- (7) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company, any Sister Guarantor or any of the Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, and as such instrument may be amended, modified, restated, renewed, increased, supplemented, refunded, replaced or refinanced, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred and, provided further, that any such amendment, modification, restatement, renewal, increase, supplement,

refunding, replacement or refinancing is no more restrictive, taken as a whole, with respect to the dividend and other payment restrictions than those contained in the instrument as in effect on the date on which the Person was acquired by the Company unless such restrictions are ordinary and customary for agreements of that type as determined in the good faith judgment of the Company's Board of Directors (and evidenced in a board resolution), which determination shall be conclusively binding;

- (8) customary non-assignment provisions in leases or licenses entered into in the ordinary course of business;
- (9) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (4) in the second paragraph of Section 4.09 hereof on the property so acquired;
- (10) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts that Restricted Subsidiary pending its sale or other disposition;
- (11) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced unless such restrictions are ordinary and customary for agreements of that type as determined in the good faith judgment of the Company's Board of Directors (and evidenced in a board resolution), which determination shall be conclusively binding;
- (12) Liens permitted to be incurred pursuant to the provisions of Section 4.12 hereof that limit the right of the debtor to transfer the assets subject to such Liens;
- (13) provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements; and
- (14) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Section 4.09. Incurrence of Indebtedness and Issuance of Preferred Stock.

The Company and each Sister Guarantor shall not, and shall not permit any of their respective Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Company and each Sister Guarantor shall not issue any Disqualified Stock and shall not permit any of their respective Restricted Subsidiaries to issue any shares of preferred stock.

The provisions of the first paragraph of this Section 4.09 shall not prohibit the incurrence of any of the following items of Indebtedness or the issuance of any of the following items of Disqualified Stock or preferred stock (collectively, "Permitted Debt"):

- (1) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of Indebtedness under Credit Facilities in an aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company, the Sister Guarantors and the Restricted Subsidiaries thereunder) incurred under this clause (1) at any one time outstanding not to exceed \$1.6 billion less any amount applied to reduce Indebtedness incurred under this clause (1) as a result of the operation of clause (1) of the second paragraph of Section 4.10 hereof;
- (2) the incurrence by the Company, the Sister Guarantors and the Restricted Subsidiaries of the Existing Indebtedness;
- (3) the incurrence by the Company and the Group Guarantors of Indebtedness represented by the Notes and the related Note Guarantees and the Exchange Notes and the related Note Guarantees to be issued pursuant to the Registration Rights Agreement;
- (4) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of Indebtedness:
 - (a) represented by Capital Lease Obligations incurred (i) in connection with the lease or other use of space or time on satellites or (ii) for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment, in each case used in the Teleports Business of the Company, such Sister Guarantor or such Restricted Subsidiary or
 - (b) represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company, such Sister Guarantor or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4), not to exceed \$50.0 million at any time outstanding;
- (5) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund Indebtedness (other than intercompany

Indebtedness) or preferred stock or Disqualified Stock that was permitted by this Indenture to be incurred under clauses (2), (3), (4), (5) or (11) of this paragraph;

- (6) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of intercompany Indebtedness between or among the Company, any Sister Guarantor and any of the Restricted Subsidiaries and the issuance by any Restricted Subsidiary of shares of preferred stock to the Company, a Sister Guarantor or to another Restricted Subsidiary; provided, however, that:
 - (a) if the Company or any Group Guarantor is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Group Guarantor; and
 - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness or preferred stock being held by a Person other than the Company, a Sister Guarantor or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness or preferred stock to a Person that is not either the Company, a Sister Guarantor or a Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company, such Sister Guarantor or such Restricted Subsidiary or issuance of the shares of preferred stock by such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Indenture to be outstanding or currency exchange risk;
- (8) the Guarantee by the Company or any of the Group Guarantors of Indebtedness of the Company, a Sister Guarantor or a Restricted Subsidiary that was permitted to be incurred by another provision of this Indenture;
- (9) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock shall not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this Section 4.09;

provided, in each such case, that the amount thereof is included in Consolidated Interest Expense of the Company and the Sister Guarantors as accrued;

- (10) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of Acquired Debt in connection with a merger with or into a Restricted Subsidiary, or the acquisition of assets or a new Subsidiary; provided that, in the case of any such incurrence of Acquired Debt, such Acquired Debt was incurred by the prior owner of such assets or such Restricted Subsidiary prior to such acquisition by the Company, a Sister Guarantor or one of the Restricted Subsidiaries and was not incurred in connection with, or in contemplation of, the acquisition by the Company, a Sister Guarantor or one of the Restricted Subsidiaries; and provided further that, in the case of any incurrence pursuant to this clause (10), as a result of such acquisition by the Company, a Sister Guarantor or one of the Restricted Subsidiaries, the Debt to Adjusted Consolidated Cash Flow Ratio of the Parent at the time of incurrence of such Acquired Debt, after giving pro forma effect to such acquisition and incurrence as if the same had occurred at the beginning of the most recently ended four full fiscal quarter period of the Company for which internal financial statements are available, would have been the same or less than the Debt to Adjusted Consolidated Cash Flow Ratio of the Parent for the same period without giving pro forma effect to such incurrence; and
- (11) the incurrence by the Company, any Sister Guarantor or any of the Restricted Subsidiaries of additional Indebtedness and/or the issuance of preferred stock or Disqualified Stock in an aggregate principal amount (or accreted value or liquidation preference, as applicable) at any time outstanding, including Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (11), not to exceed \$25.0 million.

For purposes of determining compliance with this Section 4.09, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (11) above, the Company and the Sister Guarantors shall be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4.09. Indebtedness under the Credit Agreement outstanding on the date on which Notes are first issued and authenticated under this Indenture shall be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt.

Section 4.10. Asset Sales.

The Company and each Sister Guarantor shall not, and shall not permit any of its respective Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Company, Sister Guarantor or Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;
- (2) the fair market value is determined by the Company's Board of Directors and evidenced by a resolution of the Company's Board of Directors set forth in an Officers' Certificate delivered to the Trustee; and
- (3) except in the case of a Tower Asset Exchange, a Surplus Asset Sale or an Excluded International Sale, at least 75% of the consideration received in such Asset Sale by the Company, the Sister Guarantor or Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following shall be deemed to be cash:
 - (a) any liabilities of the Company, the Sister Guarantor or Restricted Subsidiary, as the case may be, as shown on its most recent balance sheet (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any assets pursuant to a customary novation agreement that releases the Company, the Sister Guarantor or the Restricted Subsidiary from further liability; and
 - (b) any securities, notes or other obligations received by the Company, the Sister Guarantor or the Restricted Subsidiary, as the case may be, from the transferee that are converted by the Company, the Sister Guarantor or the Restricted Subsidiary into cash within 20 days of the applicable Asset Sale, to the extent of the cash received in that conversion.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company, the Sister Guarantor or the Restricted Subsidiary, as the case may be, may apply those Net Proceeds at its option:

- (1) to repay Senior Debt and, if the Senior Debt repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;
- (2) to repay other Indebtedness of any of the Sister Guarantors or Restricted Subsidiaries;
- (3) to acquire all or substantially all of the assets of, or a majority of the Voting Stock or other Equity Interests of, another Permitted Business;
- (4) to make a capital expenditure; or
- (5) to acquire other assets that are used or useful in a Permitted Business.

Pending the final application of any Net Proceeds, they can be used to temporarily reduce revolving credit borrowings or otherwise be invested in any manner that is not prohibited by this Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph shall constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds \$10.0 million, the Company shall make an Asset Sale Offer to all Holders of Notes and all holders of other Indebtedness that is pari passu with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount at maturity of Notes and such other pari passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer for Notes shall be equal to 100% of the Accreted Value thereof and Liquidated Damages, if any, to the date of purchase, and shall be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, those Excess Proceeds may be used for any purpose not otherwise prohibited by this Indenture. If the aggregate Accreted Value of Notes and other pari passu Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and such other pari passu Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset to zero.

Section 4.11. Transactions with Affiliates.

The Company and each Sister Guarantor shall not, and shall not permit any of their respective Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

- (1) the Affiliate Transaction is on terms that, in the aggregate, are no less favorable to the Company, the relevant Sister Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company, such Sister Guarantor or such Restricted Subsidiary with an unrelated Person; and
- (2) the Company delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$5.0 million, an Officers' Certificate certifying that the Affiliate Transaction complies with clause (1) above;
 - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10.0 million, a resolution of the Company's Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (1) above and that such Affiliate

Transaction has been approved by a majority of the members of the Board of Directors of the Company having no personal stake in such Affiliate Transaction (or, if there are no such members, by all of the directors and by the procedure described in clause (c) below); and

- (c) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$25.0 million, other than a Permitted Investment, an opinion as to the fairness to the Company of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

Notwithstanding the foregoing, the following items shall not be deemed to be Affiliate Transactions and, therefore, shall not be subject to the provisions of the prior paragraph:

- (1) any employment agreement entered into with any executive officer of the Company, any Sister Guarantor or any of the Restricted Subsidiaries that is entered into by the Company, any Sister Guarantor or any of the Restricted Subsidiaries in the ordinary course of business and substantially consistent with the compensation arrangements of similarly situated executive officers at comparable companies engaged in Permitted Businesses;
- (2) transactions between or among the Company, the Sister Guarantors and/or the Restricted Subsidiaries;
- (3) transactions with a Person that is an Affiliate of the Company or a Sister Guarantor or a Restricted Subsidiary solely because the Company or a Sister Guarantor or a Restricted Subsidiary owns an Equity Interest in, or controls, such Person;
- (4) payment of reasonable directors' fees to Persons in an aggregate annual amount per Person that is substantially consistent with directors' fees at comparable companies engaged in Permitted Businesses;
- (5) issuances or sales of Equity Interests (other than Disqualified Stock) of the Company;
- (6) transactions entered into in connection with the Escrow Corp. Merger;
- (7) payments to the Parent of customary tax sharing payments (including, without limitation, pursuant to the Tax Sharing Agreement) and of amounts necessary to pay Parent's reasonable and customary administrative and overhead expenses and reasonable transaction costs related to financings;

- (8) arrangements between some or all of the Company, the Guarantors and the Restricted Subsidiaries, on the one hand, and Verestar or its Subsidiaries, on the other hand, in the ordinary course of business and in existence on the Issue Date; and
- (9) Restricted Payments that are permitted by Section 4.07 hereof and Permitted Investments.

Section 4.12. Liens.

The Company and each Sister Guarantor shall not, and shall not permit any of their respective Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness, Attributable Debt or trade payables (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under this Indenture and the Notes are secured on an equal and ratable basis with the Obligations so secured until such time as such Obligations are no longer secured by a Lien.

Section 4.13. Corporate Existence.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

- (1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and
- (2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries;

provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.14. Offer to Repurchase Upon Change of Control.

If a Change of Control occurs, the Company shall make an offer (a "Change of Control Offer") to each Holder to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price, in cash, equal to 101% of the Accreted Value of the Notes on the date of purchase plus Liquidated Damages, if any, on the Notes purchased, to the date of purchase (a "Change of Control Payment"). Within 15 days following any Change of Control, the Company shall mail a notice to each Holder describing the transaction or transactions that constitute a Change of Control and stating:

- (1) that the Change of Control Offer is being made pursuant to this Section 4.14 and that all Notes tendered will be accepted for payment;
- (2) the purchase price and the purchase date, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date");
- (3) that any Note not tendered will continue to accrete interest;
- (4) that the Accreted Value of all Notes accepted for payment pursuant to the Change of Control Offer shall cease to increase after the Change of Control Payment Date;
- (5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount at maturity of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased;
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount at maturity to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to \$1,000 in principal amount at maturity or an integral multiple thereof; and
- (8) that Holders electing to have a Note purchased pursuant to a Change of Control Offer may elect to have Notes purchased in integral multiples of \$1,000 only.

On the Change of Control Payment Date, the Company shall, to the extent lawful,

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

- (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount at maturity of Notes or portions thereof being purchased by the Company.

The Paying Agent shall promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount at maturity to any unpurchased portion of the Notes surrendered, if any; provided that each new Note shall be in a principal amount at maturity of \$1,000 or an integral multiple of \$1,000.

The Change of Control provisions described above shall be applicable whether or not any other provisions of this Indenture are applicable. The Company shall comply with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations to the extent those laws and regulations are applicable to any Change of Control Offer. If the provisions of any of the applicable securities laws or securities regulations conflict with the provisions of this Section 4.14, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 4.14 by virtue of the compliance.

The Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.14 and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

Section 4.15. Anti-Layering.

The Company shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of the Company and senior in any respect in right of payment to the Notes. No Group Guarantor shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to the Senior Debt of such Group Guarantor and senior in any respect in right of payment to such Group Guarantor's Note Guarantee.

Section 4.16. Sale and Leaseback Transactions.

The Company and each Sister Guarantor shall not, and shall not permit any of their respective Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Company, any Sister Guarantor or any Restricted Subsidiary may enter into a sale and leaseback transaction if:

- (1) the Company, such Sister Guarantor or such Restricted Subsidiary, as applicable, could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to the provisions of Section 4.09 hereof and (b) incurred a Lien to secure such Indebtedness pursuant to the provisions of Section 4.12 hereof;

- (2) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value, as determined in good faith by the Board of Directors of the Company and set forth in an Officers' Certificate delivered to the Trustee, of the property that is the subject of that sale and leaseback transaction; and
- (3) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10 hereof.

Section 4.17. Covenant Suspension.

If on any date following the Issue Date:

- (a) the Notes have an Investment Grade Rating and
- (b) no Default or Event of Default has occurred and is continuing under the Indenture,

then, beginning on that day the Company, the Sister Guarantors and the Restricted Subsidiaries shall not be subject to the following Sections of this Indenture: Section 3.09, Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 4.15, Section 4.19, clause (1)(a) of Section 4.16, the proviso to the last paragraph of the definition of "Unrestricted Subsidiary" in Section 1.01, and clause (4) of Section 5.01 (collectively, the "Suspended Covenants"). In the event the foregoing Sections are suspended pursuant to this Section 4.17 and the rating assigned by both Rating Agencies should subsequently decline to below an Investment Grade Rating, the foregoing Sections shall be reinstituted as of and from the date of such rating decline. Compliance with Section 4.07 hereof shall be calculated as if it had been in effect since the Issue Date except that no Default shall be deemed to have occurred solely by reason of a Restricted Payment made while that Section was suspended, and no other Default shall be deemed to have occurred with respect to the suspended Sections during the time they were suspended (or after that time based solely on events that occurred during that time).

Section 4.18. Additional Subsidiary Note Guarantees.

The Company and each Sister Guarantor shall cause any Person that shall become a Wholly Owned Domestic Restricted Subsidiary of the Company or the Sister Guarantor, as the case may be, after the consummation of the Escrow Corp. Merger to become a Guarantor and evidence its Note Guarantee by executing a supplemental indenture in the form of supplemental indenture attached as Exhibit B and deliver an Opinion of Counsel to the Trustee within ten Business Days of the date on which it was acquired and created to the effect that such supplemental indenture has been duly authorized, executed and delivered by that Wholly Owned Domestic Restricted Subsidiary, and is enforceable in accordance with its terms (subject to customary exceptions); provided that this Section 4.18 does not apply to any Subsidiaries of the Company or any Group Guarantor that have properly been designated as Unrestricted

Subsidiaries in accordance with this Indenture for so long as they continue to constitute Unrestricted Subsidiaries.

Section 4.19. Designation of Restricted and Unrestricted Subsidiaries.

The Board of Directors of the Company may designate any Restricted Subsidiary of the Company or of a Sister Guarantor to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company, the Sister Guarantors and the Restricted Subsidiaries in the Subsidiary properly designated shall be deemed to be an Investment made as of the time of the designation and shall reduce the amount available for Restricted Payments under Section 4.07 hereof or Permitted Investments, as determined by the Company. That designation shall only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company or a Sister Guarantor may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary as provided in the last paragraph of the definition thereof.

ARTICLE 5

SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Assets.

The Company shall not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

- (1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the Obligations of the Company under the Notes, this Indenture and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;
- (3) immediately after such transaction, no Default or Event of Default exists; and

- (4) except in the case of (A) a merger of the Company with or into a Wholly Owned Restricted Subsidiary of the Company, a Sister Guarantor or a Wholly Owned Restricted Subsidiary of a Sister Guarantor, (B) a merger entered into solely for the purpose of reincorporating the Company in another jurisdiction and (C) the Escrow Corp. Merger:

(x) in the case of a merger or consolidation in which the Company is the surviving corporation, the Parent, at the time of the transaction, after giving pro forma effect to the transaction as of such date for balance sheet purposes and as if the transaction had occurred at the beginning of the most recently ended four full fiscal quarter period of the Company for which internal financial statements are available for income statement purposes, (i) would have had a Debt to Adjusted Consolidated Cash Flow Ratio no greater than 7.5 to 1.0 or (ii) would have had a Debt to Adjusted Consolidated Cash Flow Ratio that was not greater than its Debt to Adjusted Consolidated Cash Flow Ratio for the same period without giving pro forma effect to such transaction, or

(y) in the case of any other such transaction, the entity or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which the sale, assignment, transfer, conveyance or other disposition shall have been made, at the time of the transaction, after giving pro forma effect to the transaction as of such date for balance sheet purposes and as if such transaction had occurred at the beginning of the most recently ended four full fiscal quarter period of such entity or Person for which internal financial statements are available for income statement purposes, (i) would have had a Debt to Adjusted Consolidated Cash Flow Ratio no greater than 7.5 to 1.0 or (ii) would have had a Debt to Adjusted Consolidated Cash Flow Ratio that was not greater than the Debt to Adjusted Consolidated Cash Flow Ratio of the Parent for the same period without giving pro forma effect to such transaction.

In addition, the Company shall not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This Section 5.01 not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of the Guarantors.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, conveyance or other disposition, the provisions of this Indenture

referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; provided, however, that the predecessor Company shall not be relieved from the obligation to pay the Accreted Value of the Notes except in the case of a sale of all of the Company's assets that meets the requirements of Section 5.01 hereof.

ARTICLE 6

DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

Each of the following constitutes an Event of Default:

- (1) default for 30 days in the payment when due of Liquidated Damages with respect to, the Notes whether or not prohibited by the subordination provisions of Article 11 hereof;
- (2) default in payment when due of the Accreted Value of, or premium, if any, on the Notes, whether or not prohibited by the subordination provisions of Article 11 hereof;
- (3) failure by the Company to comply with the provisions of Article 5 hereof or failure by the Company to consummate a Change of Control Offer or Asset Sale Offer in accordance with the provisions of this Indenture;
- (4) failure by the Company or any of the Sister Guarantors for 30 days after notice to comply with any of the other agreements in this Indenture or the Notes;
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of its Significant Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:
 - (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or
 - (b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case referred to in clauses (a) and (b) above, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$20.0 million or more;

- (6) failure by the Company or any of its Significant Subsidiaries to pay final judgments aggregating in excess of \$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;
- (7) except as permitted by this Indenture, any Note Guarantee by any Significant Subsidiary of the Company shall be held in final and non-appealable judgment to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any such Guarantor that is a Significant Subsidiary of the Company, or any Person acting on behalf of any such Guarantor, shall in writing deny or disaffirm its obligations under its Note Guarantee;
- (8) failure by the Company to effect the mandatory redemption of the Notes as provided for in Section 3.08 hereof, and
- (9) the Company or any of its Significant Subsidiaries pursuant to or within the meaning of Bankruptcy Law:
 - (a) commences a voluntary case,
 - (b) consents to the entry of an order for relief against it in an involuntary case,
 - (c) consents to the appointment of a custodian of it or for all or substantially all of its property,
 - (d) makes a general assignment for the benefit of its creditors, or
 - (e) generally is not paying its debts as they become due; or
- (10) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
 - (a) is for relief against the Company or any of its Significant Subsidiaries in an involuntary case;
 - (b) appoints a custodian of the Company or any of its Significant Subsidiaries or for all or substantially all of the property of the Company or any of its Significant Subsidiaries; or

(c) orders the liquidation of the Company or any of its Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02. Acceleration.

In the case of an Event of Default specified in clause (9) or (10) of Section 6.01 hereof, with respect to the Company or any Restricted Subsidiary that is a Significant Subsidiary, all outstanding Notes shall become due and payable immediately in an amount equal to the Accreted Value of the Notes outstanding on the date of acceleration, without further action or notice.

If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal at maturity of the then outstanding Notes may declare all the Notes to be due and payable immediately in an amount equal to the Accreted Value of the Notes outstanding on the date of acceleration. Upon any such declaration, the Accreted Value of the Notes outstanding on the date of acceleration shall become immediately due and payable.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of Accreted Value of, Liquidated Damages and premium, if any, on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Past Defaults.

Holders of not less than a majority in aggregate principal amount at maturity of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the Accreted Value of, and Liquidated Damages and premium, if any, on the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in principal amount at maturity of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

- (1) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in principal amount at maturity of the then outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;
- (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and
- (5) during such 60-day period the Holders of a majority in principal amount at maturity of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of Accreted Value, Liquidated Damages and premium, if any, on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in clauses (1) or (2) of Section 6.01 occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of Accreted Value, Liquidated Damages and premium, if any, remaining unpaid on the Notes and interest on overdue Accreted Value, to the extent lawful, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for Accreted Value, Liquidated Damages and premium, if any, ratably, without preference or priority

of any kind, according to the amounts due and payable on the Notes for Accreted Value, Liquidated Damages and premium, if any, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount at maturity of the then outstanding Notes.

ARTICLE 7

TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

- (i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
- (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions required to be furnished to the Trustee hereunder to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

- (i) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;
- (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and
- (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its own selection and the written and oral advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is actually known to a Responsible Officer of the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except a Default or Event of Default relating to the payment of Accreted Value of, or Liquidated Damages on, the Notes, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the Issue Date, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date,

no report need be transmitted). The Trustee also shall comply with TIA Section 313(b). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Company shall promptly notify the Trustee when the Notes are listed on any stock exchange or delisted therefrom.

Section 7.07. Compensation and Indemnity.

The Company shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company shall fully indemnify the Trustee against any and all losses, liabilities, claims, damages or expenses (including legal fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company (including this Section 7.07) and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense is caused by its own negligence or willful misconduct. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company under this Section 7.07 shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay Accreted Value on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in clauses (9) or (10) of Section 6.01 hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

Section 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount at maturity of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

- (a) the Trustee fails to comply with Section 7.10 hereof;
- (b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;
- (c) a custodian or public officer takes charge of the Trustee or its property; or
- (d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount at maturity of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount at maturity of the then outstanding Notes may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof.

Section 7.09. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least \$75.0 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11. Preferential Collection of Claims Against Company.

The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

Section 7.12. Trustee's Application for Instructions from the Company.

Any application by the Trustee for written instructions from the Company may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 8

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments provided to it acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

- (1) the rights of Holders of outstanding Notes to receive payments in respect of the Accreted Value of, or premium and Liquidated Damages, if any, on such Notes when such payments are due from the trust referred to in Section 8.04 hereof;
- (2) the Company's obligations with respect to such Notes under Article 2 and Section 4.02 hereof;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantor's obligations in connection therewith; and
- (4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03. Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Group Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 3.09, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.14, 4.15, 4.16, 4.17, 4.18 and 4.19 hereof and clause 4 of Section 5.01 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Guarantors may omit to comply

with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, clauses (3) through (8) of Sections 6.01 hereof shall not constitute Events of Default.

Section 8.04. Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the Accreted Value of, Liquidated Damages or premium, if any, on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company shall specify whether the Notes are being defeased to maturity or to a particular redemption date;
- (2) in the case of an election under Section 8.02 hereof, the Company has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of an election under Section 8.03 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

- (4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit)
- (5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than this Indenture) to which the Company, any Sister Guarantor or any of the Restricted Subsidiaries is a party or by which the Company, any Sister Guarantor or any of the Restricted Subsidiaries is bound;
- (6) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that on the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;
- (7) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and
- (8) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of Accreted Value, Liquidated Damages and premium, if any, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the Accreted Value, Liquidated Damages and premium, if any, received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under clause (1) of Section 8.04 hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the Accreted Value, Liquidated Interest or premium, if any, on any Note and remaining unclaimed for two years after such Accreted Value, Liquidated Damages and premium, if any, has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in The New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and each Guarantor's obligations under this Indenture and the Notes and the Note Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of Accreted Value of, Liquidated Damages or premium, if any, on any Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9

AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Company, the Guarantors and the Trustee may amend or supplement this Indenture, the Note Guarantees or the Notes without the consent of any Holder of Notes:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;
- (3) to provide for the assumption of the Company's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 hereof;
- (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under this Indenture of any such Holder;
- (5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA; or
- (6) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the Description of Notes in the Offering Circular to the extent that such provision in such Description of Notes was intended to be a verbatim recitation of a provision of this Indenture, the Note Guarantees or the Notes.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including Section 3.09, 4.10 and 4.14 hereof), the Note Guarantees

and the Notes with the consent of the Holders of at least a majority in aggregate principal amount at maturity of the Notes then outstanding, voting as a single class, (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than an uncured Default or Event of Default in the payment of the Accreted Value of, premium or Liquidated Damages, if any, on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes, voting as a single class, (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Without the consent of at least 66 2/3% in aggregate principal amount at maturity of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), no waiver or amendment to this Indenture may make any change in the provisions of Article 11 hereof that adversely affects the rights of any Holder of the Notes. Section 2.08 hereof shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount at maturity of the Notes then outstanding, voting as a single class, may waive compliance in a particular instance by the Company and the Group Guarantors with any provision of this Indenture, the Note Guarantees or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

- (1) reduce the principal amount at maturity of Notes whose Holders must consent to an amendment, supplement or waiver;

- (2) reduce the principal amount at maturity of or change the fixed maturity of any Note or alter or waive any of the provisions with respect to the redemption of the Notes, except as provided above with respect to Sections 3.09, 4.10 and 4.14 hereof, or amend or modify the calculation of Accreted Value so as to reduce the amount of the Accreted Value of the Notes;
- (3) waive a Default or Event of Default in the payment of the Accreted Value of, or premium, or Liquidated Damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount at maturity of the Notes then outstanding and a waiver of the payment default that resulted from such acceleration);
- (4) make any Note payable in money other than that stated in the Notes;
- (5) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of the Accreted Value of, or premium or Liquidated Damages, if any, on the Notes;
- (6) waive a redemption payment except as provided above with respect to Sections 3.09, 4.10 or 4.14 hereof;
- (7) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or
- (8) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in a amended or supplemental indenture that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendments, etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental indenture until the Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01 hereof) shall be fully protected in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10

NOTE GUARANTEES

Section 10.01. Guarantee.

The provisions of this Article 10 shall apply only to (i) the Guarantors listed on the signature pages hereto upon the consummation of the Escrow Corp. Merger and (ii) with respect to any future Wholly Owned Domestic Restricted Subsidiaries of the Company or of any of the Sister Guarantors, if any, upon the execution of one or more supplemental indentures to this Indenture in the form of Exhibit C to this Indenture in compliance with the requirements of Section 4.18 of this Indenture.

Subject to this Article 10, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the Obligations of the Company hereunder or thereunder, that: (a) the Accreted Value of, and Liquidated Damages, if any, on, the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and all other Obligations of the Company to the Holders or the Trustee hereunder or thereunder shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, that same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for

whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

Section 10.02. Subordination of Note Guarantee

The Obligations of each Guarantor under its Note Guarantee pursuant to this Article 10 shall be subordinated to the Senior Debt of such Guarantor on the same basis as the Notes are subordinated to Senior Debt of the Company.

Section 10.03. Limitation on Guarantor Liability.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the

extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor shall not exceed an amount that, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, would result in the obligations of such Guarantor under its Note Guarantee constituting a fraudulent transfer or conveyance.

Section 10.04. Evidence of Note Guarantee.

To evidence its Note Guarantee set forth in Section 10.01, each Guarantor hereby agrees to execute this Indenture with effect as of the consummation of the Escrow Corp. Merger or, in the case of a Person becoming a Guarantor pursuant to Section 4.18 hereof, to execute a supplemental indenture in the form attached as Exhibit B.

Section 10.05. Guarantors May Consolidate, etc., on Certain Terms.

Except as otherwise provided in Section 10.06, no Group Guarantor may sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person other than the Company or another Group Guarantor, unless:

- (1) subject to Section 10.06 hereof, either (i) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger unconditionally assumes all the Obligations of that Group Guarantor, pursuant to a supplemental indenture in the form attached as Exhibit B, under the Notes, the Indenture, the Note Guarantee and the Registration Rights Agreement on the terms set forth herein or therein or (ii) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture; and
- (2) immediately after giving effect to such transaction, no Default or Event of Default exists.

In case of any such consolidation or merger and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee in the form attached as Exhibit B and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (1) and (2) above, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 10.06. Releases.

The Note Guarantee of a Group Guarantor shall be released:

- (1) in connection with any sale or other disposition of all or substantially all of the assets of that Group Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company, a Sister Guarantor or a Restricted Subsidiary, if the sale or other disposition complies with Section 4.10 hereof;
- (2) in connection with any sale of Capital Stock of a Group Guarantor (as a result of which such Guarantor is no longer a Subsidiary of the Company or a Subsidiary of a Sister Guarantor or, in the case of the Sister Guarantors, a Subsidiary of the Parent) to a Person that is not (either before or after giving effect to such transaction) a Subsidiary of the Company or a Subsidiary of a Sister Guarantor or, in the case of the Sister Guarantors, a Subsidiary of the Parent, if the sale complies with Section 4.10 hereof and, if not a sale of all such Capital Stock, the remaining Investment of the Company, the Sister Guarantors and the Restricted Subsidiaries in such Group Guarantor complies with Section 4.07 hereof;
- (3) if the Company or a Sister Guarantor designates such Group Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of this Indenture; or
- (4) if such Group Guarantor is released from its Guarantee under the Credit Agreement or is released from its obligations as a co-borrower under the Credit Agreement.

Any Guarantor not released from its obligations under its Note Guarantee shall remain liable for the Accreted Value of the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 10. The Note Guarantee of the Parent shall be released if the Parent is released from its Guarantee under the Credit Agreement. If a Sister Guarantor is released from its Note Guarantee, it shall also be released from all of its Obligations under this Indenture. If any Group Guarantor is released from its Note Guarantee, its Restricted Subsidiaries shall also be released from their Note Guarantees.

ARTICLE 11

SUBORDINATION

Section 11.01. Agreement to Subordinate.

The Company agrees, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by the Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 11, to the prior payment in full of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

Section 11.02. Liquidation; Dissolution; Bankruptcy.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of the Company's creditors or any marshaling of the Company's assets and liabilities:

- (1) holders of Senior Debt shall be entitled to receive payment in full of all Obligations due in respect of such Senior Debt (including interest after the commencement of any bankruptcy proceeding at the rate specified in the applicable Senior Debt) before the Holders of Notes shall be entitled to receive any payment with respect to the Notes (except that Holders of Notes may receive and retain Permitted Junior Securities and payments made from any defeasance trust created pursuant to Section 8.01 hereof); and
- (2) until all Obligations with respect to Senior Debt (as provided in clause (1) above) are paid in full, any distribution to which Holders would be entitled but for this Article 11 shall be made to holders of Senior Debt (except that Holders of Notes may receive and retain Permitted Junior Securities and payments made from any defeasance trust created pursuant to Section 8.01 hereof), as their interests may appear.

Section 11.03. Default on Designated Senior Debt.

(a) The Company may not make any payment or distribution to the Trustee or any Holder in respect of Obligations with respect to the Notes and may not acquire from the Trustee or any Holder any Notes for cash or property (other than Permitted Junior Securities and payments made from any defeasance trust created pursuant to Section 8.01 hereof) until all principal and other Obligations with respect to the Senior Debt have been paid in full if:

- (1) a payment default on Designated Senior Debt occurs and is continuing beyond any applicable grace period in the agreement,

indenture or other document governing such Designated Senior Debt; or

- (2) any other default occurs and is continuing on any series of Designated Senior Debt that permits holders of that series of Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of such default (a "Payment Blockage Notice") from the Company or the holders of any Designated Senior Debt or their Representative. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until (A) at least 360 days have elapsed since the effectiveness of the immediately prior Payment Blockage Notice and (B) all scheduled payments of Accreted Value, Liquidated Damages and premium, if any, on the Notes that have come due have been paid in full in cash.

No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee may be, or may be made, the basis for a subsequent Payment Blockage Notice unless such default has been cured or waived for a period of not less than 180 days.

(b) The Company may and shall resume payments on and distributions in respect of the Notes and may acquire them upon the earlier of:

- (1) in the case of a payment default, upon the date upon which such default is cured or waived, or
- (2) in the case of a nonpayment default, upon the earlier of the date on which such nonpayment default is cured or waived or 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any Designated Senior Debt has been accelerated,

if this Article 11 otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

Section 11.04. Acceleration of Notes.

If payment of the Notes is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Debt of the acceleration.

Section 11.05. When Distribution Must Be Paid Over.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Notes (other than Permitted Junior Securities and payments made from any defeasance trust created pursuant to Section 8.01 hereof) at a time when the Trustee or such

Holder, as applicable, has actual knowledge that such payment is prohibited by Section 11.03 hereof, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the holders of Senior Debt as their interests may appear or their Representative under the agreement, indenture or other document (if any) pursuant to which Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only those obligations on the part of the Trustee as are specifically set forth in this Article 11, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to any such holders if the Trustee pays over or distributes to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt are then entitled by virtue of this Article 11, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

Section 11.06. Notice by Company

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Notes to violate this Article 11, but failure to give such notice shall not affect the subordination of the Notes to the Senior Debt as provided in this Article 11.

Section 11.07. Subrogation.

After all Senior Debt is paid in full and until the Notes are paid in full, Holders of Notes shall be subrogated (equally and ratably with all other Indebtedness pari passu with the Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Debt. A distribution made under this Article 11 to holders of Senior Debt that otherwise would have been made to Holders of Notes is not, as between the Company and Holders, a payment by the Company on the Notes.

Section 11.08. Relative Rights.

This Article 11 defines the relative rights of Holders of Notes and holders of Senior Debt. Nothing in this Indenture shall:

- (1) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay Accreted Value of, Liquidated Damages and premium, if any, on the Notes in accordance with their terms;

- (2) affect the relative rights of Holders of Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or
- (3) prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes.

If the Company fails because of this Article 11 to pay Accreted Value of, Liquidated Damages or premium, if any, on a Note on the due date, the failure is still a Default or Event of Default.

Section 11.09. Subordination May Not Be Impaired by Company

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Notes may be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Section 11.10. Distribution or Notice to Representative

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 11, the Trustee and the Holders of Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 11.

Section 11.11. Rights of Trustee and Paying Agent

Notwithstanding the provisions of this Article 11 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless the Trustee has received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 11. Only the Company or a Representative may give the notice. Nothing in this Article 11 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 11.12. Authorization to Effect Subordination.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 11, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the Representatives are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

Section 11.13. Amendments.

The provisions of this Article 11 may not be amended or modified without the written consent of the holders of all Senior Debt. In addition, any amendment to, or waiver of, the provisions of this Article 11 that adversely affects the rights of the Holders of the Notes shall require the consent of the Holders of at least 66% in aggregate principal amount at maturity of Notes then outstanding.

ARTICLE 12

SATISFACTION AND DISCHARGE

Section 12.01. Satisfaction and Discharge

This Indenture shall be discharged and shall cease to be of further effect as to all Notes issued hereunder, when:

- (1) either
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or
 - (b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or shall become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as shall be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire

indebtedness on the Notes not delivered to the Trustee for cancellation for Accreted Value, premium and Liquidated Damages, if any;

- (2) no Default or Event of Default has occurred and is continuing on the date of the deposit or shall occur as a result of the deposit and the deposit shall not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;
- (3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and
- (4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to subclause (b) of clause (1) of this Section, the provisions of Section 12.02 and Section 8.06 shall survive. In addition, nothing in this Section 12.01 shall be deemed to discharge those provisions of Section 7.07 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 12.02. Notices

Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the Accreted Value, Liquidated Damages and premium, if any, for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; provided that if the Company has made any payment of Accreted Value, Liquidated Damages or premium, if any, on any Notes because of the reinstatement of its obligations, the

Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE 13

MISCELLANEOUS

Section 13.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

Section 13.02. Notices.

Any notice or communication by the Company, any Guarantor, or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or any Guarantor:

c/o American Tower Corporation
116 Huntington Avenue
Boston, MA 02116
Telecopier No.: (617) 375-7575
Attention: Chief Financial Officer and
Treasurer and Executive
Vice President and General Counsel

If to the Trustee:

The Bank of New York
101 Barclay Street, 21W
New York, New York 10286
Telecopier No.: (212) 815-5915
Attention: Corporate Trustee Administration Department

The Company, any Guarantor or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 13.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

Section 13.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he, she or it has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions; provided that no such rule shall conflict with the terms of this Indenture or the TIA.

Section 13.07. No Personal Liability of Directors, Officers, Employees and Stockholders.

No past, present or future director, officer, employee, incorporator, stockholder or agent of the Company, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 13.08. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE AND THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 13.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10. Successors.

All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor in this Indenture shall bind its successors, except as otherwise provided in Section 10.06 hereof.

Section 13.11. Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 13.13. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

Dated as of January 29, 2003

AMERICAN TOWER ESCROW CORPORATION

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title: President

Attest:

/s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Vice President

THE BANK OF NEW YORK

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Treasurer

Each of the Guarantors agrees to be bound by the terms and conditions of this Indenture, as of the date of the consummation of the Escrow Corp. Merger. Prior to such date, the Guarantors shall not be deemed to be a party to this Indenture and shall not be bound by the terms and conditions thereof.

American Tower Corporation
ATC GP, Inc.
American Tower Delaware Corporation
American Tower Management, Inc.
ATC LP Inc.
ATC International Holding Corp.
New Loma Communications, Inc.
Towersites Monitoring, Inc.
Kline Iron & Steel Co., Inc.
Carolina Towers, Inc.
ATC Tower Services, Inc.
UniSite, Inc.
ATC South America Holding Corp.
American Tower International, Inc.

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

American Tower LLC

By: American Tower Corporation,
its sole member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

Towers Of America, L.L.L.P.
ATS/PCS, LLC

By: American Tower, L.P.,
its general partner and its
sole member and manager
(as applicable)
By: ATC GP, Inc.,
its general partner

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

American Tower PA LLC
Telecom Towers, L.L.C.
ATC South LLC

By: American Towers, Inc.,
their sole member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

ATC Midwest, LLC

By: American Tower Management, Inc.,
its sole member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

MHB Tower Rentals of America, LLC

By: ATC South LLC, its sole member
By: American Towers, Inc.,
its sole member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

American Tower, L.P.

By: ATC GP, Inc.,
its general partner

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

Shreveport Tower Company

By: Telecom Towers, LLC, and
ATC South, LLC,
its general partners
By: American Towers, Inc.,
their sole member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

American Tower Trust #1
American Tower Trust #2

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Trustee

Attest:

/s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer of American Tower
Corporation

FORM OF NOTE

[FACE OF NOTE]

[Insert the Global Note Legend, if applicable, pursuant to Section 2.06(f)(i) of the Indenture]

[Insert the Investment Company Act Legend, if applicable, pursuant to Section 2.06(f)(iii) of the Indenture]

[Insert the OID Legend, if applicable, pursuant to Section 2.06(f)(iv) of the Indenture]

[Insert the Unit Legend, if applicable, pursuant to Section 2.06(f)(v) of the Indenture]

[If Restricted Notes, then insert the following legend (the "Private Placement Legend") - THIS NOTE (OR ITS PREDECESSOR) AND ANY RELATED NOTE GUARANTEE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), [AND THE COMPANY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT")] [to be included only in the Notes for so long as American Tower Escrow Corporation is the obligor]. ACCORDINGLY, THIS NOTE AND ANY RELATED NOTE GUARANTEE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER SHALL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY

ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

ESCROW CORP., AMERICAN TOWERS, INC., THE TRANSFER AGENT OR THE INDENTURE TRUSTEE, AS APPLICABLE, SHALL REFUSE TO REGISTER ANY TRANSFER OF THE SECURITIES IN VIOLATION OF THE FOREGOING.

[If a Regulation S Note, then insert -- THIS NOTE AND ANY RELATED NOTE GUARANTEE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE.]

CUSIP/CINS _____

12.25% Senior Subordinated Discount Notes Due 2008

No. _____

\$ _____

AMERICAN TOWER ESCROW CORPORATION

promises to pay to CEDE & CO. or registered assigns, the principal sum of
_____ DOLLARS on August 1, 2008.

Dated: _____

AMERICAN TOWER ESCROW CORPORATION

By:

Name:

Title:

By:

Name:

Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

THE BANK OF NEW YORK,
as Trustee

By:

Authorized Signatory

A-3

12.25% Senior Subordinated Discount Notes Due 2008

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest. American Tower Escrow Corporation (together with its successors, the "Company"), shall pay no interest on the principal amount of this Note. The Accreted Value of this Note will increase between the Issue Date and maturity at a rate of 12.25% per annum calculated on a semi-annual bond equivalent basis using a 360-day year comprised of twelve 30-day months, such that the Accreted Value at maturity of this Note will equal the full principal amount at maturity of this Note. [If Original Notes then insert: If (i) on or prior to the 90th day following the Issue Date (or such longer period as required by applicable law), neither a registration statement (the "Exchange Registration Statement") under the Securities Act, registering a note substantially identical to this Note (except that such Note will not contain terms with respect to the Additional Interest payments described below or transfer restrictions) pursuant to an exchange offer (the "Exchange Offer") nor a registration statement registering this Note for resale (a "Shelf Registration Statement") has been filed with the Securities and Exchange Commission, (ii) on or prior to the 180th day following the Issue Date, neither the Exchange Registration Statement nor the Shelf Registration Statement has become or been declared effective, (iii) on or prior to 30 business days following the Effectiveness Target Date, the Exchange Offer has not been consummated, or (iv) either the Exchange Registration Statement or, if applicable, the Shelf Registration Statement is declared effective but (A) thereafter ceases to be effective or (B) ceases to be usable in connection with certain resales, in each case (i) through (iv) upon the terms and conditions set forth in the Registration Rights Agreement (each such event referred to in clauses (i) through (iv), a "Registration Default"), then liquidated damages will be assessed with respect to this Note at an amount of \$0.05 per week per \$1,000 of Accreted Value of this Note (the "Liquidated Damages") for the 90-day period immediately following the occurrence of the Registration Default, which amount shall be increased by \$0.05 per week per \$1,000 of Accreted Value of this Note at the beginning of each subsequent 90-day period (provided that such amount shall not exceed \$0.50 per week per \$1,000 of Accreted Value of this Note in the aggregate) and such amount shall be payable until such time (the "Step-Down Date") as no Registration Default is in effect (after which such amount will be restored to its initial amount). In no event shall the Company be required to pay Liquidated Damages for more than one Registration Default at any given time. Liquidated Damages shall be paid semi-annually on February 1 and August 1 in each year; and the amount of Liquidated Damages shall be determined on the basis of the number of days actually elapsed. Any unpaid Liquidated Damages on this Note upon the issuance of an Exchange Note (as defined in the Indenture) in exchange for this Note shall cease to be payable to the Holder hereof but such Liquidated Damages shall be payable on the next February 1 or August 1 to the Holder thereof.] The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue Accreted Value and premium [If Original Notes then insert: or Liquidated Damages], if any, at a rate that is 1% per annum in excess of the then applicable rate of accretion of the Notes, to the extent lawful.

2. Method of Payment. The Notes shall be payable as to Accreted Value, premium or Liquidated Damages, if any, at the office or agency of the Paying Agent and Registrar maintained for such purpose within the City and State of New York, or, at the option of the Company, payment may be made by check mailed to the Holders at their addresses set forth in the register of Holders, provided that payment by wire transfer of immediately available funds will be required with respect to Accreted Value of and premium, if any, on, all Global Notes and all other Notes the Holders of which have provided wire transfer instructions to the Company or the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Paying Agent and Registrar. Initially, The Bank of New York, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. Indenture. The Company issued the Notes under an Indenture dated as of January 29, 2003 (the "Indenture") among the Company, the Guarantors (from and after the consummation of the Escrow Corp. Merger) and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbb) (the "Trust Indenture Act"). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Company. The Original Notes are limited to \$808 million in aggregate principal at maturity amount. Unless the context otherwise requires, the Original Notes and the Exchange Notes shall constitute one series for all purposes under the Indenture, including without limitation, amendments, waivers, redemptions and Asset Sale Offers.

5. Optional Redemption. The Notes shall not be redeemable at the Company's option prior to February 1, 2006. On or after February 1, 2006, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of Accreted Value) set forth below plus Liquidated Damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

YEAR	PERCENTAGE
----	-----
2006.....	106.125%
2007.....	103.063%
2008 and thereafter.....	100.000%

6. Mandatory Redemption.

If the Escrow Corp. Merger has not occurred on or before the 60th day after the Issue Date or, at the request of the Company prior to such date if the Company in good faith reasonably determines that the conditions to the Escrow Corp. Merger cannot be met, all and not less than all of the Notes then outstanding shall be mandatorily redeemed by the Company within two Business Days thereafter at a price equal to 101% of the Accreted Value of the Notes on the date redeemed.

Except as set forth in this paragraph 6, the Company shall not be required to make mandatory redemption payments with respect to the Notes.

7. Repurchase at Option of Holder.

(a) If a Change of Control occurs, the Company shall make an offer (a "Change of Control Offer") to each Holder to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price, in cash, equal to 101% of the Accreted Value of the Notes on the date of purchase plus Liquidated Damages, if any, on the Notes purchased, to the date of purchase (a "Change of Control Payment"). Within 15 days following any Change of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) When the aggregate amount of Excess Proceeds exceeds \$10.0 million, the Company shall commence an offer to all Holders of Notes and all holders of other Indebtedness that is pari passu with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (an "Asset Sale Offer") pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount at maturity of Notes and such other pari passu Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the Accreted Value thereof, plus Liquidated Damages, if any, to the date of purchase, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the remaining Excess Proceeds may be used for any purpose not otherwise prohibited by the Indenture. If the aggregate Accreted Value of Notes surrendered by Holders thereof, and the amounts due to any holders of any other debt of the Company entitled to receive a comparable asset sales offer, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and such other pari passu Indebtedness to be purchased on a pro rata basis. Holders of Notes that are the subject of an offer to purchase shall receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes. [If not a Global Note, insert -- In the event of redemption or purchase pursuant to an Asset Sale Offer of this Note in part only, a new Note or Notes of like tenor for the unredeemed or

unpurchased portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.]

8. Notice of Redemption. Notice of redemption shall be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date, the Accreted Value of Notes or portions thereof called for redemption ceases to increase.

9. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

11. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture, the Note Guarantees and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal at maturity of the then outstanding Notes. Any existing default or non-compliance with any provision of the Indenture, Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in aggregate principal at maturity of the then outstanding Notes, voting as a single class. Without the consent of any Holder of Notes, the Indenture, the Note Guarantees or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's obligations to Holders of the Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, to comply with the requirements of the Securities and Exchange Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act or to conform the text of the Indenture, the Note Guarantees or the Notes to any provision of the Description of Notes in the Offering Circular to the extent that such provision in such Description of Notes was intended to be a verbatim recitation of a provision of this Indenture, the Note Guarantees or the Notes.

12. Defaults and Remedies. Events of Default include: (i) default for 30 days in the payment when due of Liquidated Damages with respect to the Notes, whether or not prohibited

by the subordination provisions of Article 11 of the Indenture; (ii) default in payment when due of the Accreted Value of, or premium, if any, on the Notes, whether or not prohibited by the subordination provisions of Article 11 of the Indenture; (iii) failure by the Company to comply with the provisions of Article 5 of the Indenture or failure by the Company to consummate a Change of Control Offer or Asset Sale Offer in accordance with the provisions of the Indenture; (iv) failure by the Company or any of the Sister Guarantors for 30 days after notice to comply with any of the other agreements in this Indenture or the Notes; (v) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of its Significant Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default: (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default") or (b) results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$20.0 million or more; (vi) failure by the Company or any of its Significant Subsidiaries to pay final judgments aggregating in excess of \$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (vii) except as permitted by this Indenture, any Note Guarantee by any Significant Subsidiary of the Company shall be held in final and non-appealable judgment to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any such Guarantor that is a Significant Subsidiary of the Company, or any Person acting on behalf of any such Guarantor, shall in writing deny or disaffirm its obligations under its Note Guarantee; (viii) failure by the Company to effect the mandatory redemption of the Notes if required pursuant to Section 3.08 of the Indenture, and (ix) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries, or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable in an amount equal to the Accreted Value of the Notes outstanding on the date of acceleration. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes shall become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of Accreted Value) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal at maturity of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of Accreted Value of, and Liquidated Damages and premium, if any, on the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is

required, upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. Subordination. Payment of Accreted Value, premium and Liquidated Damages, if any, on the Notes is subordinated to the prior payment of Senior Debt on the terms found in the Indenture.

14. Trustee Dealings with Company. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

15. No Recourse Against Others. A director, officer, employee, incorporator or stockholder of the Company or the Guarantors, as such, shall not have any liability for any obligations of the Company or the Guarantors under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. In addition, prior to the consummation of the Escrow Corp. Merger, the Holders of the Notes shall only have recourse to Escrow Corp. under the Indenture and under the Notes and shall not have any recourse to the stock or assets of the Parent or any of its Affiliates or Subsidiaries (other than Escrow Corp.).

16. Authentication. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

17. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. Additional Rights of Holders of Restricted Global Notes and Restricted Definitive Notes. In addition to the rights provided to the Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the Registration Rights Agreement dated as of January 29, 2003, among the Company, the Guarantors (from and after the consummation of the Escrow Corp. Merger) and the other parties named on the signature pages thereof.

19. CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

20. Guarantees. From and after the consummation of the Escrow Corp. Merger, this Note shall be entitled to the benefits of the Note Guarantees made by the Guarantors under the Indenture. Additional Guarantors may be added and Guarantors may be released from their Note Guarantees as provided in the Indenture.

The Company shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to: American Tower Corporation, 116 Huntington Avenue, Boston, MA 02116, Attention: Chief Financial Officer and Secretary.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____
(Insert assignee's legal name)

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note
on the books of the Company. The agent may substitute another to act for him.

Date:

Your Signature: _____
(Sign exactly as your name appears on
the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other
signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.14 of the Indenture, check the appropriate box below:

☐ Section 4.10

☐ Section 4.14

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

\$_____

Date: _____

Your Signature: _____
(Sign exactly as your name appears on
the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

DATE OF EXCHANGE	AMOUNT OF DECREASE IN PRINCIPAL AMOUNT OF THIS GLOBAL NOTE	AMOUNT OF DECREASE IN PRINCIPAL AMOUNT OF THIS GLOBAL NOTE	PRINCIPAL AMOUNT OF THIS GLOBAL NOTE FOLLOWING SUCH DECREASE (OR INCREASE)	SIGNATURE OF AUTHORIZED OFFICER OF TRUSTEE OR CUSTODIAN
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -

* This schedule should be included only if the Note is issued in global form.

FORM OF SUPPLEMENTAL INDENTURE

TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of _____, among _____ (the "Guaranteeing Subsidiary"), a subsidiary of AMERICAN TOWER ESCROW CORPORATION (or its permitted successor), a Delaware corporation (the "Company"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and THE BANK OF NEW YORK, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of January 29, 2003 providing for the issuance of an aggregate principal amount of \$808 Million of 12.25% Senior Subordinated Discount Notes due 2008 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture (the "Note Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Trustee, the Company and the other Guarantors are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Trustee, the Company and the other Guarantors mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Unless otherwise defined in this Supplemental Indenture, capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to be Bound; Guarantee. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. The Guaranteeing Subsidiary hereby agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture. In furtherance of the foregoing, the Guaranteeing Subsidiary shall be deemed a Guarantor for purposes of Article 10 of the Indenture, including, without limitation, Section 10.03 thereof.

3. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

6. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

7. Ratification of Indenture; Supplemental Indenture Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

[Guaranteeing Subsidiary]

By:

Name:

Title:

American Tower Escrow Corporation

By:

Name:

Title:

[Other Guarantors]

By:

Name:

Title

The Bank of New York

as Trustee

By:

Name:

Title:

[INTENTIONALLY OMITTED.]

FORM OF REGULATION S CERTIFICATE

(For transfers pursuant to Section 2.06(a), (b)(iii), (d) and (e)
of the Indenture)

The Bank of New York,
as Trustee
101 Barclay St., 21W
New York, NY 10286
Attention: Corporate Trust Administration

Re: 12.25% Senior Subordinated Discount Notes due 2008 of
American Tower Escrow Corporation (the "Notes")

Reference is made to the Indenture, dated as of January 29, 2003 (the "Indenture"), between American Tower Escrow Corporation, which is expected to merge with and into American Towers, Inc. (the "Company"), the Guarantors named therein and The Bank of New York, as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act") are used herein as so defined.

This certificate relates to U.S. \$_____ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Notes are represented by a Global Notes, they are held through the Depositary or a Participant in the name of the Undersigned, as or on behalf of the Owner. If the Specified Notes are not represented by a Global Note, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be transferred to a person (the "Transferee") who shall take delivery in the form of a Regulation S Note. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 904 or Rule 144 under the Securities Act and with all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

(a) Rule 904 Transfers. If the transfer is being effected in accordance with Rule 904:

- (i) the Owner is not a distributor of the Notes, an affiliate of the Company or any such distributor or a person acting on behalf of any of the foregoing;
- (ii) the offer of the Specified Notes was not made to a person in the United States;
- (iii) either:
 - (1) at the time the buy order was originated, the Transferee was outside the United States or the Owner and any person acting on its behalf reasonably believed that the Transferee was outside the United States, or
 - (2) the transaction is being executed in, on or through the facilities of the Eurobond market, as regulated by the Association of International Bond Dealers, or another designated offshore securities market and neither the Owner nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;
- (iv) no directed selling efforts have been made in the United States by or on behalf of the Owner or any affiliate thereof;
- (v) if the Owner is a dealer in securities or has received a selling concession, fee or other remuneration in respect of the Specified Notes, and the transfer is to occur during the Restricted Period, then the requirements of Rule 904(c)(1) have been satisfied; and
- (vi) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

(b) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

- (i) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Notes were last acquired from the Company or from an affiliate of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or
- (ii) the transfer is occurring after a holding period of at least two years has elapsed since the Specified Notes were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not,

and during the preceding three months has not been, an
affiliate of the Company.

This certificate and the statements contained herein are made for your
benefit and the benefit of the Company and the Purchasers.

Dated:

(Print the name of the Undersigned, as such term is
defined in the second paragraph of this
certificate.)

By:

Name:

Title:

(If the Undersigned is a corporation, partnership or
fiduciary, the title of the person signing on behalf
of the Undersigned must be stated.)

FORM OF RESTRICTED NOTES CERTIFICATE

(For transfers pursuant to Section 2.06(a), (b)(iv), (d) and (e)
of the Indenture)

The Bank of New York,
as Trustee
101 Barclay St., 21W
New York, NY 10286
Attention: Corporate Trust Administration

Re: 12.25% Senior Subordinated Discount Notes due 2008 of
American Tower Escrow Corporation (the "Notes")

Reference is made to the Indenture, dated as of January 31, 2001 (the "Indenture"), among American Tower Escrow Corporation, which is expected to merge with and into American Towers, Inc. (the "Company"), the Guarantors named therein and The Bank of New York, as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act") are used herein as so defined.

This certificate relates to U.S. \$_____ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Notes are represented by a Global Note, they are held through the Depositary or a Participant in the name of the Undersigned, as or on behalf of the Owner. If the Specified Notes are not represented by a Global Note, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be transferred to a person (the "Transferee") who shall take delivery in the form of a Restricted Note. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A or Rule 144 under the Securities Act and all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

(a) Rule 144A Transfers. If the transfer is being effected in accordance with Rule 144A:

- (i) the Specified Notes are being transferred to a person that the Owner and any person acting on its behalf reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and
- (ii) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner may be relying on Rule 144A in connection with the transfer.

(b) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

- (i) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Notes were last acquired from the Company or from an affiliate of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or
- (ii) the transfer is occurring after a holding period of at least two years has elapsed since the Specified Notes were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Purchasers.

Dated:

(Print the name of the Undersigned,
as such term is defined in the
second paragraph of this certificate.)

By:

Name:

Title:

(If the Undersigned is a corporation, partnership or
fiduciary, the title of the person signing on behalf
of the Undersigned must be stated.)

FORM OF UNRESTRICTED NOTES CERTIFICATE

(For removal of Securities Act Legends pursuant to Section 2.06(f)(ii)
of the Indenture)

The Bank of New York,
as Trustee
101 Barclay St., 21W
New York, NY 10286
Attention: Corporate Trust Administration

Re: 12.25% Senior Subordinated Discount Notes due 2008 of
American Tower Escrow Corporation (the "Notes")

Reference is made to the Indenture, dated as of January 29, 2003 (the "Indenture"), between American Tower Escrow Corporation, which is expected to merge with and into American Towers, Inc. (the "Company"), the Guarantors named therein and The Bank of New York, as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act") are used herein as so defined.

This certificate relates to U.S. \$_____ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Notes are represented by a Global Note, they are held through the Depositary or a Participant in the name of the Undersigned, as or on behalf of the Owner. If the Specified Notes are not represented by a Global Note, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be exchanged for Notes bearing no Securities Act Legend pursuant to Section 305(c) of the Indenture. In connection with such exchange, the Owner hereby certifies that the exchange is occurring after a holding period of at least two years (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Notes were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company. The Owner also acknowledges that any future transfers of the

Specified Notes must comply with all applicable securities laws of the states of the United States and other jurisdictions.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Purchasers.

Dated:

(Print the name of the Undersigned, as such
term is defined in the second paragraph of this
certificate.)

By:

Name:

Title:

(If the Undersigned is a corporation, partnership or
fiduciary, the title of the person signing on behalf
of the Undersigned must be stated.)

=====

American Tower Corporation

Warrants to Purchase
11,389,012 Shares of Common Stock

Warrant Agreement

Dated as of January 29, 2003

The Bank of New York

Warrant Agent

=====

WARRANT AGREEMENT, dated as of January 29, 2003, between American Tower Corporation, a Delaware corporation (the "Company"), and The Bank of New York, a New York banking corporation, as warrant agent (the "Warrant Agent").

WHEREAS, the Company proposes to issue warrants (the "Warrants") to initially purchase up to an aggregate of 11,389,012 shares of Class A Common Stock, par value \$0.01 per share (the "Common Stock"), of the Company (the Common Stock issuable on exercise of the Warrants being referred to herein as the "Warrant Shares"), in connection with the offering (the "Offering") by American Tower Escrow Corporation ("Escrow Corp."), a Delaware corporation, which is expected to subsequently merge with and into American Towers, Inc., a Delaware Corporation ("ATI"), of 808,000 Units (the "Units"), each consisting of \$1,000 principal amount at maturity of Escrow Corp.'s 12.25% Senior Subordinated Discount Notes due 2008 (the "Notes") and one Warrant, each Warrant initially representing the right to purchase 14.0953 Warrant Shares at the Exercise Price (as defined herein). The Notes are to be issued under an indenture (the "Indenture") among the Company, the Guarantors named therein (from and after the consummation of the Escrow Corp. Merger (as defined herein)) and The Bank of New York, as trustee (the "Trustee"), dated the date hereof, on a private placement basis pursuant to an exemption under Section 4(2) of the United States Securities Act of 1933, as amended.

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act in connection with the issuance of Warrant Certificates (as defined) and other matters as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto agree as follows:

SECTION 1. CERTAIN DEFINITIONS.

As used in this Agreement, the following terms shall have the following respective meanings:

"144A Global Warrant" means a global Warrant substantially in the form of Exhibit A hereto bearing the Global Warrant Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. No natural person who is an executive officer or director of a Person shall, solely by virtue of such position, be deemed to control such Person.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Warrant, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Business Day" means any day other than a Legal Holiday.

"Clearstream" means Clearstream Banking, S.A.

"Closing Date" means the date hereof.

"Commission" means the Securities and Exchange Commission.

"Definitive Warrant" means a certificated Warrant registered in the name of the Holder thereof and issued in accordance with Section 3.5 hereof, substantially in the form of Exhibit A hereto except that such Warrant shall not bear the Global Warrant Legend and shall not have the "Schedule of Exchanges of Interests in the Global Warrant" attached thereto.

"Depository" means, with respect to the Warrants issuable or issued in whole or in part in global form, the Person specified in Section 3.3 hereof as the Depository with respect to the Warrants, and any and all successors thereto appointed as Depository hereunder and having become such pursuant to the applicable provision of the Indenture.

"Disinterested Director" means, in connection with any issuance of securities that gives rise to a determination of the Fair Value thereof, each member of the Board of Directors of the Company who is not an officer, employee, director or other affiliate of the party to whom the Company is proposing to issue the securities giving rise to such determination.

"Escrow Corp. Merger" means the merger transaction involving Escrow Corp., a Delaware corporation, and ATI pursuant to the Escrow Corp. Merger Agreement.

"Escrow Corp. Merger Agreement" means that certain Agreement and Plan of Merger dated as of January 29, 2003 by and between Escrow Corp. and ATI pursuant to which Escrow Corp. is expected to merge with and into ATI.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Period" has the meaning assigned to it in Section 4(a) hereof.

"Exercise Price" means the Initial Exercise Price subject to the conditions and adjustments described in this Warrant Agreement.

"Fair Value" per security at any date of determination shall be (1) in connection with a sale to a party that is not an affiliate of the Company in an arm's-length transaction (a "Non-Affiliate Sale"), the price per security at which such security is sold and (2) in connection with any sale to an affiliate of the Company, (a) the last price per security at which such security was sold in a Non-Affiliate Sale within the three-month period preceding such date of determination or (b) if clause (a) is not applicable, the fair market value of such security determined in good faith by (i) a majority of the Board of Directors of the Company, including a majority of the disinterested directors, and approved in a board resolution delivered to the Warrant Agent or (ii) a nationally recognized investment banking, appraisal or valuation firm, which is not an affiliate of the Company, in each case taking into account, among all other factors deemed relevant by the Board of Directors or such investment banking, appraisal or valuation firm, the trading price and volume of such security on any national securities exchange or automated quotation system on which such security is traded.

"Global Warrants" means, individually and collectively, each of the Restricted Global Warrants and the Unrestricted Global Warrants, substantially in the form of Exhibit A hereto issued in accordance with Section 3.1(b) and 3.5 hereof.

"Global Warrant Legend" means the legend set forth in Section 3.5(g)(ii), which is required to be placed on all Global Warrants issued under this Warrant Agreement.

"Holder" means a person who is listed as the record owner of Registrable Securities.

"IAI Global Warrant" means the global Warrant substantially in the form of Exhibit A hereto bearing the Global Warrant Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee.

"Indenture" has the meaning assigned to it in the recitals to this Agreement.

"Initial Exercise Price" means \$0.01 per Warrant Share.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Warrant through a Participant.

"Initial Purchasers" means Credit Suisse First Boston LLC and Goldman, Sachs & Co.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, which is not also a QIB.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, the City of Boston or the city in which the principal corporate trust office or the Warrant Agent is located or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Market Value" means the value per share of the Company's Class A Common Stock, par value \$0.01 per share, as of any date, which shall equal (i) if such Common Stock is primarily traded on a securities exchange, the last sale price on such securities exchange on the trading day immediately prior to the date of determination, or if no sale occurred on such day, the mean between the closing "bid" and "asked" prices on such day, (ii) if the principal market for such Common Stock is in the over-the-counter market, the closing sale price on the trading day immediately prior to the date of the determination, as published by the National Association of Securities Dealers Automated quotation System or similar organization, or if such price is not so published on such day, the mean between the closing "bid" and "asked" prices, if available, on such day, which prices may be obtained from any reputable pricing service, broker or dealer, and (iii) if neither clause (i) nor clause (ii) is applicable, the fair market value on the date of determination of such Common Stock as determined in good faith by the board of directors of the Company.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Notes" has the meaning assigned to it in the recitals to this Agreement.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Senior or Executive Vice-President of such Person.

"Opinion of Counsel" means an opinion from legal counsel. The counsel may be an employee of or counsel to the Company or any subsidiary of the Company.

"Participant" means, with respect to the Depository, Euroclear or Clearstream, a Person who has an account with the Depository, Euroclear or Clearstream, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream).

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Private Placement Legend" means the legend set forth in Section 3.5(g)(i) to be placed on all Warrants issued under this Warrant Agreement except where otherwise permitted by the provisions of this Warrant Agreement.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registrable Securities" shall mean the Warrants, the Warrant Shares and any other securities issued or issuable with respect to the Warrants or the Warrant Shares by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization; provided that a security ceases to be a Registrable Security when it is no longer a Transfer Restricted Security. The Registrable Securities are entitled to the benefits of the Warrant Registration Rights Agreement.

"Registration Statement" means the Registration Statement as defined in the Warrant Registration Rights Agreement.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Warrant" means a global Warrant in the form of Exhibit A hereto bearing the Global Warrant Legend, the Private Placement Legend and the Regulation S Legend and deposited with or on behalf of and registered in the name of the Depository or its nominee.

"Regulation S Legend" means the legend set forth in Section 3.5(g)(iv) to be placed on all Registrable Securities issued pursuant to Regulation S.

"Restricted Definitive Warrant" means a Definitive Warrant bearing the Private Placement Legend.

"Restricted Global Warrant" means a Global Warrant bearing the Private Placement Legend.

"Restricted Period" means the one-year distribution compliance period as defined in Regulation S.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Separation Date" means the earliest to occur of (i) 180 days after the closing of the Offering, (ii) the date on which a registration statement with respect to a registered exchange offer for the Notes is declared effective under the Securities Act, (iii) the date a shelf registration statement with respect to the Warrants is declared effective under the Securities Act, (iv) such date as Credit Suisse First Boston LLC in its sole discretion shall determine and (v) in the event of Change of Control (as defined in the Indenture), the date the Company mails the requisite notice to the holders.

"Transfer Agent" shall have the meaning assigned to it in Section 6(b) hereof.

"Transfer Restricted Securities" means (a) each Warrant and Warrant Share held by an Affiliate of the Company and (b) each other Warrant and Warrant Share until the earlier to occur of (i) the date on which such Warrant or Warrant Share (other than any Warrant Share issued upon exercise of a Warrant in accordance with a Registration Statement (as defined in the Warrant Registration Rights Agreement) has been disposed of in accordance with a Registration Statement and (ii) the date on which such Warrant or Warrant Share (or the related Warrant) is distributed to the public pursuant to Rule 144 under the Act.

"Trustee" has the meaning assigned to it in the recitals to this Agreement.

"Unrestricted Global Warrant" means a global Warrant substantially in the form of Exhibit A attached hereto that bears the Global Warrant Legend and that has the "Schedule of Exchanges of Interests in the Global Warrant" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Warrants that do not bear the Private Placement Legend.

"Unrestricted Definitive Warrant" means one or more Definitive Warrants that do not bear and are not required to bear the Private Placement Legend.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"Warrants" has the meaning assigned to it in the recitals to this Agreement.

"Warrant Certificates" shall have the meaning assigned to it in Section 3.1(a) hereof.

"Warrant Registration Rights Agreement" means the registration rights agreement, dated as of January 29, 2003, between the Company and the Initial Purchasers relating to the Warrants and the Warrant Shares.

"Warrant Shares" has the meaning assigned to it in the recitals to this Agreement.

SECTION 2. APPOINTMENT OF WARRANT AGENT.

The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions set forth hereinafter in this Agreement and the Warrant Agent hereby accepts such appointment.

SECTION 3. ISSUANCE OF WARRANTS; WARRANT CERTIFICATES.

3.1. FORM AND DATING.

(a) General.

The Warrants shall be substantially in the form of Exhibit A hereto (the "Warrant Certificates"). The Warrants may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Warrant shall be dated the date of the countersignature.

The terms and provisions contained in the Warrants shall constitute, and are hereby expressly made, a part of this Warrant Agreement. The Company and the Warrant Agent, by their execution and delivery of this Warrant Agreement, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Warrant conflicts with the express provisions of this Warrant Agreement, the provisions of this Warrant Agreement shall govern and be controlling.

(b) Global Warrants.

Warrants issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Warrant Legend thereon and the "Schedule of Exchanges of Interests in the Global Warrant" attached thereto). Warrants issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Warrant Legend thereon and without the "Schedule of Exchanges of Interests in the Global Warrant" attached thereto). Each Global Warrant shall represent such of the outstanding Warrants as shall be specified therein and each shall provide that it shall represent the number of outstanding Warrants from time to time endorsed thereon and that the number of outstanding Warrants represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Warrant to reflect the amount of any increase or decrease in the number of outstanding Warrants represented thereby shall be made by the Warrant Agent in accordance with instructions given by the Holder thereof as required by Section 3.5 hereof.

(c) Euroclear and Clearstream Procedures Applicable.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Global Warrants that are held by Participants through Euroclear or Clearstream.

3.2. EXECUTION.

An Officer shall sign the Warrants for the Company by manual or facsimile signature.

If the Officer whose signature is on a Warrant no longer holds that office at the time a Warrant is countersigned, the Warrant shall nevertheless be valid.

A Warrant shall not be valid until countersigned by the manual signature of the Warrant Agent. The signature (which may be a facsimile) shall be conclusive evidence that the Warrant has been properly issued under this Warrant Agreement.

The Warrant Agent shall, upon a written order of the Company signed by an Officer (a "Warrant Countersignature Order"), countersign Warrants for original issue up to the number stated in the preamble hereto.

The Warrant Agent may appoint an agent acceptable to the Company to countersign Warrants. Such an agent may countersign Warrants whenever the Warrant Agent may do so. Each reference in this Warrant Agreement to a countersignature by the Warrant Agent includes a countersignature by such agent. Such an agent has the same rights as the Warrant Agent to deal with Holders, the Company or an Affiliate of the Company.

3.3. WARRANT REGISTRAR.

The Company shall maintain an office or agency where Warrants may be presented for registration of transfer or for exchange ("Warrant Registrar"). The Warrant Registrar shall keep a register of the Warrants and of their transfer and exchange. The Company may appoint one or more co-Warrant Registrars. The term "Warrant Registrar" includes any co-Warrant Registrar. The Company may change any Warrant Registrar without notice to any holder. The Company shall notify the Warrant Agent in writing of the name and address of any agent not a party to this Warrant Agreement. If the Company fails to appoint or maintain another entity as Warrant Registrar, the Warrant Agent shall act as such. The Company or any of its subsidiaries may act as Warrant Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depository with respect to the Global Warrants.

The Company initially appoints the Warrant Agent to act as the Warrant Registrar with respect to the Global Warrants.

3.4. HOLDER LISTS.

The Warrant Agent shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Warrant Agent is not the Warrant Registrar, the Company shall promptly furnish to the Warrant Agent at such times as the Warrant Agent may request in writing, a list in such form and as of such date as the Warrant Agent may reasonably require of the names and addresses of the Holders.

3.5. TRANSFER AND EXCHANGE.

(a) Transfer and Exchange of Global Warrants.

A Global Warrant may not be transferred as a whole except by the Depository to a nominee of the Depository, by a nominee of the Depository to the Depository or to another nominee of the Depository, or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. All Global Warrants will be exchanged by the Company for Definitive Warrants if (i) the Company delivers to the Warrant Agent notice from the Depository that it is unwilling or unable to continue to act as Depository or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depository is not appointed by the Company within 120 days after the date

of such notice from the Depositary; (ii) in the case of a Global Warrant held for an account of Euroclear or Clearstream, Euroclear or Clearstream, as the case may be, (a) is closed for business for a continuous period of 14 days (other than by reason of statutory or other holidays), or (b) announces an intention permanently to cease business or does in fact do so; or (iii) the Company in its sole discretion determines that the Global Warrants (in whole but not in part) should be exchanged for Definitive Warrants and delivers a written notice to such effect to the Warrant Agent. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Warrants shall be issued in such names as the Depositary shall instruct the Warrant Agent. Global Warrants also may be exchanged or replaced, in whole or in part, as provided in Sections 3.6 and 3.7 hereof. A Global Warrant may not be exchanged for another Warrant other than as provided in this Section 3.5(a), however, beneficial interests in a Global Warrant may be transferred and exchanged as provided in Section 3.5(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Warrants.

The transfer and exchange of beneficial interests in the Global Warrants shall be effected through the Depositary, in accordance with the provisions of this Warrant Agreement and the Applicable Procedures. Beneficial interests in the Restricted Global Warrants shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Warrants also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Warrant. Beneficial interests in any Restricted Global Warrant may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Warrant in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Warrant may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than the Initial Purchaser). Beneficial interests in any Unrestricted Global Warrant may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant. No written orders or instructions shall be required to be delivered to the Warrant Registrar to effect the transfers described in this Section 3.5(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Warrants. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 3.5(b)(i) above, the transferor of such beneficial interest must deliver to the Warrant Registrar either (A) both (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Warrant in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) both (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Warrant in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Warrant Registrar containing information regarding the Person in whose name such Definitive Warrant shall be registered to effect the transfer or exchange referred to in (1) above. Upon effectiveness of the Registration Statement (as defined in the Warrant Registration Rights Agreement) by the Company in accordance with Section 3.5(f) hereof, the requirements of this Section 3.5(b)(ii) shall be deemed to have been satisfied upon receipt by the Warrant Registrar of a certification required by the Company in connection with such Registration Statement delivered by the Holder

of such beneficial interests in the Restricted Global Warrants. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Warrants contained in this Agreement and the Warrants or otherwise applicable under the Securities Act, the Warrant Agent shall adjust the principal amount of the relevant Global Warrant(s) pursuant to Section 3.5(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Warrant. A beneficial interest in any Restricted Global Warrant may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Warrant if the transfer complies with the requirements of Section 3.5(b)(ii) above and the Warrant Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Warrant, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Warrant, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Warrant, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Warrant for Beneficial Interests in the Unrestricted Global Warrant. A beneficial interest in any Restricted Global Warrant may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Warrant or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant if the exchange or transfer complies with the requirements of Section 3.5(b)(ii) above and:

(A) such transfer is effected pursuant to the Registration Statement in accordance with the Warrant Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Warrant, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Warrant proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the

Warrant Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) above at a time when an Unrestricted Global Warrant has not yet been issued, the Company shall issue and, upon receipt of an Warrant Countersignature Order in accordance with Section 3.2 hereof, the Warrant Agent shall countersign one or more Unrestricted Global Warrants in the number equal to the number of beneficial interests transferred pursuant to subparagraph (B) above.

Beneficial interests in an Unrestricted Global Warrant cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Warrant.

(c) Transfer and Exchange of Beneficial Interests for Definitive Warrants.

(i) Beneficial Interests in Restricted Global Warrants to Restricted Definitive Warrants. If any holder of a beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a Restricted Definitive Warrant or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Warrant, then, upon receipt by the Warrant Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a Restricted Definitive Warrant, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Warrant Agent shall cause, in accordance with the standing instructions and procedures existing between the Depositary and the Warrant Agent, the number of Warrants represented by the Global Warrant to be reduced by the number of Warrants to be represented by the Definitive Warrant pursuant to Section 3.5(h) hereof, and the Company shall execute and the Warrant Agent shall countersign and deliver to the Person designated in the instructions a Definitive Warrant in the appropriate amount. Any Definitive Warrant issued in exchange for a beneficial interest in a Restricted Global Warrant pursuant to this Section 3.5(c) shall be registered in such name or names as the holder of such beneficial interest shall instruct the Warrant Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Warrant Agent shall deliver such Definitive Warrants to the Persons in whose names such Warrants are so registered. Any Definitive Warrant issued in exchange for a beneficial interest in a Restricted Global Warrant pursuant to this Section 3.5(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Warrants to Unrestricted Definitive Warrants. A holder of a beneficial interest in a Restricted Global Warrant may exchange such beneficial interest for an Unrestricted Definitive Warrant or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Warrant only if:

(A) such transfer is effected pursuant to the Registration Statement in accordance with the Warrant Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a Definitive Warrant that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Warrant proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Warrant that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Warrant Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Beneficial Interests in Unrestricted Global Warrants to Unrestricted Definitive Warrants. If any holder of a beneficial interest in an Unrestricted Global Warrant proposes to exchange such beneficial interest for a Definitive Warrant or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Warrant, then, upon satisfaction of the conditions set forth in Section 3.5(b)(ii) hereof, the Warrant Agent shall cause the amount of

the applicable Global Warrant to be reduced accordingly pursuant to Section 3.5(h) hereof, and the Company shall execute and the Warrant Agent shall countersign and deliver to the Person designated in the instructions a Definitive Warrant in the appropriate principal amount. Any Definitive Warrant issued in exchange for a beneficial interest pursuant to this Section 3.5(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Warrant Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Warrant Agent shall deliver such Definitive Warrants to the Persons in whose names such Warrants are so registered. Any Definitive Warrant issued in exchange for a beneficial interest pursuant to this Section 3.5(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Warrants for Beneficial Interests.

(i) Restricted Definitive Warrants to Beneficial Interests in Restricted Global Warrants. If any Holder of a Restricted Definitive Warrant proposes to exchange such Warrant for a beneficial interest in a Restricted Global Warrant or to transfer such Restricted Definitive Warrants to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Warrant, then, upon receipt by the Warrant Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Warrant proposes to exchange such Warrant for a beneficial interest in a Restricted Global Warrant, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Warrant is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Warrant is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Warrant is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof

(E) if such Restricted Definitive Warrant is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Warrant is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Warrant is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Warrant Agent shall cancel the Restricted Definitive Warrant, increase or cause to be increased the amount of, in the case of clause (A) above, the appropriate Restricted Global Warrant, in the case of clause (B) above, the 144A Global Warrant, in the case of clause (C) above, the Regulation S Global Warrant, and in all other cases, the IAI Global Warrant.

(ii) Restricted Definitive Warrants to Beneficial Interests in Unrestricted Global Warrants. A Holder of a Restricted Definitive Warrant may exchange such Warrant for a beneficial interest in an Unrestricted Global Warrant or transfer such Restricted Definitive Warrant to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant only if:

(A) such transfer is effected pursuant to the Registration Statement in accordance with the Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the Holder of such Definitive Warrants proposes to exchange such Warrants for a beneficial interest in the Unrestricted Global Warrant, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Warrants proposes to transfer such Warrants to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Warrant, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Warrant Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 3.5(d)(ii), the Warrant Agent shall cancel the Definitive Warrants and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Warrant.

(iii) Unrestricted Definitive Warrants to Beneficial Interests in Unrestricted Global Warrants. A Holder of an Unrestricted Definitive Warrant may exchange such Warrant for a beneficial interest in an Unrestricted Global Warrant or transfer such Definitive Warrants to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant at any time. Upon receipt of a request for such an exchange or transfer, the Warrant Agent shall cancel the applicable Unrestricted Definitive Warrant and increase or cause to be increased the amount of one of the Unrestricted Global Warrants.

If any such exchange or transfer from a Definitive Warrant to a beneficial interest is effected pursuant to subparagraphs (ii)(B) or (iii) above at a time when an Unrestricted Global Warrant has not yet been issued, the Company shall issue and, upon receipt of an Warrant Countersignature Order in accordance with Section 3.2 hereof, the Warrant Agent shall countersign one or more Unrestricted Global Warrants in the number equal to the number of beneficial interests of Definitive Warrants so transferred.

- (e) Transfer and Exchange of Definitive Warrants for Definitive Warrants.

Upon request by a Holder of Definitive Warrants and such Holder's compliance with the provisions of this Section 3.5(e), the Warrant Registrar shall register the transfer or exchange of Definitive Warrants. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Warrant Registrar the Definitive Warrants duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Warrant Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 3.5(e).

- (i) Restricted Definitive Warrants to Restricted Definitive Warrants. Any Restricted Definitive Warrant may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Warrant if the Warrant Registrar receives the following:

- (A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

- (B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

- (C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

- (ii) Restricted Definitive Warrants to Unrestricted Definitive Warrants. Any Restricted Definitive Warrant may be exchanged by the Holder thereof for an Unrestricted Definitive Warrant or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Warrant if:

- (A) any such transfer is effected pursuant to the Registration Statement in accordance with the Warrant Registration Rights Agreement; or

- (B) the Warrant Registrar receives the following:

- (1) if the Holder of such Restricted Definitive Warrants proposes to exchange such Warrants for an Unrestricted Definitive Warrant, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Warrants proposes to transfer such Warrants to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Warrant, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Warrants to Unrestricted Definitive Warrants. A Holder of Unrestricted Definitive Warrants may transfer such Warrants to a Person who takes delivery thereof in the form of an Unrestricted Definitive Warrant. Upon receipt of a request to register such a transfer, the Warrant Registrar shall register the Unrestricted Definitive Warrants pursuant to the instructions from the Holder thereof.

(f) Registration Statement.

Upon the effectiveness of the Registration Statement and sales of Warrants in connection therewith in accordance with the Warrant Registration Rights Agreement, the Company shall issue and, upon receipt of a Warrant Countersignature Order in accordance with Section 3.2, the Warrant Agent shall countersign (i) one or more Unrestricted Global Warrants in an amount equal to the amount of the beneficial interests in the Restricted Global Warrants sold under such Registration Statement and (ii) Unrestricted Definitive Warrants in an amount equal to the amount of the beneficial interests of the Restricted Definitive Warrants sold under such Registration Statement. Concurrently with the issuance of such Warrants, the Warrant Agent shall cause the amount of the applicable Restricted Global Warrants to be reduced accordingly, and the Company shall execute and the Warrant Agent shall countersign and deliver to the Persons designated by the Holders of Definitive Warrants so accepted Unrestricted Definitive Warrants in the appropriate amount.

(g) Legends.

The following legends shall appear on the face of all Global Warrants and Definitive Warrants issued under this Warrant Agreement unless specifically stated otherwise in the applicable provisions of this Warrant Agreement.

(i) Private Placement Legend.

(C) Except as permitted by subparagraph (B) below, each Global Warrant and each Definitive Warrant (and all Warrants issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form unless otherwise agreed by the Company and the holder thereof:

"THIS SECURITY (OR ITS PREDECESSOR) AND THE WARRANT SHARES TO BE ISSUED UPON ITS EXERCISE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER

OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSONWHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDERWILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THE HOLDER OF THIS SECURITY AGREES NOT TO ENGAGE IN HEDGING TRANSACTIONS UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE WARRANT AGREEMENT CONTAINS A PROVISION REQUIRING THE WARRANT AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING."

(B) Notwithstanding the foregoing, any Global Warrant or Definitive Warrant issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 3.5 (and all Warrants issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Warrant Legend. Each Global Warrant shall bear a legend in substantially the following form unless otherwise agreed by the Company and the holder thereof:

"THIS GLOBAL WARRANT IS HELD BY THE DEPOSITARY (AS DEFINED IN THE WARRANT AGREEMENT GOVERNING THIS WARRANT) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE WARRANT AGENT MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 3.5 OF THE WARRANT AGREEMENT, (II) THIS GLOBAL WARRANT MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 3.5(A) OF THE WARRANT AGREEMENT, (III) THIS GLOBAL WARRANT MAY BE DELIVERED TO THE WARRANT AGENT FOR CANCELLATION

PURSUANT TO SECTION 3.8 OF THE WARRANT AGREEMENT AND (IV) THIS GLOBAL WARRANT MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF AMERICAN TOWER CORPORATION (THE "COMPANY")."

(iii) Unit Legend. Each Warrant issued prior to the Separation Date will bear a legend to the following effect unless otherwise agreed by the Company and the holder thereof:

"THE WARRANTS EVIDENCED BY THIS CERTIFICATE ARE INITIALLY ISSUED AS PART OF AN ISSUANCE OF UNITS (THE "UNITS"), EACH OF WHICH CONSISTS OF \$1,000 PRINCIPAL AMOUNT AT MATURITY OF THE 12.25% SENIOR SUBORDINATED DISCOUNT NOTES DUE 2008 (THE "NOTES") OF ESCROW CORP. AND ONE WARRANT TO PURCHASE 14.0953 SHARES, PAR VALUE \$0.01 PER SHARE, OF AMERICAN TOWER CORPORATION.

PRIOR TO THE EARLIEST TO OCCUR OF (I) 180 DAYS AFTER THE CLOSING OF THE OFFERING, (II) THE DATE ON WHICH A REGISTRATION STATEMENT FOR A REGISTERED EXCHANGE OFFER WITH RESPECT TO THE NOTES IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (III) THE DATE A SHELF REGISTRATION STATEMENT WITH RESPECT TO THE WARRANTS IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (IV) SUCH DATE AS CREDIT SUISSE FIRST BOSTON LLC IN ITS SOLE DISCRETION SHALL DETERMINE AND (V) IN THE EVENT OF A CHANGE OF CONTROL, THE DATE AMERICAN TOWER ESCROW CORPORATION (OR ITS SUCCESSOR) MAILES THE REQUISITE NOTICE TO THE HOLDERS, THE WARRANTS EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED OR EXCHANGED SEPARATELY FROM, BUT MAY BE TRANSFERRED OR EXCHANGED ONLY TOGETHER WITH, THE NOTES."

(iv) Regulation S Legend. Each Warrant that is a Registrable Security and issued pursuant to Regulation S shall bear the following legend in substantially the following form unless otherwise agreed by the Company and the holder thereof:

"THIS WARRANT AND THE SECURITIES TO BE ISSUED UPON ITS EXERCISE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND THE WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. IN ORDER TO EXERCISE THIS WARRANT, THE HOLDER MUST FURNISH TO THE COMPANY AND THE WARRANT AGENT EITHER (A) A WRITTEN CERTIFICATION THAT IT IS NOT A U.S. PERSON AND THE WARRANT IS NOT BEING EXERCISED ON BEHALF OF A U.S. PERSON OR (B) A WRITTEN OPINION OF COUNSEL TO THE EFFECT THAT THE SECURITIES DELIVERED UPON EXERCISE OF THE WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THAT THE DELIVERY OF SUCH SECURITIES IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. TERMS IN THIS LEGEND HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

(h) Cancellation and/or Adjustment of Global Warrants.

At such time as all beneficial interests in a particular Global Warrant have been exercised or exchanged for Definitive Warrants or a particular Global Warrant has been exercised, redeemed, repurchased or canceled in whole and not in part, each such Global Warrant shall be returned to or retained and canceled by the Warrant Agent in accordance with Section 3.8 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Warrant is exercised or exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Warrant or for Definitive Warrants, the amount of Warrants represented by such Global Warrant shall be reduced accordingly and an endorsement shall be made on such Global Warrant by the Warrant Agent or by the Depositary at the direction of the Warrant Agent to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Warrant, such other Global Warrant shall be increased accordingly and an endorsement shall be made on such Global Warrant by the Warrant Agent or by the Depositary at the direction of the Warrant Agent to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Warrant Agent shall countersign Global Warrants and Definitive Warrants upon the Company's order or at the Warrant Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Warrant or to a holder of a Definitive Warrant for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

(iii) All Global Warrants and Definitive Warrants issued upon any registration of transfer or exchange of Global Warrants or Definitive Warrants shall be the duly authorized, executed and issued warrants for Common Stock of the Company, not subject to any preemptive rights, and entitled to the same benefits under this Warrant Agreement, as the Global Warrants or Definitive Warrants surrendered upon such registration of transfer or exchange.

(iv) Prior to due presentment for the registration of a transfer of any Warrant, the Warrant Agent, and the Company may deem and treat the Person in whose name any Warrant is registered as the absolute owner of such Warrant for all purposes and none of the Warrant Agent, or the Company shall be affected by notice to the contrary.

(v) The Warrant Agent shall countersign Global Warrants and Definitive Warrants in accordance with the provisions of Section 3.2 hereof.

(j) Facsimile Submissions to Warrant Agent.

All certifications, certificates and Opinions of Counsel required to be submitted to the Warrant Registrar pursuant to this Section 3.5 to effect a registration of transfer or exchange may be submitted by facsimile.

Notwithstanding anything herein to the contrary, as to any certificates and/or certifications delivered to the Warrant Registrar pursuant to this Section 3.5, the Warrant Registrar's duties shall be limited to confirming that any such certifications and certificates delivered to it are in the form of Exhibits B and C attached hereto. The Warrant Registrar shall not be responsible for confirming the truth or accuracy of representations made in any such certifications or certificates. As to any Opinions

of Counsel delivered pursuant to this Section 3.5, the Warrant Registrar may rely upon, and be fully protected in relying upon, such opinions.

3.6. REPLACEMENT WARRANTS.

If any mutilated Warrant is surrendered to the Warrant Agent or the Company and the Warrant Agent receives evidence to its satisfaction of the destruction, loss or theft of any Warrant, the Company shall issue and the Warrant Agent, upon receipt of a Warrant Countersignature Order, shall countersign a replacement Warrant if the Warrant Agent's requirements are met. If required by the Warrant Agent or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Warrant Agent and the Company to protect the Company, the Warrant Agent, any Agent and any agent for purposes of the countersignature from any loss that any of them may suffer if a Warrant is replaced. The Company may charge for its expenses in replacing a Warrant.

Every replacement Warrant is an additional warrant of the Company and shall be entitled to all of the benefits of this Warrant Agreement equally and proportionately with all other Warrants duly issued hereunder.

3.7. TEMPORARY WARRANTS.

Until certificates representing Warrants are ready for delivery, the Company may prepare and the Warrant Agent, upon receipt of a Warrant Countersignature Order, shall issue temporary Warrants. Temporary Warrants shall be substantially in the form of certificated Warrants but may have variations that the Company considers appropriate for temporary Warrants and as shall be reasonably acceptable to the Warrant Agent. Without unreasonable delay, the Company shall prepare and the Warrant Agent, as soon as practicable upon receipt of the written order of the Company signed by an officer of the Company, shall countersign definitive Warrants in exchange for temporary Warrants.

Holders of temporary Warrants shall be entitled to all of the benefits of this Warrant Agreement.

3.8. CANCELLATION.

Subject to Section 3.5(h) hereof, the Company at any time may deliver Warrants to the Warrant Agent for cancellation. The Warrant Registrar and Warrant Paying Agent shall forward to the Warrant Agent any Warrants surrendered to them for registration of transfer, exchange or exercise. The Warrant Agent and no one else shall cancel all Warrants surrendered for registration of transfer, exchange, exercise, replacement or cancellation and shall dispose of such canceled Warrants in its customary manner. The Company may not issue new Warrants to replace Warrants that have been exercised or that have been delivered to the Warrant Agent for cancellation.

SECTION 4. SEPARATION OF WARRANTS; TERMS OF WARRANTS; EXERCISE OF WARRANTS

(a) The Notes and Warrants will not be separately transferable until the Separation Date. Subject to the terms of this Agreement, each Warrant holder shall have the right, which may be exercised during the period commencing at the opening of business on January 29, 2006 until August 1, 2008 (the "Exercise Period"), to receive from the Company the number of fully paid and nonassessable Warrant Shares which the holder may at the time be entitled to receive on exercise of such Warrants and payment of the Exercise Price (i) by tendering Notes having an Accreted Value to the date of exercise

equal to the Exercise Price (ii) by tendering Warrants as set forth below, (iii) by tendering any combination of Notes and Warrants or (iv) in cash in United States dollars by wire transfer or by certified or official bank check payable to the order of the Company the Exercise Price then in effect for such Warrant Shares; provided that holders shall be able to exercise their Warrants only if a registration statement relating to the Warrant Shares is then in effect, or the exercise of such Warrants is exempt from the registration requirements of the Securities Act, and such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of the Warrants or other persons to whom it is proposed that the Warrant Shares be issued on exercise of the Warrants reside. Each holder may exercise its right during the Exercise Period, to receive Warrant Shares on a net basis, such that, without the exchange of any funds, the holder will receive such number of Warrant Shares equal to the product of (A) the number of Warrant Shares for which such Warrant is exercisable as of the date of exercise (if the Exercise Price were being paid in cash) and (B) the Cashless Exercise Ratio. The Cashless Exercise Ratio shall equal a fraction the numerator of which is the Market Value per share of Common Stock minus the Exercise Price per share as of the date of exercise and the denominator of which is the Market Value per share on the date of exercise. Each Warrant not exercised on or prior to August 1, 2008 (the "Expiration Date") shall become void and all rights thereunder and all rights in respect thereof under this agreement shall cease as of such time. No adjustments as to dividends will be made upon exercise of the Warrants. Notwithstanding the foregoing, if the Escrow Corp. Merger has not been consummated and the Notes have been mandatorily redeemed pursuant to Section 3.08 of the Indenture (the "Redemption Date"), each Warrant shall become void and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of the Redemption Date.

(b) In order to exercise all or any of the Warrants represented by a Warrant Certificate, the holder thereof must deliver to the Warrant Agent at its corporate trust office set forth in Section 15 hereof the Warrant Certificate and the form of election to purchase on the reverse thereof duly filled in and signed, which signature shall be medallion guaranteed by an institution which is a member of a Securities Transfer Association recognized signature guarantee program, and upon payment to the Warrant Agent for the account of the Company of the Exercise Price, which is set forth in the form of Warrant Certificate attached hereto as Exhibit A, as adjusted as herein provided, for the number of Warrant Shares in respect of which such Warrants are then exercised. Payment of the aggregate Exercise Price shall be made in the manner provided in Section 4(a) hereof.

(c) Subject to the provisions of Section 5 hereof, upon compliance with clause (b) above, the Warrant Agent shall deliver or cause to be delivered with all reasonable dispatch, to or upon the written order of the holder and in such name or names as the Warrant holder may designate, a certificate or certificates for the number of whole Warrant Shares issuable upon the exercise of such Warrants or other securities or property to which such holder is entitled hereunder, together with cash as provided in Section 9 hereof; provided that if any consolidation, merger or lease or sale of assets is proposed to be effected by the Company as described in Section 8(k) hereof, or a tender offer or an exchange offer for shares of Common Stock shall be made, upon such surrender of Warrants and payment of the Exercise Price as aforesaid, the Warrant Agent shall, as soon as reasonably possible, deliver or cause to be delivered the full number of Warrant Shares issuable upon the exercise of such Warrants in the manner described in this sentence or other securities or property to which such holder is entitled hereunder, together with cash as provided in Section 9 hereof. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the date of the surrender of such Warrants and payment of the Exercise Price.

(d) The Warrants shall be exercisable, at the election of the holders thereof, either in full or from time to time in part pursuant to the terms of this Section 4. If less than all the Warrants

represented by a Warrant Certificate are exercised, such Warrant Certificate shall be surrendered and a new Warrant Certificate of the same tenor and for the number of Warrants which were not exercised shall be executed by the Company and delivered to the Warrant Agent and the Warrant Agent shall countersign the new Warrant Certificate, registered in such name or names as may be directed in writing by the holder, and shall deliver the new Warrant Certificate to the Person or Persons entitled to receive the same.

(e) All Warrant Certificates surrendered upon exercise of Warrants shall be cancelled by the Warrant Agent. Such cancelled Warrant Certificates shall then be disposed of by the Warrant Agent in its customary manner. The Warrant Agent shall account promptly to the Company with respect to Warrants exercised and concurrently pay to the Company all monies received by the Warrant Agent for the purchase of the Warrant Shares through the exercise of such Warrants.

(f) The Warrant Agent shall keep copies of this Agreement and any notices given or received hereunder available for inspection by the holders upon reasonable prior written notice during normal business hours at its office. The Company shall supply the Warrant Agent from time to time with such numbers of copies of this Agreement as the Warrant Agent may request.

(g) The Company has agreed pursuant to the Warrant Registration Rights Agreement to file within 90 days after the issuance of the Warrants and use its reasonable best efforts to make effective, subject to certain exceptions detailed in the Warrant Registration Rights Agreement, on or before 180 days after such date a shelf registration statement covering the resale of the Warrants, the issuance by the Company's common stock upon the exercise of the warrants resold pursuant to such registration statement and the resale of the Warrant Shares by the holder thereof on the appropriate form under the Securities Act, and to use its reasonable best efforts (subject to certain "black-out" periods not to exceed 60 days in any calendar year subject to extension for 30 days in certain circumstances) to keep such registration statement continuously effective under the Securities Act, subject to certain exceptions, until two years following the Closing Date.

(h) The holders of the warrants will have no right to vote on matters submitted to the stockholders of the Company and will have no right to receive dividends. The holders of the warrants will not be entitled to share in the assets of the Company in the event of liquidation, dissolution or the winding up of the Company. In the event a bankruptcy or reorganization is commenced by or against the Company, a bankruptcy court may hold that unexercised warrants are executory contracts which may be subject to rejection by the Company with approval of the bankruptcy court, and the holders of the warrants may, even if sufficient funds are available, receive nothing or a lesser amount as a result of any such bankruptcy case than they would be entitled to if they had exercised their warrants prior to the commencement of any such case.

SECTION 5. PAYMENT OF TAXES.

The Company will pay all documentary stamp taxes attributable to the initial issuance of Warrant Shares upon the exercise of Warrants; provided that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue of any Warrant Certificates or any certificates for Warrant Shares in a name other than that of the registered holder of a Warrant Certificate surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such Warrant Certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid; provided further that the Company shall not be required to pay any tax or taxes which may be payable in the event of a taxable distribution to holders of the Company's common stock that results in an adjustment to the number of Warrant Shares or other

consideration for which a Warrant may be exercised, and results in the holders of the Warrants to be deemed to have received a distribution subject to United States federal income tax as a dividend.

SECTION 6. RESERVATION OF WARRANT SHARES.

(a) The Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock or its authorized and issued Common Stock held in its treasury, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon exercise of Warrants, the maximum number of shares of Common Stock which may then be deliverable upon the exercise of all outstanding Warrants.

(b) The Company or, if appointed, the transfer agent for the Common Stock (the "Transfer Agent") and every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of any of the rights of purchase aforesaid will be irrevocably authorized and directed at all times to reserve such number of authorized shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the Transfer Agent and with every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. The Warrant Agent is hereby irrevocably authorized to requisition from time to time from such Transfer Agent the stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement. The Company will supply such Transfer Agent with duly executed certificates for such purposes and will provide or otherwise make available any cash which may be payable as provided in Section 9 hereof. The Company will furnish such Transfer Agent a copy of all notices of adjustments, and certificates related thereto, transmitted to each holder pursuant to Section 11 hereof.

(c) The Company covenants that all Warrant Shares which may be issued upon exercise of Warrants will, upon issue, be fully paid, nonassessable, free of preemptive rights and free from all taxes, liens, charges and security interests with respect to the issuance thereof.

SECTION 7. OBTAINING STOCK EXCHANGE LISTINGS.

The Company will from time to time take all action which may be necessary so that the Warrant Shares, immediately upon their issuance upon the exercise of Warrants, will be listed on the principal securities exchanges, automated quotation systems or other markets within the United States of America, if any, on which other shares of Common Stock are then listed, if any.

SECTION 8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES ISSUABLE.

The Exercise Price and the number of Warrant Shares issuable upon the exercise of each Warrant are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 8. For purposes of this Section 8, "Common Stock" means shares now or hereafter authorized of any class of common stock of the Company and any other stock of the Company, however designated, that has the right (subject to any prior rights of any class or series of preferred stock) to participate in any distribution of the assets or earnings of the Company without limit as to per share amount.

(a) Adjustment for Change in Capital Stock.

If the Company (i) pays a dividend or makes a distribution on its Common Stock in shares of its Common Stock, (ii) subdivides its outstanding shares of Common Stock into a greater number of shares, (iii) combines its outstanding shares of Common Stock into a smaller number of shares, (iv) makes a distribution on its Common Stock in shares of its capital stock other than Common Stock or (v) issues by reclassification of its Common Stock any shares of its capital stock, then the Exercise Price in effect immediately prior to such action shall be proportionately adjusted so that the holder of any Warrant thereafter exercised may receive the aggregate number and kind of shares of capital stock of the Company which he would have owned immediately following such action if such Warrant had been exercised immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification. If, after an adjustment, a holder of a Warrant upon exercise of it may receive shares of two or more classes of capital stock of the Company, the Company shall determine, in good faith, the allocation of the adjusted Exercise Price between the classes of capital stock. After such allocation, the exercise privilege and the Exercise Price of each class of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock in this Section 8. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Adjustment for Rights Issue.

If the Company distributes any rights, options or warrants to all holders of its Common Stock entitling them for a period expiring within 45 days after the record date mentioned below to purchase shares of Common Stock at a price per share less than the Fair Value per share on that record date, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{O + N \times P}{O + N}$$

where:

E'	=	the adjusted Exercise Price.
E	=	the current Exercise Price.
O	=	the number of shares of Common Stock outstanding on the record date.
N	=	the number of additional shares of Common Stock issued pursuant to such rights, options or warrants.
P	=	the aggregate price per share of the additional shares.
M	=	the Fair Value per share of Common Stock on the record date.

The adjustment shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the record date for the determination of stockholders entitled to receive the rights, options or warrants. If at the end of the period during which such rights, options or warrants are exercisable, not all rights, options or warrants shall have been

exercised, the Exercise Price shall be immediately readjusted to what it would have been if "N" in the above formula had been the number of shares actually issued.

(c) Adjustment for Other Distributions.

If the Company distributes to all holders of its Common Stock any of its assets or debt securities or any rights or warrants to purchase debt securities of the Company, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{M - F}{M}$$

where:

- E' = the adjusted Exercise Price.
- E = the current Exercise Price.
- M = the Fair Value per share of Common Stock on the record date mentioned below.
- F = the fair market value on the record date of the assets, securities, rights or warrants to be distributed in respect of one share of Common Stock as determined in good faith by the Board of Directors of the Company (the "Board of Directors").

The adjustment shall be made successively whenever any such distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive the distribution.

This Section 8(c) does not apply to cash dividends or cash distributions paid out of consolidated current or retained earnings as shown on the books of the Company prepared in accordance with generally accepted accounting principles. Also, this Section 8(c) does not apply to rights, options or warrants referred to in Section 8(b) hereof.

(d) Adjustment for Common Stock Issue.

If the Company issues shares of Common Stock for a consideration per share less than the Fair Value per share on the date the Company fixes the offering price of such additional shares, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{O + \frac{P}{A}}{M}$$

where:

- E' = the adjusted Exercise Price.

E	=	the then current Exercise Price.
O	=	the number of shares outstanding immediately prior to the issuance of such additional shares.
P	=	the aggregate consideration received for the issuance of such additional shares.
M	=	the Fair Value per share on the date of issuance of such additional shares.
A	=	the number of shares outstanding immediately after the issuance of such additional shares.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

This subsection (d) does not apply to:

(1) any of the transactions described in subsections (a), (b), (c) and (e) of this Section 8,

(2) the exercise of Warrants, or the conversion or exchange of other securities convertible or exchangeable for Common Stock the issuance of which caused an adjustment to be made under Section 8(e),

(3) Common Stock issued to the Company's employees (or employees of its subsidiaries) under bona fide employee benefit plans adopted by the Board of Directors and approved by the holders of Common Stock when required by law, if such Common Stock would otherwise be covered by this subsection (d) (but only to the extent that the aggregate number of shares excluded hereby and issued after the date of this Warrant Agreement shall not exceed 10% of the Common Stock outstanding at the time of the adoption of each such plan, exclusive of anti-dilution adjustments thereunder),

(4) Common Stock issued to shareholders of any person which merges into the Company, or with a subsidiary of the Company, in proportion to their stock holdings of such person immediately prior to such merger, upon such merger, provided that if such person is an Affiliate of the Company, the Board of Directors shall have obtained a fairness opinion from a nationally recognized investment banking, appraisal or valuation firm, which is not an Affiliate of the Company, stating that the consideration received in such merger is fair to the Company from a financial point of view, or

(5) the issuance of shares of Common Stock pursuant to rights, options, warrants or convertible securities which were originally issued in a Non-Affiliate Sale (as defined below) together with one or more other securities as part of a unit at a price per unit.

(e) Adjustment for Convertible Securities Issue.

If the Company issues any securities convertible into or exchangeable for Common Stock (other than securities issued in transactions described in subsections (b) and (c) of this Section 8) for a consideration per share of Common Stock initially deliverable upon conversion or exchange of such

securities less than the Fair Value per share on the date of issuance of such securities, the Exercise Price shall be adjusted in accordance with this formula:

$$E' = E \times \frac{P + M}{P + D}$$

where:

- E' = the adjusted Exercise Price.
- E = the then current Exercise Price.
- O = the number of shares outstanding immediately prior to the issuance of such securities.
- P = the aggregate consideration received for the issuance of such securities.
- M = the Fair Value per share on the date of issuance of such securities.
- D = the maximum number of shares deliverable upon conversion or in exchange for such securities at the initial conversion or exchange rate.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

If all of the Common Stock deliverable upon conversion or exchange of such securities have not been issued when such securities are no longer outstanding, then the Exercise Price shall promptly be readjusted to the Exercise Price which would then be in effect had the adjustment upon the issuance of such securities been made on the basis of the actual number of shares of Common Stock issued upon conversion or exchange of such securities.

This subsection (e) does not apply to convertible securities issued to shareholders of any person which merges into the Company, or with a subsidiary of the Company, in proportion to their stock holdings of such person immediately prior to such merger, upon such merger, provided that if such person is an Affiliate of the Company, the Board of Directors shall have obtained a fairness opinion from a nationally recognized investment banking, appraisal or valuation firm, which is not an Affiliate of the Company, stating that the consideration received in such merger is fair to the Company from a financial point of view.

(f) Consideration Received.

For purposes of any computation respecting consideration received pursuant to subsections (d), and (e) of this Section 8, the following shall apply:

(1) in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions, discounts or other expenses incurred by the Company for any underwriting of the issue or otherwise in connection therewith;

(2) in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors (irrespective of the accounting treatment thereof), whose determination shall be conclusive, and described in a Board resolution which shall be filed with the Warrant Agent;

(3) in the case of the issuance of securities convertible into or exchangeable for shares, the aggregate consideration received therefor shall be deemed to be the consideration received by the Company for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Company upon the conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses (1) and (2) of this subsection); and

(4) in the case of the issuance of shares of Common Stock pursuant to rights, options or warrants which rights, options or warrants were originally issued together with one or more other securities as part of a unit at a price per unit, the consideration shall be deemed to be the fair value of such rights, options or warrants at the time of issuance thereof as determined in good faith by the Board of Directors whose determination shall be conclusive and described in a Board resolution which shall be filed with the Warrant Agent plus the additional minimum consideration, if any, to be received by the Company upon the exercise, conversion or exchange thereof (as determined in the same manner as provided in clauses (1) and (2) of this subsection).

(g) When De Minimis Adjustment May Be Deferred.

No adjustment in the Exercise Price need be made unless the adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided however, that any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 8 shall be made to the nearest cent or to the nearest 1/10,000th of a share, as the case may be, it being understood that no such rounding shall be made under subsection (o).

(h) When No Adjustment Required.

No adjustment need be made for a transaction referred to Section 8(a), (b), (c), (d), (e) or (f) hereof, if Warrant holders are to participate (without being required to exercise their Warrants) in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction. No adjustment need be made for (i) rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest (ii) a change in the par value or no par value of the Common Stock or (iii) the issuance by the Company of warrants to the Initial Purchasers on or about January 29, 2003. To the extent the Warrants become convertible into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash. No adjustment shall be made pursuant to this Section 8 if such adjustment causes the Exercise Price to fall below the par value per Warrant Share.

(i) Notice of Adjustment.

Whenever the Exercise Price is adjusted, the Company shall provide the notices required by Section 10 hereof.

(j) Notice of Certain Transactions.

If (i) the Company takes any action that would require an adjustment in the Exercise Price pursuant to Section 8(a), (b), (c), (d), (e) or (f) hereof and if the Company does not arrange for Warrant holders to participate pursuant to Section 8(h) hereof, (ii) the Company takes any action that would require a supplemental Warrant Agreement pursuant to Section 8(j) hereof or (iii) there is a liquidation or dissolution of the Company, then the Company shall mail to Warrant holders a notice stating the proposed record date for a dividend or distribution or the proposed effective date of a subdivision, combination, reclassification, consolidation, merger, transfer, lease, liquidation or dissolution. The Company shall mail the notice at least 15 days before such date. Failure to mail the notice or any defect in it shall not affect the validity of the transaction.

(k) Reorganization of Company.

Immediately after the date hereof, if the Company consolidates or merges with or into, or transfers or leases all or substantially all its assets to, any person, upon consummation of such transaction the Warrants shall automatically become exercisable if such transaction occurs within the Exercise Period for the kind and amount of securities, cash or other assets which the holder of a Warrant would have owned immediately after the consolidation, merger, transfer or lease if the holder had exercised the Warrant immediately before the effective date of the transaction. Concurrently with the consummation of such transaction, the corporation formed by or surviving any such consolidation or merger if other than the Company, or the person to which such sale or conveyance shall have been made, shall enter into (i) a supplemental Warrant Agreement so providing and further providing for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Section 8(k) and (ii) a supplement to the Warrant Registration Rights Agreement providing for the assumption of the Company's obligations thereunder. The successor Company shall mail to Warrant holders a notice describing the supplemental Warrant Agreement and Warrant Registration Rights Agreement. If the issuer of securities deliverable upon exercise of Warrants under the supplemental Warrant Agreement is an affiliate of the formed, surviving, transferee or lessee corporation, that issuer shall join in the supplemental Warrant Agreement and Warrant Registration Rights Agreement. If this Section 8(k) applies, Sections 8(a), (b), (c), (d), (e) and (f) hereof do not apply.

(l) Company Determination Final.

Any determination that the Company or the Board of Directors must make pursuant to Section 8(a), (c), (d), (e), (f), (g), (h) or (i) hereof is conclusive.

(m) Warrant Agent's Disclaimer.

The Warrant Agent has no duty to determine when an adjustment under this Section 8 should be made, how it should be made or what it should be. The Warrant Agent has no duty to determine whether any provisions of a supplemental Warrant Agreement under Section 8(k) hereof are correct. The Warrant Agent makes no representation as to the validity or value of any securities or assets issued upon exercise of Warrants. The Warrant Agent shall not be responsible for the Company's failure to comply with this Section 8.

(n) When Issuance or Payment May Be Deferred.

In any case in which this Section 8 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event (i) issuing to the holder of any Warrant exercised after such record date the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise over and

above the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise on the basis of the Exercise Price and (ii) paying to such holder any amount in cash in lieu of a fractional share pursuant to Section 10 hereof; provided that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Warrant Shares, other capital stock and cash upon the occurrence of the event requiring such adjustment.

(o) Adjustment in Number of Shares.

Upon each adjustment of the Exercise Price pursuant to this Section 8, each Warrant outstanding prior to the making of the adjustment in the Exercise Price shall thereafter evidence the right to receive upon payment of the adjusted Exercise Price that number of shares of Common Stock (calculated to the nearest hundredth) obtained from the following formula:

$$N' = N \times \frac{E}{E'}$$

where:

N' = the adjusted number of Warrant Shares issuable upon exercise of a Warrant by payment of the adjusted Exercise Price.

N = the number of Warrant Shares previously issuable upon exercise of a Warrant by payment of the Exercise Price prior to adjustment.

E' = the adjusted Exercise Price.

E = the Exercise Price prior to adjustment.

(p) Form of Warrants.

Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

SECTION 9. FRACTIONAL INTERESTS.

The Company shall not be required to issue fractional Warrant Shares on the exercise of Warrants. If more than one Warrant shall be presented for exercise in full at the same time by the same holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 9, be issuable on the exercise of any Warrants (or specified portion thereof), the Company shall pay an amount in cash equal to the Fair Value per Warrant Share, as determined on the day immediately preceding the date the Warrant is presented for exercise, multiplied by such fraction, computed to the nearest whole U.S. cent.

(a) Upon any adjustment of the Exercise Price pursuant to Section 8 hereof, the Company shall promptly thereafter (i) cause to be filed with the Warrant Agent a certificate of a firm of independent public accountants of recognized standing selected by the Board of Directors of the Company (who may be the regular auditors of the Company) setting forth the Exercise Price after such adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such calculations are based and setting forth the number of Warrant Shares (or portion thereof) issuable after such adjustment in the Exercise Price, upon exercise of a Warrant and payment of the adjusted Exercise Price, which certificate shall be conclusive evidence of the correctness of the matters set forth therein, and (ii) cause to be given to each of the registered holders of Warrants at the address appearing on the Warrant register for each such registered holder written notice of such adjustments by first-class mail, postage prepaid. Where appropriate, such notice may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 10.

(b) In case:

(i) the Company shall authorize the issuance to all holders of shares of Common Stock of rights, options or warrants to subscribe for or purchase shares of Common Stock or of any other subscription rights or warrants;

(ii) the Company shall authorize the distribution to all holders of shares of Common Stock of evidences of its indebtedness or assets (other than dividends or cash distributions paid out of consolidated current or retained earnings as shown on the books of the Company prepared in accordance with generally accepted accounting principles or dividends payable in shares of Common Stock or distributions referred to in Section 10(a) hereof);

(iii) of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the conveyance or transfer of the properties and assets of the Company substantially as an entirety, or of any reclassification or change of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or a tender offer or exchange offer for shares of Common Stock;

(iv) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(v) the Company proposes to take any action (other than actions of the character described in Section 8(a) hereof) which would require an adjustment of the Exercise Price pursuant to Section 8 hereof;

then the Company shall cause to be filed with the Warrant Agent and shall cause to be given to each of the registered holders of Warrants at his address appearing on the Warrant register, at least 20 days (or 10 days in any case specified in clauses (i) or (ii) above) prior to the applicable record date hereinafter specified, or promptly in the case of events for which there is no record date, by first-class mail, postage prepaid, a written notice stating (x) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such rights, options, warrants or distribution are to be determined, (y) the initial expiration date set forth in any tender offer or exchange offer for shares of Common Stock, or (z) the date on which any such consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective or consummated, and the date as of which it is expected that holders of record of shares of Common Stock shall be entitled to exchange such shares for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, conveyance, transfer,

dissolution, liquidation or winding up. The failure to give the notice required by this Section 11 or any defect therein shall not affect the legality or validity of any distribution, right, option, warrant, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any action.

(c) Nothing contained in this Agreement or in any of the Warrant Certificates shall be construed as conferring upon the holders of Warrants the right to vote or to consent or to receive notice as stockholders in respect of the meetings of stockholders or the election of directors of the Company or any other matter, or any rights whatsoever as stockholders of the Company.

SECTION 11. MERGER, CONSOLIDATION OR CHANGE OF NAME OF WARRANT AGENT.

(g) Any corporation into which the Warrant Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to all or substantially all of the business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor warrant agent under the provisions of Section 13 hereof. In case at the time such successor to the Warrant Agent shall succeed to the agency created by this Agreement, and in case at that time any of the Warrant Certificates shall have been countersigned but not delivered, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent; and in case at that time any of the Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor to the Warrant Agent; and in all such cases such Warrant Certificates shall have the full force and effect provided in the Warrant Certificates and in this Agreement.

(h) In case at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent whose name has been changed may adopt the countersignature under its prior name, and in case at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name, and in all such cases such Warrant Certificates shall have the full force and effect provided in the Warrant Certificates and in this Agreement.

SECTION 12. WARRANT AGENT.

The Warrant Agent undertakes only those duties and obligations specifically imposed on it by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Warrants, by their acceptance thereof, shall be bound:

(a) The statements contained herein and in the Warrant Certificates shall be taken as statements of the Company and the Warrant Agent assumes no responsibility for the correctness of any of the same except such as describe the Warrant Agent or action taken or to be taken by it. The Warrant Agent assumes no responsibility with respect to the distribution of the Warrant Certificates except as herein otherwise provided.

(b) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Warrant Certificates to be complied with by the Company.

(c) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company) and the Warrant Agent shall incur no liability or responsibility to the Company or to any holder of any Warrant Certificate in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

(d) The Warrant Agent shall incur no liability or responsibility to the Company or to any holder of any Warrant Certificate for any action taken in reliance on any Warrant Certificate, certificate of shares, notice, resolution, waiver, consent, order, certificate, or other paper, document or instrument (whether in original or facsimile form) believed by it to be genuine and to have been signed, sent or presented by the proper party or parties. The Warrant Agent need not investigate any fact or matter stated in such document.

(e) The Company agrees to pay to the Warrant Agent reasonable compensation for all services rendered by the Warrant Agent in the execution of this Agreement, to reimburse the Warrant Agent for all expenses, taxes and governmental charges and other charges of any kind and nature incurred by the Warrant Agent in the execution of this Agreement. The Company shall indemnify the Warrant Agent and its agents, employees, officers, directors and shareholders for, and hold same harmless against, any and all losses, liabilities, claims, damages or expenses (including without limitation reasonable attorney's fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Warrant Agreement, including the costs and expenses of enforcing this Warrant Agreement against the Company and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense is determined by a court of competent jurisdiction to have been caused by its gross negligence or willful misconduct. The Warrant Agent shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Warrant Agent to so notify the Company shall not relieve the Company of its obligations hereunder. At the Warrant Agent's sole discretion, the Company shall defend the claim and the Warrant Agent shall cooperate in the defense at the Company's expense. The Warrant Agent may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld. The benefits of this Section shall survive termination of this Agreement or change of Warrant Agent.

(f) The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more registered holders of Warrants shall furnish the Warrant Agent with reasonable security and indemnity satisfactory to it for any costs and expenses which may be incurred, but this provision shall not affect the power of the Warrant Agent to take such action as it may consider proper, whether with or without any such security or indemnity. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without the possession of any of the Warrant Certificates or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent and any recovery of judgment shall be for the ratable benefit of the registered holders of the Warrants, as their respective rights or interests may appear.

(g) The Warrant Agent, and any stockholder, director, officer or employee of it, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(h) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything which it may do or refrain from doing in connection with this Agreement except for its own gross negligence or willful misconduct.

(i) The Warrant Agent shall not at any time be under any duty or responsibility to any holder of any Warrant Certificate to make or cause to be made any adjustment of the Exercise Price or number of the Warrant Shares or other securities or property deliverable as provided in this Agreement, or to determine whether any facts exist which may require any of such adjustments, or with respect to the nature or extent of any such adjustments, when made, or with respect to the method employed in making the same. The Warrant Agent shall not be accountable with respect to the validity or value or the kind or amount of any Warrant Shares or of any securities or property which may at any time be issued or delivered upon the exercise of any Warrant or with respect to whether any such Warrant Shares or other securities will when issued be validly issued and fully paid and nonassessable, and makes no representation with respect thereto.

(i) The Warrant Agent shall not be required to, and shall not, expend or risk any of its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

(j) In no event shall the Warrant Agent be liable for any consequential, punitive or special damages, or for the acts or omissions of its nominees, correspondents, designees, subagents or subcustodians.

(k) The Warrant Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Warrant Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility).

(l) In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by the Warrant Agent hereunder, the Warrant Agent may, in its sole discretion, refrain from taking any action other than retain possession of the Warrant Shares, unless the Warrant Agent receives written instructions, signed by the Company, which eliminates such ambiguity or uncertainty.

SECTION 13. CHANGE OF WARRANT AGENT.

If the Warrant Agent shall become incapable of acting as Warrant Agent, the Company shall appoint a successor to such Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after it has been notified in writing of such incapacity by the Warrant Agent or

by the registered holder of a Warrant Certificate, then the registered holder of any Warrant or the Warrant Agent may petition at the expense of the Company to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Pending appointment of a successor to such Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. The holders of a majority of the unexercised Warrants shall be entitled at any time to remove the Warrant Agent and appoint a successor to such Warrant Agent. Such successor to the Warrant Agent need not be approved by the Company or the former Warrant Agent. After appointment the successor to the Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed; provided that the former Warrant Agent shall deliver and transfer to the successor to the Warrant Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 13, however, or any defect therein, shall not affect the legality or validity of the appointment of a successor to the Warrant Agent.

SECTION 14. REPORTS.

(a) Whether or not required by the rules and regulations of the Commission, so long as any Warrants or the Warrant Shares are outstanding, the Company shall make available to the Warrant Agent and the holders of Warrants or Warrant Shares (i) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Company's certified independent accountants and (ii) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports. In addition, whether or not required by the rules and regulations of the Commission, the Company shall file a copy of all such information and reports with the Commission for public availability (unless the Commission shall not accept such a filing) and make such information available to securities analysts and prospective investors upon request. Delivery of such reports, information and documents to the Warrant Agent is for informational purposes only and the Warrant Agent's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Warrant Agent is entitled to rely exclusively on Officers' Certificates).

(b) The Company shall provide the Warrant Agent with a sufficient number of copies of all such reports that the Warrant Agent may be required to deliver to the holders of the Warrants and the Warrant Shares under this Section 14.

SECTION 15. NOTICES TO COMPANY AND WARRANT AGENT.

Any notice or demand authorized by this Agreement to be given or made by the Warrant Agent or by the registered holder of any Warrant to or on the Company shall be sufficiently given or made when received if deposited in the mail, first class or registered, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent) as follows:

American Tower Corporation
116 Huntington Avenue, 11th Floor
Boston, MA 02116
Telecopier No.: (617) 375-7575
Attention: Chief Financial Officer and Treasurer and

Executive Vice President and General Counsel

With a copy to:

Palmer & Dodge LLP
111 Huntington Avenue
Boston, MA 02199
Telecopier No.: (617) 227-4420
Attention: Matthew J. Gardella, Esq.

In case the Company shall fail to maintain such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations may be made and notices and demands may be served at the principal office of the Warrant Agent.

Any notice pursuant to this Agreement to be given by the Company or by the registered holder(s) of any Warrant to the Warrant Agent shall be sufficiently given when and if deposited in the mail, first-class or registered, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company) to the Warrant Agent as follows:

The Bank of New York
101 Barclay Street, Fl. 8W
New York, NY 10286
Telecopier No.: (212) 815-5704
Attention: Corporate Trust Administration

SECTION 16. SUPPLEMENTS AND AMENDMENTS.

The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any holders of Warrants in order to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Warrant Agent may deem necessary or desirable and which shall not in any way adversely affect the interests of the holders of Warrants. Any amendment or supplement to this Agreement that has an adverse effect on the interests of the holders of Warrants shall require the written consent of the holders of a majority of the then outstanding Warrants (excluding Warrants held by the Company or any of its affiliates). The consent of each holder of Warrants affected shall be required for any amendment pursuant to which the Exercise Price would be increased or the number of Warrant Shares purchasable upon exercise of Warrants would be decreased (other than pursuant to adjustments provided in this Agreement).

SECTION 17. SUCCESSORS.

All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 18. TERMINATION.

This Agreement shall terminate at 5:00 p.m., New York City time on August 1, 2008. Notwithstanding the foregoing, this Agreement will terminate on any earlier date if all Warrants have been exercised or on the Redemption Date if the Escrow Corp. Merger has not been consummated. The provisions of Section 12 shall survive such termination.

SECTION 19. GOVERNING LAW.

This Agreement and each Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the internal laws of said State.

SECTION 20. BENEFITS OF THIS AGREEMENT.

Nothing in this Agreement shall be construed to give to any person or corporation other than the Company, the Warrant Agent and the registered holders of Warrants any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the registered holders of Warrants.

SECTION 21. COUNTERPARTS.

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

American Tower Corporation

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and Treasurer

The Bank of New York, as Warrant Agent

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Treasurer

EXHIBIT A

[Form of Warrant Certificate]

[Face]

Unit Legend. Each Warrant issued prior to the Separation Date shall bear the following legend (the "Unit Legend") on the face thereof:

THE WARRANTS EVIDENCED BY THIS CERTIFICATE ARE INITIALLY ISSUED AS PART OF AN ISSUANCE OF UNITS (THE "UNITS"), EACH OF WHICH CONSISTS OF \$1,000 PRINCIPAL AMOUNT AT MATURITY OF THE 12.25% SENIOR SUBORDINATED DISCOUNT NOTES DUE 2008 (THE "NOTES") OF ESCROW CORP. AND ONE WARRANT TO PURCHASE 14.0953 SHARES, PAR VALUE \$0.01 PER SHARE, OF AMERICAN TOWER CORPORATION.

PRIOR TO THE EARLIEST TO OCCUR OF (I) 180 DAYS AFTER THE CLOSING OF THE OFFERING, (II) THE DATE ON WHICH A REGISTRATION STATEMENT FOR A REGISTERED EXCHANGE OFFER WITH RESPECT TO THE NOTES IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (III) THE DATE A SHELF REGISTRATION STATEMENT WITH RESPECT TO THE WARRANTS IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (IV) SUCH DATE AS CREDIT SUISSE FIRST BOSTON LLC IN ITS SOLE DISCRETION SHALL DETERMINE AND (V) IN THE EVENT OF A CHANGE OF CONTROL, THE DATE AMERICAN TOWER ESCROW CORPORATION (OR ITS SUCCESSOR) MAILES THE REQUISITE NOTICE TO THE HOLDERS, THE WARRANTS EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED OR EXCHANGED SEPARATELY FROM, BUT MAY BE TRANSFERRED OR EXCHANGED ONLY TOGETHER WITH, THE NOTES.

Private Placement Legend: Each Warrant issued pursuant to an exemption from the registration requirements of the Securities Act shall bear the following legend (the "Private Placement Legend") on the face thereof:

THIS SECURITY (OR ITS PREDECESSOR) AND THE WARRANT SHARES TO BE ISSUED UPON ITS EXERCISE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSONWHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF

AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THE HOLDER OF THIS SECURITY AGREES NOT TO ENGAGE IN HEDGING TRANSACTIONS UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE WARRANT AGREEMENT CONTAINS A PROVISION REQUIRING THE WARRANT AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING.

Global Warrant Legend. Each Global Warrant shall bear the following legend (the "Global Warrant Legend") on the face thereof:

THIS GLOBAL WARRANT IS HELD BY THE DEPOSITARY (AS DEFINED IN THE WARRANT AGREEMENT GOVERNING THIS WARRANT) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE WARRANT AGENT MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 3.5 OF THE WARRANT AGREEMENT, (II) THIS GLOBAL WARRANT MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 3.5(A) OF THE WARRANT AGREEMENT, (III) THIS GLOBAL WARRANT MAY BE DELIVERED TO THE WARRANT AGENT FOR CANCELLATION PURSUANT TO SECTION 3.8 OF THE WARRANT AGREEMENT AND (IV) THIS GLOBAL WARRANT MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF AMERICAN TOWER CORPORATION (THE "COMPANY").

Regulation S Legend. Each Warrant that is a Registrable Security and issued pursuant to Regulation S shall bear the following legend (the "Regulation S Legend") on the face thereof:

THIS WARRANT AND THE SECURITIES TO BE ISSUED UPON ITS EXERCISE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND THE WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. IN ORDER TO EXERCISE THIS WARRANT, THE HOLDER MUST FURNISH TO THE COMPANY AND THE WARRANT AGENT EITHER (A) A WRITTEN CERTIFICATION THAT IT IS NOT A U.S. PERSON AND THE WARRANT IS NOT BEING EXERCISED ON BEHALF OF A U.S. PERSON OR (B) A WRITTEN OPINION OF COUNSEL TO THE EFFECT THAT THE SECURITIES DELIVERED UPON EXERCISE OF THE WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THAT THE DELIVERY OF SUCH SECURITIES IS EXEMPT FROM THE REGISTRATION REQUIREMENTS

OF THE SECURITIES ACT. TERMS IN THIS LEGEND HAVE THE MEANINGS GIVEN TO THEM BY
REGULATION S UNDER THE SECURITIES ACT.

No. _____ Warrants
CUSIP No. _____

Warrant Certificate

AMERICAN TOWER CORPORATION

This Warrant Certificate certifies that Cede & Co., or its registered assigns, is the registered holder of Warrants expiring August 1, 2008 (the "Warrants") to purchase Class A Common Stock, par value \$0.01 (the "Common Stock"), of American Tower Corporation, a Delaware corporation. Each Warrant entitles the registered holder upon exercise at any time on or after the opening of business on January 29, 2006 until 5:00 p.m., New York City time before or on August 1, 2008 (the "Exercise Period"), to receive from the Company 14.0953 fully paid and nonassessable shares of Common Stock (the "Warrant Shares") at the initial exercise price (the "Exercise Price") of \$0.01 per share payable upon surrender of this Warrant Certificate and payment of the Exercise Price at the office or agency of the Warrant Agent, but only subject to the conditions set forth herein and in the Warrant Agreement referred to on the reverse hereof. The Exercise Price and number of Warrant Shares issuable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement. Notwithstanding the foregoing, if the Escrow Corp. Merger has not been consummated and the Notes have been mandatorily redeemed pursuant to Section 3.08 of the Indenture (the "Redemption Date"), each Warrant shall become void and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of the Redemption Date.

No Warrant may be exercised after 5:00 p.m., New York City time on August 1, 2008, and to the extent not exercised by such time such Warrants shall become void.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement.

This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this Warrant
Certificate to be signed below.

Dated: January 29, 2003

American Tower Corporation

By: -----
Name: Bradley E. Singer
Title: Chief Financial Officer and Treasurer

Countersigned:

The Bank of New York
as Warrant Agent

By: -----
Name: Kisha A. Holder
Title: Assistant Treasurer

[Reverse of Warrant Certificate]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants expiring at 5:00 p.m. New York City time on August 1, 2008 entitling the holder upon exercise to receive shares of Class A Common Stock, and are issued or to be issued pursuant to a Warrant Agreement dated as of January 29, 2003 (the "Warrant Agreement"), duly executed and delivered by the Company to The Bank of New York, as warrant agent (the "Warrant Agent"), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company.

Warrants may be exercised at any time on or after the opening of business on January 29, 2006 and on or before 5:00 p.m. New York City time on August 1, 2008; provided that holders shall be able to exercise their Warrants only if a registration statement relating to the Warrants Shares is then in effect, or the exercise of such Warrants is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of the Warrants or other persons to whom it is proposed that the Warrant Shares be issued on exercise of the Warrants reside. In order to exercise all or any of the Warrants represented by this Warrant Certificate, the holder must deliver to the Warrant Agent at its New York corporate trust office set forth in Section 15 of the Warrant Agreement this Warrant Certificate and the form of election to purchase on the reverse hereof duly filled in and signed, which signature shall be medallion guaranteed by an institution which is a member of a Securities Transfer Association recognized signature guarantee program, and upon payment to the Warrant Agent for the account of the Company of the Exercise Price, as adjusted as provided in the Warrant Agreement, for the number of Warrant Shares in respect of which such Warrants are then exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant. Notwithstanding the foregoing, if the Escrow Corp. Merger has not been consummated and the Notes have been mandatorily redeemed pursuant to Section 3.08 of the Indenture (the "Redemption Date"), each Warrant shall become void and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of the Redemption Date.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price set forth on the face hereof may, subject to certain conditions, be adjusted. If the Exercise Price is adjusted, the Warrant Agreement provides that the number of shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted. No fractions of a share of Common Stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement.

The Company has agreed pursuant to a Warrant Registration Rights Agreement dated as of January 29, 2003 (the "Warrant Registration Rights Agreement") to file within 90 days after the issuance of the Warrants and use its reasonable best efforts to make effective, subject to certain exceptions detailed in the Warrant Registration Rights Agreement, on or before 180 days after such date a shelf registration statement covering the resale of the Warrants, the issuance by American Tower Corporation's common stock upon the exercise of the warrants resold pursuant to such registration statement and the resale of the Warrant Shares by the holder thereof on the appropriate form under the Securities Act, and to use its reasonable best efforts (subject to certain "black-out" periods not to exceed 60 days in any calendar year subject to extension for 30 days in certain circumstances) to keep such

registration statement continuously effective under the Securities Act, subject to certain exceptions, until two years following the Closing Date.

Warrant Certificates, when surrendered at the office of the Warrant Agent by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the registered holder(s) thereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a stockholder of the Company.

[Form of Election to Purchase]

(To Be Executed Upon Exercise Of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive _____ shares of Class A Common Stock and herewith tenders payment for such shares to the order of AMERICAN TOWER CORPORATION in the amount of \$_____ in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____, whose address is _____ and that such shares be delivered to _____, whose address is _____. If said number of shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such shares be registered in the name of _____, whose address is _____, and that such Warrant Certificate be delivered to whose address is _____.

Signature

Date:

Signature Guaranteed

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Warrant Agent, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Warrant Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF INTERESTS OF GLOBAL WARRANTS

The following exchanges of a part of this Global Warrant have been made:

Date of Exchange	Amount of decrease in Number of warrants in this Global Warrant	Amount of increase in Number of Warrants in this Global Warrant	Number of Warrants in this Global Warrant following such decrease or increase	Signature of authorized officer of Warrant Agent
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -

FORM OF CERTIFICATE OF TRANSFER

The Bank of New York
[_____]
 [_____]
 Attention: [_____]

Reference is hereby made to the Warrant Agreement, dated as of January 29, 2003 (the "Warrant Agreement"), between American Tower Corporation, as issuer (the "Company"), and The Bank of New York, as warrant agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Warrant Agreement.

[CHECK ALL THAT APPLY]

2. ☐ Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Warrant or a Definitive Warrant pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United

States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Warrant and/or the Definitive Warrant and in the Warrant Agreement and the Securities Act.

3. ☐ Check and complete if Transferee will take delivery of a beneficial interest in the IAI Global Warrant or a Definitive Warrant pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Warrants and Restricted Definitive Warrants and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) ☐ such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Warrant or Restricted Definitive Warrants and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Warrant Agreement and (2) if the Company requests, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Warrant and/or the Definitive Warrants and in the Warrant Agreement and the Securities Act.

4. [] Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Warrant or of an Unrestricted Definitive Warrant.

(a) [] Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Warrant Agreement and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Warrants, on Restricted Definitive Warrants and in the Warrant Agreement.

(b) [] Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Warrant Agreement and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Warrants, on Restricted Definitive Warrants and in the Warrant Agreement.

(c) [] Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Warrant Agreement and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Warrants or Restricted Definitive Warrants and in the Warrant Agreement.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: -----
Name:
Title:

Dated: -----

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

- (i) ☐ 144A Global Warrant, or
- (ii) ☐ Regulation S Global Warrant, or
- (iii) ☐ IAI Global Warrant; or

(b) ☐ a Restricted Definitive Warrant.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

- (i) ☐ 144A Global Warrant, or
- (ii) ☐ Regulation S Global Warrant, or
- (iii) ☐ IAI Global Warrant, or
- (iv) ☐ Unrestricted Global Warrant; or

(b) ☐ a Restricted Definitive Warrant; or

(c) ☐ an Unrestricted Definitive Warrant,

in accordance with the terms of the Warrant Agreement.

EXHIBIT C
FORM OF CERTIFICATE OF EXCHANGE

American Tower Corporation
116 Huntington Avenue, 11th Floor
Boston, MA 02116
Attention: [_____]

The Bank of New York
[_____]

[_____]
Attention: [_____]

Re: Warrants

(CUSIP _____)

Reference is hereby made to the Warrant Agreement, dated as of January 29, 2003 (the "Warrant Agreement"), between American Tower Corporation, as issuer (the "Company"), and The Bank of New York, as warrant agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Warrant Agreement.

_____, (the "Owner") owns and proposes to exchange the Warrant[s] or interest in such Warrant[s] specified herein, in the amount of \$_____ in such Warrant[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Warrants or Beneficial Interests in a Restricted Global Warrant for Unrestricted Definitive Warrants or Beneficial Interests in an Unrestricted Global Warrant

(a) [] Check if Exchange is from beneficial interest in a Restricted Global Warrant to beneficial interest in an Unrestricted Global Warrant. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Warrant for a beneficial interest in an Unrestricted Global Warrant in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Warrants and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Warrant is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) [] Check if Exchange is from beneficial interest in a Restricted Global Warrant to Unrestricted Definitive Warrant. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Warrant for an Unrestricted Definitive Warrant, the Owner hereby certifies (i) the Definitive Warrant is being acquired for the Owner's own account without transfer,

(ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Warrants and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Warrant is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ Check if Exchange is from Restricted Definitive Warrant to beneficial interest in an Unrestricted Global Warrant. In connection with the Owner's Exchange of a Restricted Definitive Warrant for a beneficial interest in an Unrestricted Global Warrant, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Warrants and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ Check if Exchange is from Restricted Definitive Warrant to Unrestricted Definitive Warrant. In connection with the Owner's Exchange of a Restricted Definitive Warrant for an Unrestricted Definitive Warrant, the Owner hereby certifies (i) the Unrestricted Definitive Warrant is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Warrants and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Warrant is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Warrants or Beneficial Interests in Restricted Global Warrants for Restricted Definitive Warrants or Beneficial Interests in Restricted Global Warrants

(a) ☐ Check if Exchange is from beneficial interest in a Restricted Global Warrant to Restricted Definitive Warrant. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Warrant for a Restricted Definitive Warrant in a number equal to the number of beneficial interests exchanged, the Owner hereby certifies that the Restricted Definitive Warrant is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Warrant Agreement, the Restricted Definitive Warrant issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Warrant and in the Warrant Agreement and the Securities Act.

(b) Check if Exchange is from Restricted Definitive Warrant to beneficial interest in a Restricted Global Warrant. In connection with the Exchange of the Owner's Restricted Definitive Warrant for a beneficial interest in the ☐ [CHECK ONE] ☐ 144A Global Warrant, ☐ Regulation S Global Warrant, ☐ IAI Global Warrant in a number equal to the number of beneficial interests exchanged, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Warrants and pursuant to and in

accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Warrant Agreement, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Warrant and in the Warrant Agreement and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:

Name:
Title:

Dated: -----

or beneficial interest in a Global Warrant from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Warrants or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Warrants purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Warrants, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Warrants or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

We agree not to engage in any hedging transactions with regard to the Warrants unless such hedging transactions are in compliance with the Securities Act.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Transferor]

By: -----
Name:
Title:

Dated: -----

EXHIBIT E

FORM OF WARRANT REGISTRATION RIGHTS AGREEMENT

E-1

Warrant Certificate

THE WARRANTS EVIDENCED BY THIS CERTIFICATE ARE INITIALLY ISSUED AS PART OF AN ISSUANCE OF UNITS (THE "UNITS"), EACH OF WHICH CONSISTS OF \$1,000 PRINCIPAL AMOUNT AT MATURITY OF THE 12.25% SENIOR SUBORDINATED DISCOUNT NOTES DUE 2008 (THE "NOTES") OF ESCROW CORP. AND ONE WARRANT TO PURCHASE 14.0953 SHARES, PAR VALUE \$0.01 PER SHARE, OF AMERICAN TOWER CORPORATION.

PRIOR TO THE EARLIEST TO OCCUR OF (I) 180 DAYS AFTER THE CLOSING OF THE OFFERING, (II) THE DATE ON WHICH A REGISTRATION STATEMENT FOR A REGISTERED EXCHANGE OFFER WITH RESPECT TO THE NOTES IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (III) THE DATE A SHELF REGISTRATION STATEMENT WITH RESPECT TO THE WARRANTS IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (IV) SUCH DATE AS CREDIT SUISSE FIRST BOSTON LLC IN ITS SOLE DISCRETION SHALL DETERMINE AND (V) IN THE EVENT OF A CHANGE OF CONTROL, THE DATE AMERICAN TOWER ESCROW CORPORATION (OR ITS SUCCESSOR) MAILES THE REQUISITE NOTICE TO THE HOLDERS, THE WARRANTS EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED OR EXCHANGED SEPARATELY FROM, BUT MAY BE TRANSFERRED OR EXCHANGED ONLY TOGETHER WITH, THE NOTES.

THIS SECURITY (OR ITS PREDECESSOR) AND THE WARRANT SHARES TO BE ISSUED UPON ITS EXERCISE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THE HOLDER OF THIS SECURITY AGREES NOT TO ENGAGE IN HEDGING TRANSACTIONS UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE WARRANT AGREEMENT CONTAINS A PROVISION REQUIRING THE WARRANT AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING.

THIS GLOBAL WARRANT IS HELD BY THE DEPOSITARY (AS DEFINED IN THE WARRANT AGREEMENT GOVERNING THIS WARRANT) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE WARRANT AGENT MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 3.5 OF THE WARRANT AGREEMENT, (II) THIS GLOBAL WARRANT MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 3.5(A) OF THE WARRANT AGREEMENT, (III) THIS GLOBAL WARRANT MAY BE DELIVERED TO THE WARRANT AGENT FOR CANCELLATION PURSUANT TO SECTION 3.8 OF THE WARRANT AGREEMENT AND (IV) THIS GLOBAL WARRANT MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF AMERICAN TOWER CORPORATION (THE "COMPANY").

Warrant Certificate

AMERICAN TOWER CORPORATION

This Warrant Certificate certifies that Cede & Co., or its registered assigns, is the registered holder of Warrants expiring August 1, 2008 (the "Warrants") to purchase Class A Common Stock, par value \$0.01 (the "Common Stock"), of American Tower Corporation, a Delaware corporation. Each Warrant entitles the registered holder upon exercise at any time on or after the opening of business on January 29, 2006 until 5:00 p.m., New York City time before or on August 1, 2008 (the "Exercise Period"), to receive from the Company 14.0953 fully paid and nonassessable shares of Common Stock (the "Warrant Shares") at the initial exercise price (the "Exercise Price") of \$0.01 per share payable upon surrender of this Warrant Certificate and payment of the Exercise Price at the office or agency of the Warrant Agent, but only subject to the conditions set forth herein and in the Warrant Agreement referred to on the reverse hereof. The Exercise Price and number of Warrant Shares issuable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement. Notwithstanding the foregoing, if the Escrow Corp. Merger has not been consummated and the Notes have been mandatorily redeemed pursuant to Section 3.08 of the Indenture (the "Redemption Date"), each Warrant shall become void and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of the Redemption Date.

No Warrant may be exercised after 5:00 p.m., New York City time on August 1, 2008, and to the extent not exercised by such time such Warrants shall become void.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement.

This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this Warrant
Certificate to be signed below.

Dated: January 29, 2003

American Tower Corporation

By: _____
Name:
Title:

Countersigned:

The Bank of New York
as Warrant Agent

By: _____
Authorized Signature

[Reverse of Warrant Certificate]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants expiring at 5:00 p.m. New York City time on August 1, 2008 entitling the holder upon exercise to receive shares of Class A Common Stock, and are issued or to be issued pursuant to a Warrant Agreement dated as of January 29, 2003 (the "Warrant Agreement"), duly executed and delivered by the Company to The Bank of New York, as warrant agent (the "Warrant Agent"), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company.

Warrants may be exercised at any time on or after the opening of business on January 29, 2006 and on or before 5:00 p.m. New York City time on August 1, 2008; provided that holders shall be able to exercise their Warrants only if a registration statement relating to the Warrants Shares is then in effect, or the exercise of such Warrants is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of the Warrants or other persons to whom it is proposed that the Warrant Shares be issued on exercise of the Warrants reside. In order to exercise all or any of the Warrants represented by this Warrant Certificate, the holder must deliver to the Warrant Agent at its New York corporate trust office set forth in Section 15 of the Warrant Agreement this Warrant Certificate and the form of election to purchase on the reverse hereof duly filled in and signed, which signature shall be medallion guaranteed by an institution which is a member of a Securities Transfer Association recognized signature guarantee program, and upon payment to the Warrant Agent for the account of the Company of the Exercise Price, as adjusted as provided in the Warrant Agreement, for the number of Warrant Shares in respect of which such Warrants are then exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant. Notwithstanding the foregoing, if the Escrow Corp. Merger has not been consummated and the Notes have been mandatorily redeemed pursuant to Section 3.08 of the Indenture (the "Redemption Date"), each Warrant shall become void and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of the Redemption Date.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price set forth on the face hereof may, subject to certain conditions, be adjusted. If the Exercise Price is adjusted, the Warrant Agreement provides that the number of shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted. No fractions of a share of Common Stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement.

The Company has agreed pursuant to a Warrant Registration Rights Agreement dated as of January 29, 2003 (the "Warrant Registration Rights Agreement") to file within 90 days after the issuance of the Warrants and use its reasonable best efforts to make effective, subject to certain exceptions detailed in the Warrant Registration Rights Agreement, on or before

180 days after such date a shelf registration statement covering the resale of the Warrants, the issuance by American Tower Corporation's common stock upon the exercise of the warrants resold pursuant to such registration statement and the resale of the Warrant Shares by the holder thereof on the appropriate form under the Securities Act, and to use its reasonable best efforts (subject to certain "black-out" periods not to exceed 60 days in any calendar year subject to extension for 30 days in certain circumstances) to keep such registration statement continuously effective under the Securities Act, subject to certain exceptions, until two years following the Closing Date.

Warrant Certificates, when surrendered at the office of the Warrant Agent by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the registered holder(s) thereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a stockholder of the Company.

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ATC MEXICO HOLDING CORP.

2001 Stock Option Plan

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Table of Contents

	Page
1. PURPOSE	1
2. ADMINISTRATION OF THE PLAN	1
3. OPTION SHARES	2
4. AUTHORITY TO GRANT OPTIONS	2
5. WRITTEN AGREEMENT	2
6. ELIGIBILITY	2
7. OPTION PRICE	3
8. DURATION OF OPTIONS	3
9. VESTING PROVISIONS	3
10. EXERCISE OF OPTIONS	4
11. TRANSFERABILITY OF OPTIONS	5
12. TERMINATION OF EMPLOYMENT OR INVOLVEMENT OF OPTIONEE WITH THE COMPANY	5
13. REQUIREMENTS OF LAW	6
14. NO RIGHTS AS STOCKHOLDER	6
15. EMPLOYMENT OBLIGATION	6
16. FORFEITURE AS A RESULT OF TERMINATION FOR CAUSE	6
17. CHANGES IN THE COMPANY'S CAPITAL STRUCTURE	7
18. AMENDMENT OR TERMINATION OF PLAN	8
19. CERTAIN RIGHTS OF THE COMPANY	8
20. GOVERNING LAW	10
21. EFFECTIVE DATE AND DURATION OF THE PLAN	10

ATC MEXICO HOLDING CORP.

2001 STOCK OPTION PLAN

1. PURPOSE

The purpose of this 2001 Stock Option Plan (the "Plan") is to encourage directors, officers and employees of and consultants and other persons providing services to ATC Mexico Holding Corp. (the "Company") and its Affiliates (as hereinafter defined) to continue their association with the Company and its Affiliates, 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 "Affiliate" as used in the Plan means a corporation or other business organization which owns in the Company, or in which the Company or any such corporation or other business entity 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 ISOs or NQOs, 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 sole and absolute 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, 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 as ISOs to qualify as incentive stock options as described in Section 422 of 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. If, however, the Committee is not comprised of two or more "outside directors," then, although the Committee may still administer the Plan, the Compensation Committee of the Board of Directors of American Tower Corporation ("ATC"), so long as it is the parent of the Company, or such other committee that makes grants pursuant to the parent's stock option or similar plan, shall make grants of options or other rights under the Plan (if the

Compensation Committee or such committee consists of two or more members who are "outside directors").

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 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 360 shares; provided, however, such aggregate number of shares shall be subject to adjustment in accordance with the provisions of Section 17. If an 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 150 shares, subject to adjustment in accordance with the provisions of Section 17.

4. AUTHORITY TO GRANT OPTIONS

The Committee may determine, from time to time, which employees of the Company or any Affiliate 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 an Affiliate 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 a duly authorized officer 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 an Affiliate, and who have contributed or may be expected to contribute to the success of the Company or an Affiliate. 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 Affiliate, the price at 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 will be based on the Company Value; 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 Option shall be exercisable after the expiration of ten (10) years 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 Affiliate, 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.

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. The Committee may, in its sole and absolute discretion, accelerate Options, in whole or in part, on such terms and conditions as the Committee may, in its sole and absolute discretion, determine.

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, payment of the option price may be made in whole or in part by a full recourse 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, pursuant to a pledge agreement in form and scope satisfactory to the Committee, by the shares of Stock obtained upon exercise of the Option and other collateral satisfactory to the Committee which other collateral shall be in an amount equal to not less than 100% of the principal amount of the note; (b) repayment shall be made no later than three (3) years from the date of exercise; and (c) the note shall bear interest at a market 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 or result in a compensation expense to the Company or any Affiliate of the Company for financial reporting purposes.

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, subject to such conditions as it shall, in its sole and absolute discretion, determine, 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) an Affiliate 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. The Committee may, subject to such conditions as it shall, in its sole and absolute discretion, determine, specify in an Option Agreement that, 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 law 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 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 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 Affiliate 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 Affiliate 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. CERTAIN RIGHTS OF THE COMPANY

(a) Voluntary or Involuntary Transfers of Stock. The voluntary or involuntary transfer of shares of Stock acquired by an Optionee pursuant to the exercise of an Option or Options granted under the Plan is subject to the provisions of the Stockholder Agreement.

(b) Termination of Employment or Involvement. If the Optionee's employment by or involvement with the Company (including, for this purpose, any Affiliate) shall terminate because of (x) the death or Disability of Optionee, (y) a Wrongful Termination, or (z) a Forfeiture Event, the Company shall have the assignable right to repurchase all but not less than all of the shares of Stock (or other shares or securities derived therefrom) acquired pursuant to the exercise of an Option at a price equal to the Put/Call Price at the time of such repurchase. In addition, if at the time of such termination an Optionee holds an Option granted under the Plan which is by its terms exercisable after such termination, the Company shall have the assignable right to repurchase all but not less than all of the shares of Stock acquired pursuant to the exercise of such Option, at the Put/Call Price at the time of such repurchase. If the option price for any repurchased shares has been paid by the Optionee's promissory note pursuant to Section 10, then the repurchase price for such shares of Stock shall be first applied to the repayment of the outstanding amount, if any, due under such note in respect of the repurchased shares, and any accrued but unpaid interest thereon. The Company's right to repurchase shares of Stock (or other shares or securities) may be exercised at any time not earlier than one hundred and eighty (180) days following the exercise of the Option with respect to the shares of Stock (or other shares or securities) to be repurchased, and not later than three hundred and sixty-five (365) days following the date of (i) the Optionee's termination of employment or involvement or (ii) in the case of a repurchase of shares of Stock (or other shares or securities) acquired pursuant to the exercise of an Option subsequent to such termination, such exercise. Any such shares of Stock (or other shares or securities) as to which the Company does not exercise its repurchase rights within such period shall thereafter be free of the foregoing restrictions, but subject, however, to the provisions of the Stockholder Agreement.

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 on the Stock in shares of Stock or other securities of the Company. 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; (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 in part; (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; (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, in the case of any such cancellation pursuant to clause (c), (i) notice shall be given to each holder of an Option not less than thirty (30) days preceding the effective date of such Applicable Event, and (ii) all such outstanding and unexercised Options shall immediately vest, to the extent that were not so vested so that such Options shall be exercisable in full 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 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 person or in the aggregate; or 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 ISO 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. CERTAIN TERMS

As used herein the following terms shall have the following respective meanings:

"ATC" shall mean American Tower Corporation, a Delaware corporation.

"Change of Control" shall mean the acquisition, directly or indirectly, by any person, entity or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than ATC or any of its subsidiaries or any person or entity who is, as of the date hereof, an executive officer, director or the holder of five percent (5%) or more of the aggregate voting power of all classes of common stock of ATC, or any Affiliate of any such officer, director or holder, or any group of which any such officer, director, holder or Affiliate is a member, of more than fifty percent (50%) of the Stock or more than fifty percent (50%) of the aggregate voting power of all classes of common stock of ATC.

"Company Value" shall mean the Holding Value as defined in and determined from time to time in accordance with the provisions of the Stockholder Agreement.

"Disability" shall mean a condition (mental or physical or both) which, in the good faith judgment of the Board of Directors of the Company, renders Optionee, in his capacity as an officer of or employee of the Company, and by reason of incapacity (mental or physical or both) unable to perform properly his duties as such officer or employee for a period of not less than six (6) months during any twenty-four (24) month period.

"Forfeiture Event" shall mean any of the following acts (other than as a result of the death or Disability of Optionee) committed by Optionee:

(a) any 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 as an officer or employee of the Company, the effect of which has been or reasonably could be expected to materially and adversely affect the business of ATC or any of its Affiliates, as determined in good faith by the ATC Board of Directors, and that (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 the Company to Optionee specifying in reasonable detail the nature of such failure, refusal or misconduct, or

(b) material breach of the provisions of Section 2, 3 or 4 of the Noncompetition Agreement heretofore executed by the Optionee 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 the Company to Optionee specifying in reasonable detail the nature of such breach, or

(c) Optionee is convicted of, pleads guilty or nolo contendere to any act of fraud, embezzlement or misappropriation or other crime involving moral turpitude in connection with his employment by the Company or any of its Affiliates intended by Optionee to result in substantial personal enrichment and which adversely affects the business of ATC or any of its Affiliates, all as determined in good faith by the ATC Board of Directors.

"Good Reason" shall mean:

(a) the assignment to Optionee of any duties inconsistent in any negatively material respect with his position, authority, duties or responsibilities as of the time of the grant of an Option to him or her or any other action by the Company or its Affiliates that results in a diminution, in any material respect, in such position, authority, duties or responsibilities; or

(b) a Change of Control; or

(c) a material reduction in Optionee's compensation or other benefits (taking into account the compensation and other benefits from all Affiliates of the Company from whom he or she may, from time to time, receive compensation), the result of which is to place Optionee in a materially less favorable position as to such compensation and benefits compared to other employees of the Company and its Affiliates of similar stature and position; or

(d) any failure by the Company to comply in any material respect with any material provision of this Agreement or the Plan;

that (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 from Optionee specifying in reasonable detail the nature of such assignment, action, reduction or failure.

"Put/Call Price" shall mean, with respect to Common Stock owned by any Optionee, the amount derived by multiplying (i) the Company Value by (ii) a fraction (x) the numerator of which is the number of shares of Common Stock held by such Optionee and (y) the denominator of which is the aggregate number of shares of Common Stock at the time outstanding.

"Stockholder Agreement" shall mean the Stockholder/Optionee Agreement, dated as of October 11, 2001, by and among the Company, ATC, the Optionee and certain other parties, as from time to time amendment, modified, supplemented, extended and restated.

"Wrongful Termination" shall mean the termination by (a) Optionee of his employment with the Company other than a termination for Good Reason following a Change of Control, or (b) the Company of Optionee's employment as a result of (i) a Forfeiture Event or (ii) a material breach by Optionee of any material provision of the Stockholder Agreement, which (x) is incapable of cure, or (y) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice from the Board of Directors of the Company to Optionee, specifying in reasonable detail the nature of such breach.

20. GOVERNING LAW

The Plan 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 State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

21. EFFECTIVE DATE AND DURATION OF THE PLAN

The Plan shall become effective and shall be deemed to have been adopted on November 15, 2001. 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.

ATC MEXICO HOLDING CORP. 2001 STOCK OPTION PLAN

NOTICE OF GRANT OF STOCK OPTIONS

Option Certificate: No. M-

SPECIFIC TERMS OF THE OPTION

Subject to the terms and conditions hereinafter set forth and the terms and conditions of the ATC Mexico Holding Corp. 2001 Stock Option Plan (the "Plan"), ATC Mexico Holding Corp., a Delaware corporation (the "Company" which term shall include, unless the context otherwise clearly requires, all Affiliates (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: and
 type of Option: Incentive Nonqualified
4. Option Exercise Price (per share): \$
5. Term: Subject to Section 9, this Option expires at 5:00 p.m. Eastern Time on
6. Exercisability: Provided that the Optionee is still employed by the Company at the time of vesting 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, subject to the satisfaction of the conditions set forth in Section 9, become exercisable in its entirety on July 1, 2006 or earlier as provided in Section 9 below.

ATC Mexico Holding Corp.

By:_____

(Signature of Optionee)

Title:_____

Date:_____

Optionee's Address:

ATC MEXICO HOLDING CORP. 2001 STOCK OPTION PLAN

OPTION AGREEMENT

OTHER TERMS OF THE OPTION

WHEREAS, the Board of Directors (the "Board") has authorized the grant of this stock option upon certain terms and conditions set forth in the Plan and herein; and

WHEREAS, the Committee (as defined in the Plan) 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. If so provided in Section 4 on the first page hereof, this Option is an incentive stock option and is intended to qualify for special federal income tax treatment as an "incentive stock option" pursuant to Section 422 of 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 this Section 9 and the Plan. This Option shall become exercisable in its entirety upon the soonest to occur of (a) the exercise by or on behalf of J. Michael Gearon, Jr. of his rights set forth in Section 6(a) of the Stockholder Agreement, (b) the exercise by ATC of its rights pursuant to the provisions of Section 6(b)(i) of the Stockholder Agreement, or (c) a Change of Control.

If before this Option has been exercised in full the Optionee ceases to be an employee of or ceases to provide services for the Company or an Affiliate 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 (or provision of services), but only during the period ending on the earlier of (a) the date on which the Option expires in accordance with Section 5 of the first page hereof or (b) three (3) months after the date of termination of the Optionee's employment with or provision of services for the Company or an Affiliate. However, if the Optionee dies before the date of expiration of this Option and while in the employ of or during the course of providing services for the Company or an Affiliate, 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 ss. 22(e)(3)), the Option shall remain exercisable until its expiration in accordance with Section 5 on the first page hereof or, in the case of an Option designated as an incentive stock option, the earlier of one year from the date of such death or retirement or the date of its expiration. If the Optionee dies before this Option has been exercised in full, the executor, administrator or personal representative of the estate 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 receipt of the promissory note or shares of Common Stock would result in a compensation expense to the Company or any Affiliate of the Company for financial reporting purposes. 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, the 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 and shall be exercisable during the life of the Optionee only by the Optionee; provided, however, that the Option may transfer this Option with the consent of the Committee to a person or entity identified in Section 11 of the Plan.

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 the shares or other securities received will be held for investment and not with a view to their resale or distribution, and he or she 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 12 hereof and to the restrictions on transfer set forth in the Stockholder Agreement.

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 federal, state,

local, Mexican and other applicable 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, 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; and provided, further, that the Fair Market Value of shares withheld shall not exceed an amount in excess of the minimum required withholding.

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 (a) the second anniversary of the date of grant of the Option and (b) the first anniversary of the date the shares were issued upon his exercise of the Option.

17. Termination or Amendment of Plan. The Board may in its sole and absolute discretion at any 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 acceptance of this Option by executing the Notice of Grant of Stock Options, which forms a part of this Agreement, and returning it to the Company within thirty (30) days after its delivery, the Option and this Agreement shall be voidable by the Company in its sole and absolute discretion.

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, except as otherwise permitted by the express terms of the Plan and this Agreement, it 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; provided, however, that a modification or amendment that does not materially diminish the rights of the Optionee hereunder, as they may exist immediately before the effective date of the modification or amendment, shall be effective upon notice of its provisions to the Optionee. 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. Capitalized terms not defined herein shall have the meanings given to them in the Plan

(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 State of Delaware 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: ATC Mexico Holding Corp.
c/o American Tower Corporation
116 Huntington Avenue
Boston, MA 02116
Attention: Chief Financial Officer

with a copy to

American Tower Corporation
116 Huntington Avenue
Boston, MA 02116
Attention: Chief Financial Officer and
General Counsel

[NOTICE OF EXERCISE]

[Date]

ATC Mexico Holding Corp.
 c/o American Tower Corporation
 116 Huntington Avenue
 Boston, Massachusetts 02116

RE: Exercise of Option under ATC Mexico Holding Corp. 2001 Stock Option Plan

The Compensation Committee:

The undersigned hereby elects to exercise the stock option granted to _____ (the "Optionee") pursuant and subject to the terms and conditions of the Notice of Grant of Stock Options and Stock Option Agreement between the Optionee and ATC Mexico Holding Corp. (the "Company") dated as of _____, 200__ (together, the "Option Agreement") by and to the extent of purchasing _____ shares of Common Stock, par value \$.01 per share, of the Company for the option price of \$_____ per share.

Payment for the shares is made as follows [check/complete as appropriate]:

☐ Check (make payable to "ATC Mexico Holding Corp.")

☐ Surrender of shares (attach certificate or attestation form). 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.

☐ Other (explain: _____)

Upon completion of payment, shares shall be delivered to [check/complete as appropriate]:

☐ The undersigned

☐ The following brokerage account

Brokerage firm:_____

Federal tax id. #:_____

DTC #: _____

Account #:_____

Broker:_____Phone:(____) ____-_____

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 the Company 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 the Option Agreement, the Plan and the Stockholder Agreement referred to in the Plan.

Very truly yours,

(Signed by the Optionee or other
party duly exercising option)

Address: _____

Telephone number: (____) ____ - _____

[FORM OF TERM NOTE IN PAYMENT OF EXERCISE PRICE OF OPTIONS]

% SECURED PROMISSORY NOTE

\$

Date:

FOR VALUE RECEIVED, the undersigned (the "Payor") hereby promises to pay to the order of ATC Mexico Holding Corp. (the "Payee") at the principal office of Payee in Boston, Massachusetts on or before December 31, 2010, 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.

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.

This Note shall be paid in its entirety, without premium but with interest accrued and unpaid thereon to the date of payment, upon the earliest to occur of (a) the termination of the Stockholder Agreement, (b) the consummation of the purchase by American Tower Corporation, a Delaware corporation ("ATC"), or any of its affiliates, of the Common Stock (or other securities derived therefrom) of the Payee owned by Payor, and (c) December 31, 2010; provided, however, that notwithstanding the foregoing, in the event ATC (and its affiliates) purchase less than all of such Common Stock (or such other securities) owned by Payor the principal amount of this Note that shall be due and payable shall be equal to an amount determined by multiplying the principal amount of this Note then outstanding by a fraction, (i) the numerator of which is the number of shares of Common Stock (or other securities derived therefrom) so purchased and (ii) the denominator of which is the difference between (x) the number of shares of Common Stock (or such other securities) of Payee originally acquired by Payor and (y) the number of shares of Common Stock (or such other securities) of Payee for which Payor has paid cash, either at the time of the execution of this Note or thereafter.

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 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 2001 Stock Option Plan of the Payee (the "Plan") and the Stock Option Agreement dated _____, _____ (the "Agreement"). This Note is secured by, and the Payee or any other holder of this Note is entitled to the benefits of, the Pledge Agreement, dated as of _____, _____, by and between the Payor and the Payee (the "Pledge Agreement"). The Payee and any other holder of this Note may enforce the agreements of Payor contained in the Stockholder Agreement (as defined in the Plan), the Agreement and the Pledge Agreement and exercise the remedies provided for thereby or otherwise in respect thereof all in accordance with and subject to the terms thereof.

Upon the occurrence of any of the following events (an "acceleration event"):

(a) Failure of the Payor to make any payment of interest on or principal of this Note or to perform or observe any of his or her other 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;

(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, (i) in the case of any event specified in subdivision (b) above, there shall automatically become forthwith due and payable the unpaid balance of this Note, and (ii) in the case of any event specified in subdivision (a) or (c) above, 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 the holder of this Note 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:_____

ATTESTATION FORM

Pursuant to the Notice of Exercise submitted herewith, I have elected to purchase _____ shares of Common Stock, par value \$.01 per share (the "Common Stock") of ATC Mexico Holding Corp. (the "Company") 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 (a) have held the shares I am tendering for at least one year after acquiring such shares through the exercise of an incentive stock option, or (b) have not obtained such shares through the exercise of an incentive stock option.

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. 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.

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/complete as appropriate]:

- [] 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 attached check, payable to the Company, in the amount of \$_____ for the balance of the Option Price
- [] _____ of the listed shares, with any remaining amount to be paid by attached check, payable to the Company, in the amount of \$_____ for the balance of the Option Price

Date:

Print name:

Print name of Joint Owner, if any:

August 22, 2001

(Via Federal Express)

Mr. James D. Taiclet, Jr.
5049 E. Cannon Drive
Paradise Valley, AZ 85253

Dear Jim:

I am pleased to offer you the position of President and Chief Operating Officer of American Tower Corporation. You will be reporting to me, and I have every confidence that your leadership will make a real difference. I very much appreciate the time and effort you invested in the search process. The following outlines the terms of the offer:

o Salary

Your starting annual cash compensation will be \$500,000, paid semi-monthly, increasing to \$550,000 as of January 1, 2002. Thereafter, you will receive annual increases beginning January 1, 2003 as recommended by me to the Compensation Committee.

o Stock Options

You will be granted 500,000 options on your start date of September 3, 2001, or at any time during your first 30 days of employment. The strike price will be consistent with the date on which the actual grant occurs. For the following three years, beginning in 2002, you will receive additional annual option grants of 175,000 shares to be issued in the fourth quarter of the year. All options will be granted at the market value on the date of issuance with our standard four-year vesting at the rate of 25% per year. (See attached stock option plan for additional details.) You would receive 100% vesting under any of the following three circumstances:

- (1) if American Tower were to have a change of control (meaning someone other than present management and directors acquired majority voting control),
- (2) if I should cease to be Chief Executive Officer (other than by reason of death or disability), and you are not selected to succeed me as Chief Executive Officer, or
- (3) if you are not selected to succeed me as CEO within a period of three years.

o Severance

In the unlikely event that you were asked to leave the company for other than cause (which will be defined as theft, fraud, or any other type of egregiously poor behavior), you will be paid a severance benefit of 12 months base salary continuance plus continuance of benefits for the 12 month period. This severance clause also applies if you voluntarily choose to leave the company after being asked to assume a position of lesser responsibility than President and COO or if you choose to leave the company as a result of the occurrence of any items (1) or (2) in the preceding paragraph.

o Automobile

The company will provide an allowance of up to \$1,000 per month for a car of your choosing. You will also be eligible for reserved parking in our building.

o Moving Expenses

American Tower will reimburse up to \$100,000 in moving related costs, including sales commissions.

o Benefits

You will be entitled to all American Tower executive benefits. A listing of benefits and appropriate information are enclosed.

o Vacation

Four weeks per year (more if you need it).

Mr. James D. Taiclet, Jr.
August 22, 2001
Page 3

If our offer is acceptable, please sign and return a copy of this letter for our files.

I look forward to partnering with you, Jim, as we build American Tower into an exciting company that is highly regarded by its customers, shareholders, and employees. Together, and with the help of other key team members, I think we can get a lot of good things done and have some fun along the way.

Warm regards,

/s/ Steven B. Dodge

Steven B. Dodge
Chairman and
Chief Executive Officer

Accepted,

/s/ James D. Taiclet, Jr.

- - - - -

James D. Taiclet, Jr.

Enclosure

AMERICAN TOWERS, INC.
12.25% Senior Subordinated Discount Notes Due 2008

REGISTRATION RIGHTS AGREEMENT

New York, New York
January 29, 2003

Credit Suisse First Boston LLC
Goldman, Sachs & Co.

c/o Credit Suisse First Boston LLC
11 Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

American Tower Escrow Corporation, a corporation organized under the laws of Delaware ("Escrow Corp.") proposes to issue and sell to Credit Suisse First Boston LLC and Goldman, Sachs & Co. (the "Purchasers") upon the terms set forth in a purchase agreement dated January 22, 2003 (the "Purchase Agreement"), its 12.25% Senior Subordinated Discount Notes Due 2008 (the "Securities"), relating to the initial placement of the Securities (the "Initial Placement"). Escrow Corp. is expected to merge with and into American Towers, Inc, a corporation organized under the laws of Delaware (the "Company"), within 60 days of the date hereof. Upon the effectiveness of the Escrow Corp. Merger, the Company will assume all of the obligations of the Securities and will become subject to the terms of this Agreement. The Purchasers hereby agree that the obligations under this Registration Rights Agreement shall not apply to the Company or any of the Guarantors until the consummation of the Escrow Corp. Merger. To induce the Purchasers to enter into the Purchase Agreement and to satisfy a condition of your obligations thereunder, the Company and the Guarantors listed on Schedule A hereto (each a "Guarantor" and, together, "the Guarantors") agree with you for your benefit and the benefit of the holders from time to time of the Securities (including the Purchasers) (each a "Holder" and, together, the "Holders"), as follows:

1. Definitions. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Accreted Value" means, as of any date of determination an amount per \$1,000 principal amount at maturity of the Notes that is equal to the sum of (a) the initial offering price

of each Note and (b) the portion of the excess of the principal amount at maturity of each Note over such initial offering price which shall have been accreted thereon through such date, such amount to be so accreted on a daily basis at a rate of 12.25% per annum of the initial offering price of the Notes, compounded semi-annually on each February 1 and August 1 commencing on August 1, 2003 through the date of determination, computed on the basis of a 360-day year of twelve 30-day months; provided that, at maturity, the Accreted Value of each Note shall be equal to the principal amount of such Note.

"Advice" shall have the meaning set forth in Section 4(c).

"Affiliate" of any specified Person shall mean any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified Person. For purposes of this definition, control of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Broker-Dealer" shall mean any broker or dealer registered as such under the Exchange Act.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City or Washington, D.C.

"Commission" shall mean the Securities and Exchange Commission.

"Effective Time", in the case of (i) an Exchange Offer Registration Statement, shall mean the time and date as of which the Commission declares the Exchange Offer Registration Statement effective or as of which the Exchange Offer Registration Statement otherwise becomes effective and (ii) a Shelf Registration Statement shall mean the time and date as of which the Commission declares the Shelf Registration Statement effective or as of which the Shelf Registration Statement otherwise becomes effective.

"Effectiveness Target Date" shall have the meaning set forth in Section 6(a)(iii) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Exchange Offer Registration Period" shall mean the 180 day period following the consummation of the Registered Exchange Offer (exclusive of any period during which any stop order shall be in effect suspending the effectiveness of the Exchange Offer Registration Statement).

"Exchange Offer Registration Statement" shall mean a registration statement on an appropriate form under the Act with respect to the Registered Exchange Offer, all amendments and supplements to such registration statement, including post-effective

amendments thereto, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Exchanging Dealer" shall mean any Holder (which may include any Purchaser) that is a Broker-Dealer and elects to exchange for New Securities any Securities that it acquired for its own account as a result of market-making activities or other trading activities (but not directly from the Company or any of the Guarantors or any Affiliate of the Company or any of the Guarantors) for New Securities.

"Final Memorandum" shall mean the offering circular related to the Securities, as amended or supplemented as of the date hereof, including any and all exhibits thereto and any information incorporated by reference therein.

"Holder" shall have the meaning set forth in the preamble hereto.

"Indenture" shall mean the Indenture relating to the Securities, dated as of January 29, 2003, among Escrow Corp., the Company, the Guarantors named therein (from and after the consummation of the Escrow Corp. Merger) and The Bank of New York, as trustee, as the same may be amended from time to time in accordance with the terms thereof.

"Initial Placement" shall have the meaning set forth in the preamble hereto.

"Issue Date" shall mean the date of the original issuance of the Securities.

"Losses" shall have the meaning set forth in Section 7(d) hereof.

"Liquidated Damages" shall have the meaning set forth in Section 6(a) hereof.

"Liquidated Damages Amount" shall have the meaning set forth in Section 6(a) hereof.

"Majority Holders" shall mean, when no Registration Statement is filed under this Agreement, the Holders of a majority of the aggregate principal amount at maturity of Securities outstanding and shall mean, when a Registration Statement is filed under this Agreement, the Holders of a majority of the aggregate principal amount at maturity of Securities registered under the Registration Statement.

"Managing Underwriters" shall mean the investment banker or investment bankers and manager or managers that shall administer an underwritten offering.

"New Securities" shall mean debt securities of the Company identical in all material respects to the Securities (except that the liquidated damages provisions and the transfer restriction provisions shall be modified or eliminated, as appropriate) and to be issued under the Indenture or the New Securities Indenture.

"New Securities Indenture" shall mean an indenture among the Company, the Guarantors named therein and the New Securities Trustee, identical in all material respects to the

Indenture (except that the liquidated damages provisions and the transfer restriction provisions will be modified or eliminated, as appropriate).

"New Securities Trustee" shall mean a bank or trust company reasonably satisfactory to the Purchasers, as trustee with respect to the New Securities under the New Securities Indenture.

"Notice and Questionnaire" shall have the meaning set forth in Section 3(c) hereof.

"Prospectus" shall mean the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Securities or the New Securities covered by such Registration Statement, and all amendments and supplements thereto and all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble hereto.

"Purchaser" shall have the meaning set forth in the preamble hereto.

"Registered Exchange Offer" shall mean the proposed offer of the Company to issue and deliver to the Holders of the Securities that are not prohibited by any law or policy of the Commission from participating in such offer, in exchange for the Securities, a like aggregate principal amount at maturity of New Securities.

"Registration Default" shall have the meaning set forth in Section 6(a) hereof.

"Registration Statement" shall mean any Exchange Offer Registration Statement or Shelf Registration Statement that covers any of the Securities or the New Securities pursuant to the provisions of this Agreement, any amendments and supplements to such registration statement, including post-effective amendments (in each case including the Prospectus contained therein), all exhibits thereto and all material incorporated by reference therein.

"Securities" shall have the meaning set forth in the preamble hereto.

"Shelf Registration" shall mean a registration effected pursuant to Section 3 hereof.

"Shelf Registration Period" has the meaning set forth in Section 3(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company and the Guarantors pursuant to the provisions of Section 3 hereof which covers some or all of the Securities or New Securities, as applicable, on an appropriate form under Rule 415 under the Act, or any similar rule that may be adopted by the Commission, amendments and supplements to such registration statement, including post-effective amendments, in each case

including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Transfer Restricted Securities" shall mean each Security and New Security until, (i) in the case of any Security exchanged by a person other than a Broker-Dealer for a freely transferable New Security in the Registered Exchange Offer, the date on which such Security is exchanged, (ii) in the case of any New Security held by a Broker-Dealer, following the exchange by such Broker-Dealer in the Registered Exchange Offer of a Security for such New Security, the date on which such New Security is sold to a purchaser who receives from such Broker-Dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) in the case of any Security or New Security that has been effectively registered under the Act and disposed of in accordance with the Shelf Registration Statement, the date of such disposition, or (iv) in the case of any Security or New Security that is distributed to the public pursuant to Rule 144 under the Act or is saleable pursuant to Rule 144(k) under the Act, the date on which such Security or New Security is distributed or is saleable, as the case may be.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"underwriter" shall mean any underwriter of Securities in connection with an offering thereof under a Shelf Registration Statement.

2. Registered Exchange Offer. The Company and the Guarantors shall prepare and, not later than 90 days following the Issue Date (or if such 90th day is not a Business Day, the next succeeding Business Day), shall file with the Commission the Exchange Offer Registration Statement with respect to the Registered Exchange Offer. The Company and the Guarantors shall use their reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Act within 180 days of the Issue Date (or if such 180th day is not a Business Day, the next succeeding Business Day).

(a) Upon the effectiveness of the Exchange Offer Registration Statement, the Company and the Guarantors shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Securities for New Securities (assuming that such Holder is not an Affiliate of the Company or any of the Guarantors, acquires the New Securities in the ordinary course of such Holder's business, has no arrangements with any Person to participate in the distribution of the New Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such New Securities from and after their receipt without any limitations or restrictions under the Act and without material restrictions under the securities laws of a substantial proportion of the several states of the United States.

(b) In connection with the Registered Exchange Offer, the Company and each of the Guarantors shall:

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(ii) keep the Registered Exchange Offer open for not less than 30 Business Days and not more than 45 Business Days after the date notice thereof is mailed to the Holders (or, in each case, longer if required by applicable law);

(iii) use their reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective under the Act, supplemented and amended as required, under the Act to ensure that it is available for sales of New Securities by Exchanging Dealers during the Exchange Offer Registration Period;

(iv) utilize the services of a depository for the Registered Exchange Offer with an address in the Borough of Manhattan in New York City, which may be the Trustee, the New Securities Trustee or an Affiliate of either of them;

(v) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last Business Day on which the Registered Exchange Offer is open;

(vi) prior to effectiveness of the Exchange Offer Registration Statement, provide a supplemental letter to the Commission (A) stating that the Company and the Guarantors are conducting the Registered Exchange Offer in reliance on the position of the Commission in Exxon Capital Holdings Corporation (pub. avail. May 13, 1988), Morgan Stanley and Co., Inc. (pub. avail. June 5, 1991) and Shearman & Sterling (pub. avail. July 2, 1993); and (B) including a representation that the Company and the Guarantors have not entered into any arrangement or understanding with any Person to distribute the New Securities to be received in the Registered Exchange Offer and that, to the best of the Company's and the Guarantors' information and belief, each Holder participating in the Registered Exchange Offer is acquiring the New Securities in the ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the New Securities; and

(vii) comply in all material respects with all applicable laws.

(c) As soon as practicable after the close of the Registered Exchange Offer, the Company and each of the Guarantors shall:

(i) accept for exchange all Securities tendered and not validly withdrawn pursuant to the Registered Exchange Offer;

(ii) deliver to the Trustee for cancellation in accordance with Section 4(s) all Securities so accepted for exchange; and

(iii) cause the New Securities Trustee promptly to authenticate and deliver to each Holder of Securities, New Securities in an amount equal to the principal amount at maturity of the Securities of such Holder so accepted for exchange.

(d) Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Registered Exchange Offer to participate in a distribution of the New Securities (x) could not under Commission policy as in effect on the date of this Agreement rely

on the position of the Commission in Morgan Stanley and Co., Inc. (pub. avail. June 5, 1991) and Exxon Capital Holdings Corporation (pub. avail. May 13, 1988) and Shearman & Sterling (July 2, 1993) and similar no-action letters; and (y) must comply with the registration and prospectus delivery requirements of the Act in connection with any secondary resale transaction which must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K under the Act if the resales are of New Securities obtained by such Holder in exchange for Securities acquired by such Holder directly from the Company or one of its Affiliates. Accordingly, as a condition to its participation in the Registered Exchange offer, each Holder participating in the Registered Exchange Offer shall be required to represent to the Company in the Letter of Transmittal in the Registered Exchange Offer or by other means that, at the time of the consummation of the Registered Exchange Offer:

(i) any New Securities received by such Holder will be acquired in the ordinary course of business;

(ii) such Holder will have no arrangement or understanding with any Person to participate in the distribution of the Securities or the New Securities within the meaning of the Act; and

(iii) such Holder is not an Affiliate of the Company or any of the Guarantors.

(e) If any Purchaser determines that it is not eligible to participate in the Registered Exchange Offer with respect to the exchange of Securities constituting any portion of an unsold allotment, at the request of such Purchaser, the Company and the Guarantors shall issue and deliver to such Purchaser or the Person purchasing New Securities registered under a Shelf Registration Statement as contemplated by Section 3 hereof from such Purchaser, in exchange for such Securities, a like principal amount at maturity of New Securities. The Company and the Guarantors shall use their reasonable best efforts to cause the CUSIP Service Bureau to issue the same CUSIP number for such New Securities as for New Securities issued pursuant to the Registered Exchange Offer.

3. Shelf Registration. If (A): (i) due to any change in law or applicable interpretations thereof by the Commission's staff, the Company and the Guarantors determine upon advice of its outside counsel that it is not permitted to effect the Registered Exchange Offer as contemplated by Section 2 hereof, or (ii) for any other reason the Registered Exchange Offer is not consummated within 30 business days (or such longer period as required by applicable law) of the Effectiveness Target Date (or, if such 30 business days is not a Business Day, the next succeeding Business Day) or the Exchange Offer Registration Statement is not declared effective within 180 days of the Issue Date (or if such 180th/ day is not a Business Day, the next succeeding Business Day); or (B) any Holder of Transfer Restricted Securities notifies the Company prior to the 20th/ day following the consummation of the Registered Exchange Offer that: (i) it is prohibited by law or policy of the Commission from participating in the Registered Exchange Offer; (ii) it may not resell the New Securities acquired by it in the Registered Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Registered Exchange Offer is not appropriate or available for such resales or (iv) that it is a

Broker-Dealer and owns Securities acquired directly from the Company or an affiliate of the Company, the Company and the Guarantors shall effect a Shelf Registration Statement in accordance with subsection (b) below.

(a) (i) The Company and the Guarantors shall as promptly as practicable (but in no event more than 30 business days after so required or requested pursuant to this Section 3 (or, if such 30/th/ day is not a Business Day, the next succeeding Business Day)), file with the Commission and thereafter (but in no event more than 180 days after the date the Company was required or requested to make such filing pursuant to this Section 3 (or, if such 180/th/ day is not a Business Day, the next succeeding Business Day)) use their reasonable best efforts to cause to be declared effective under the Act a Shelf Registration Statement relating to the offer and sale of the Securities or the New Securities, as applicable, by the Holders thereof from time to time in accordance with the methods of distribution elected by such Holders and set forth in such Shelf Registration Statement; provided, however, that no Holder (other than a Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all of the provisions of this Agreement applicable to such Holder; and provided further, that with respect to New Securities received by a Purchaser in exchange for Securities constituting any portion of an unsold allotment, the Company and the Guarantors may, if permitted by current interpretations by the Commission's staff, file a post-effective amendment to the Exchange Offer Registration Statement containing the information required by Item 507 or 508 of Regulation S-K, as applicable, in satisfaction of its obligations under this subsection with respect thereto, and any such Exchange Offer Registration Statement, as so amended, shall be referred to herein as, and governed by the provisions herein applicable to, a Shelf Registration Statement. Notwithstanding anything in this Section 3, Liquidated Damages shall accrue only in accordance with the provisions of Section 6 hereof.

(ii) The Company and the Guarantors shall use their reasonable best efforts to keep the Shelf Registration Statement continuously effective, supplemented and amended as required by the Act, in order to permit the Prospectus forming part thereof to be usable by Holders from the date the Shelf Registration Statement is declared effective by the Commission until the earlier of: (i) such date as all the Securities covered by the Shelf Registration Statement have been sold, or (ii) the date on which all of the Securities held by persons that are not Affiliates of the Company or the Guarantors may be resold without registration pursuant to Rule 144(k) under the Act (such period being called the "Shelf Registration Period"). The Company and the Guarantors shall be deemed not to have used their reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless (A) such action is required by applicable law; or (B) such action is taken by the Company and the Guarantors in good faith and for valid business reasons (not including avoidance of the Company's and the Guarantors' obligations hereunder), including the acquisition or divestiture of assets, a merger or financing so long as the Company and the Guarantors promptly thereafter complies with the requirements of Section 4(k) hereof, if applicable.

(b) Not less than 30 calendar days prior to the Effective Time of any Shelf Registration Statement required under this Agreement, the Company and the Guarantors shall mail the Notice and Questionnaire (the "Notice and Questionnaire") substantially in the form

attached as Annex E hereto to the Holders of Transfer Restricted Securities; no Holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement as of the Effective Time, and no Holder shall be entitled to use the prospectus forming a part thereof for resales of Securities at any time, unless such Holder has returned a completed and signed Notice and Questionnaire to the Company by the deadline for response set forth therein; provided, however, that holders of Transfer Restricted Securities shall have at least 28 calendar days from the date on which the Notice and Questionnaire is first mailed to such Holders to return a completed and signed Notice and Questionnaire to the Company.

(c) After the Effective Time of any Shelf Registration Statement required to be filed under this Agreement, Holders of Transfer Restricted Securities who did not timely return a Notice and Questionnaire to the Company may return a Notice and Questionnaire at any time and may request to be included in such Shelf Registration Statement. If:

(i) the Company and the Guarantors can include such Holder with respect to its Transfer Restricted Securities by means of a prospectus supplement filed pursuant to Rule 424(b) of the Act or by means of a registration statement filed pursuant to Rule 462(b) of the Act, then the Company and the Guarantors shall file such Rule 424(b) supplement or Rule 462(b) registration statement with the Commission within 10 Business Days of its receipt of the Notice and Questionnaire;

(ii) the Company and the Guarantors, in the opinion of its counsel, cannot include such Holder with respect to its Transfer Restricted Securities by means of a prospectus supplement to the prospectus contained as part of such effective Shelf Registration Statement or by means of a related registration statement filed pursuant to Rule 462(b) of the Act, the Company and the Guarantors shall promptly take any action reasonably necessary to enable such a Holder to use a registration statement for resale of Transfer Restricted Securities, including, without limitation, any action necessary to identify such Holders or selling securityholder in a new Shelf Registration Statement which the Company and the Guarantors shall promptly file and cause to be declared effective to cover the resale of the Transfer Restricted Securities that are the subject of such request.

(d) In the event of a Shelf Registration Statement, in addition to the information required to be provided in the Notice and Questionnaire, the Company may require Holders to furnish to the Company additional information regarding such Holder and such Holder's intended method of distribution of Securities as may be required in order to comply with the Securities Act. Each Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Holder to the Company or of the occurrence of any event in either case as a result of which any prospectus relating to the Shelf Registration Statement contains or would contain an untrue statement of a material fact regarding such Holder or such Holder's intended method of disposition of such Securities or omits to state any material fact regarding such Holder or such Holder's intended method of disposition of such Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly to furnish to the Company any such required additional information so that such prospectus shall not contain, with respect to such Holder or the disposition of such Securities, an untrue statement of a material fact or omit

to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

4. Additional Registration Procedures. In connection with any Shelf Registration Statement and, to the extent applicable, any Exchange Offer Registration Statement, the following provisions shall apply.

(a) The Company and each of the Guarantors shall:

(i) furnish to you, not less than five Business Days prior to the filing thereof with the Commission, a copy of any Exchange Offer Registration Statement and any Shelf Registration Statement, and each amendment thereof and each amendment or supplement, if any, to the Prospectus included therein (including all documents incorporated by reference therein after the initial filing) and shall use its reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as you reasonably propose;

(ii) include the information substantially as set forth in Annex A hereto on the facing page of the Exchange Offer Registration Statement, in Annex B hereto in the forepart of the Exchange Offer Registration Statement in a section setting forth details of the Exchange Offer, in Annex C hereto in the underwriting or plan of distribution section of the Prospectus contained in the Exchange Offer Registration Statement, and in Annex D hereto in the letter of transmittal delivered pursuant to the Registered Exchange Offer;

(iii) if requested by a Purchaser, include the information required by Item 507 or 508 of Regulation S-K, as applicable, in the Prospectus contained in the Exchange Offer Registration Statement; and

(iv) in the case of a Shelf Registration Statement, include the names of the Holders that propose to sell Securities pursuant to the Shelf Registration Statement as selling security holders.

(b) The Company and each of the Guarantors shall ensure that:

(i) any Registration Statement and any amendment thereto and any Prospectus forming part thereof and any amendment or supplement thereto complies in all material respects with the Act and the rules and regulations thereunder; and

(ii) any Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The Company and the Guarantors shall advise you, the Holders of Securities covered by any Shelf Registration Statement and any Exchanging Dealer under any Exchange Offer Registration Statement that has provided in writing to the Company a telephone or facsimile number and address for notices, and, if requested by you or any such Holder or

Exchanging Dealer, shall confirm such advice in writing (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the Prospectus until the Company and the Guarantors shall have remedied the basis for such suspension):

(i) when a Registration Statement and any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for any amendment or supplement to the Registration Statement or the Prospectus or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or the Guarantors of any notification with respect to the suspension of the qualification of the securities included therein for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

(v) of the happening of any event that requires any change in the Registration Statement or the Prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading.

Each Holder of Securities agrees by acquisition of such Securities that, upon actual receipt of any notice from the Company or the Guarantors of the happening of any event of the kind described in Section 4(c)(ii), (iii), (iv), and (v) hereof, such Holder will forthwith discontinue any and all dispositions of such Securities by means of the Registration Statement or Prospectus until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 4(b), or until it is advised in writing (the "Advice") by the Company or the Guarantors that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto provided, however, that this paragraph shall not prohibit any Holder from engaging in dispositions of the Securities through means other than pursuant to the Registration Statement or Prospectus, as long as such dispositions comply with applicable laws.

(d) The Company and the Guarantors shall use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement or the qualification of the securities therein for sale in any jurisdiction at the earliest possible time.

(e) The Company and the Guarantors shall furnish to each Holder of Securities covered by any Shelf Registration Statement, without charge, at least one copy of such Shelf Registration Statement and any post-effective amendment thereto, including all material incorporated therein by reference, and, if the Holder so requests in writing, all exhibits thereto (including exhibits incorporated by reference therein).

(f) The Company and the Guarantors shall, during the Shelf Registration Period, deliver to each Holder of Securities covered by any Shelf Registration Statement, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request. The Company and the Guarantors consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of securities in connection with the offering and sale of the securities covered by the Prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company and the Guarantors shall furnish to each Exchanging Dealer which so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including all material incorporated by reference therein, and, if the Exchanging Dealer so requests in writing, all exhibits thereto (including exhibits incorporated by reference therein).

(h) The Company and the Guarantors shall promptly deliver to each Purchaser, each Exchanging Dealer and each other Person required to deliver a Prospectus during the Exchange Offer Registration Period, without charge, as many copies of the Prospectus included in such Exchange Offer Registration Statement and any amendment or supplement thereto as any such Person may reasonably request. The Company and the Guarantors consent to the use of the Prospectus or any amendment or supplement thereto by any Purchaser, any Exchanging Dealer and any such other Person that may be required to deliver a Prospectus following the Registered Exchange Offer in connection with the offering and sale of the New Securities covered by the Prospectus, or any amendment or supplement thereto, included in the Exchange Offer Registration Statement.

(i) Prior to the Registered Exchange Offer or any other offering of Securities pursuant to any Registration Statement, the Company shall arrange, if necessary, for the qualification of the Securities or the New Securities for sale under the laws of such jurisdictions as any Holder shall reasonably request and will maintain such qualification in effect so long as required; provided that in no event shall the Company or any of the Guarantors be obligated to qualify to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the Initial Placement, the Registered Exchange Offer or any offering pursuant to a Shelf Registration Statement, in any such jurisdiction where it is not then so subject or otherwise subject itself to taxation in any such jurisdiction.

(j) The Company and the Guarantors shall cooperate with the Holders of Securities to facilitate the timely preparation and delivery of certificates representing New Securities or Securities to be issued or sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as Holders may request.

(k) Upon the occurrence of any event contemplated by subsections (c)(ii) through (v) above, the Company and the Guarantors shall promptly prepare a post-effective amendment to the applicable Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to

Purchasers of the securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company and the Guarantors may delay preparing, filing and distributing any such supplements or amendments (and continue the suspension of the use of the prospectus) if the Company and the Guarantors determine in good faith that such supplement or amendment would, in the reasonable judgment of the Company and the Guarantors, (i) interfere with or affect the negotiation or completion of a transaction that is being contemplated by the Company and the Guarantors (whether or not a final decision has been made to undertake such transaction) or (ii) involve initial or continuing disclosure obligations that are not in the best interests of the Company's or the Guarantors' shareholders at such time; provided, further, that neither such delay nor such suspension with respect to all matters in clause (i) or (ii) shall extend for a period of more than 30 days in any three-month period or more than 90 days for all such periods in any twelve-month period and shall not affect the Company's and the Guarantors' obligations to pay Liquidated Damages as contemplated by Section 6 hereof.

(l) In such circumstances, the period of effectiveness of the Exchange Offer Registration Statement provided for in Section 2 and the Shelf Registration Statement provided for in Section 3(b) shall each be extended by the number of days from and including the date of the giving of a notice of suspension pursuant to Section 4(c) to and including the date when the Purchasers, the Holders of the Securities and any known Exchanging Dealer shall have received such amended or supplemented Prospectus pursuant to this Section.

(m) Not later than the effective date of any Registration Statement, the Company and the Guarantors shall provide CUSIP numbers for the Securities or the New Securities, as the case may be, registered under such Registration Statement and provide the Trustee with printed certificates for such Securities or New Securities, in a form eligible for deposit with The Depository Trust Company.

(n) The Company and the Guarantors shall comply with all applicable rules and regulations of the Commission and shall make generally available to its security holders no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year), an earnings statement satisfying the provisions of Section 11(a) of the Act and Rule 158 thereunder (or any similar rule under the Act) for a period of at least 12 months beginning on the first day of the first fiscal quarter after the effective date of the applicable Registration Statement.

(o) The Company and the Guarantors shall cause the Indenture or the New Securities Indenture, as the case may be, to be qualified under the Trust Indenture Act in a timely manner.

(p) The Company and the Guarantors may require each Holder of securities to be sold pursuant to any Shelf Registration Statement to furnish to the Company and the Guarantors such information regarding the Holder and the distribution of such securities as the Company and the Guarantors may from time to time reasonably require for inclusion in such Registration Statement. The Company and the Guarantors may exclude from such Shelf

Registration Statement the Securities of any Holder that fails to furnish such information within a reasonable time after receiving such request.

(q) In the case of any Shelf Registration Statement, the Company and the Guarantors shall enter into such agreement and take all other appropriate actions (including if requested an underwriting agreement in customary form) in order to expedite or facilitate the registration or the disposition of the Securities, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures no less favorable than those set forth in Section 7 (or such other provisions and procedures acceptable to the Majority Holders and the Managing Underwriters, if any, with respect to all parties to be indemnified pursuant to Section 7).

(r) In the case of any Shelf Registration Statement, the Company and the Guarantors shall:

(i) make reasonably available for inspection by the Holders of Securities to be registered thereunder, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by the Holders or any such underwriter all relevant and reasonably requested financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries;

(ii) cause the Company's and the Guarantors' officers, directors and employees to supply all relevant information reasonably requested by the Holders or any such underwriter, attorney, accountant or agent in connection with any such Registration Statement as is customary for similar due diligence examinations; provided, however, that any information that is designated in writing by the Company or the Guarantors, in good faith, as confidential at the time of delivery of such information shall be kept confidential by the Holders or any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality;

(iii) make such representations and warranties to the Holders of Securities registered thereunder and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings and covering matters including, but not limited to, those set forth in the Purchase Agreement;

(iv) obtain opinions of counsel to the Company and the Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Managing Underwriters, if any) addressed to each selling Holder and the underwriters, if any, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each selling Holder of Securities registered thereunder and the underwriters, if any, who have provided such accountants with a representation letter if required to do so under Statement on Auditing Standards No. 72 in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings;

(vi) deliver such documents and certificates as may be reasonably requested by the Majority Holders and the Managing Underwriters, if any, including those to evidence compliance with Section 4(k) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company and the Guarantors; and

(vii) after the Effective Time of the Shelf Registration Statement, upon the request of any Holder, promptly send a Notice and Questionnaire to such Holder; provided neither that the Company nor the Guarantors shall be required to take any action to name such Holder as a selling securityholder in the Shelf Registration Statement or to enable such holder to use the prospectus forming a part thereof for resales of Securities except in accordance with Section 3(c) hereof.

The actions set forth in clauses (iii), (iv), (v) and (vi) of this Section shall be performed at (A) the effectiveness of such Registration Statement and each post-effective amendment thereto; and (B) each closing under any underwriting or similar agreement as and to the extent required thereunder.

(s) In the case of any Exchange Offer Registration Statement, the Company and the Guarantors shall:

(i) make reasonably available for inspection by each Purchaser, and any attorney, accountant or other agent retained by such Purchaser, all relevant financial and other records, pertinent corporate documents and properties of the Company, the Guarantors and their respective subsidiaries;

(ii) cause the Company's and the Guarantors' officers, directors and employees to supply all relevant information reasonably requested by such Purchaser or any such attorney, accountant or agent in connection with any such Registration Statement as is customary for similar due diligence examinations; provided, however, that any information that is designated in writing by the Company or the Guarantors, in good faith, as confidential at the time of delivery of such information shall be kept confidential by such Purchaser or any such attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality;

(iii) make such representations and warranties to such Purchaser, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings and covering matters including, but not limited to, those set forth in the Purchase Agreement;

(iv) obtain opinions of counsel to the Company and the Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to such Purchaser and its counsel, addressed to such Purchaser, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Purchaser or its counsel;

(v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company and the Guarantors (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or the Guarantors or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to such Purchaser, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings as permitted by Statement on Auditing Standards No. 72, or if requested by such Purchaser or its counsel in lieu of a "cold comfort" letter, an agreed-upon procedures letter under Statement on Auditing Standards No. 35, covering matters requested by such Purchaser or its counsel; and

(vi) deliver such documents and certificates as may be reasonably requested by such Purchaser or its counsel, including those to evidence compliance with Section 4(k) and with conditions customarily contained in underwriting agreements.

The foregoing actions set forth in clauses (iii), (iv), (v), and (vi) of this Section shall be performed at the close of the Registered Exchange Offer and the effective date of any post-effective amendment to the Exchange Offer Registration Statement.

(t) If a Registered Exchange Offer is to be consummated, upon delivery of the Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the New Securities, the Company shall mark, or caused to be marked, on the Securities so exchanged that such Securities are being canceled in exchange for the New Securities. In no event shall the Securities be marked as paid or otherwise satisfied.

(u) The Company and the Guarantors will use their reasonable best efforts (i) if the Securities have been rated prior to the initial sale of such Securities, to confirm such ratings will apply to the Securities or the New Securities, as the case may be, covered by a Registration Statement; or (ii) if the Securities were not previously rated, to cause the Securities covered by a Registration Statement to be rated with at least one nationally recognized statistical rating agency, if so requested by Majority Holders with respect to the related Registration Statement or by any Managing Underwriters.

(v) In the event that any Broker-Dealer shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Rules of Fair Practice and the By-Laws of the National Association of Securities Dealers, Inc.) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such Broker-Dealer in complying with the requirements of such Rules and By-Laws, including, without limitation, by:

(i) if such Rules or By-Laws shall so require, engaging a "qualified independent underwriter" (as defined in such Rules) to participate in the preparation of the Registration Statement, to exercise usual standards of due diligence with respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities;

(ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 7 hereof; and

(iii) providing such information to such Broker-Dealer as may be required in order for such Broker-Dealer to comply with the requirements of such Rules.

(w) The Company and the Guarantors shall use their reasonable best efforts to take all other steps necessary to effect the registration of the Securities or the New Securities, as the case may be, covered by a Registration Statement.

5. Registration Expenses. The Company and the Guarantors shall bear all expenses incurred in connection with the performance of its obligations under Sections 2, 3 and 4 hereof and, in the event of any Shelf Registration Statement, will reimburse the Holders for the reasonable fees and disbursements of one firm or counsel designated by the Majority Holders to act as counsel for the Holders in connection therewith, and, in the case of any Exchange Offer Registration Statement, will reimburse the Purchasers for the reasonable fees and disbursements of one firm or counsel acting in connection therewith. Notwithstanding the foregoing, the Holders shall pay all agency fees and commissions and underwriting discounts and commissions and the fees and disbursements of any counsel or other advisors or experts retained by such Holders (severally or jointly), other than the counsel specifically referred to above.

6. Liquidated Damages Under Certain Circumstances. The Company, the Guarantors, the Purchasers and each Holder of Transfer Restricted Securities agree by acquisition of such Securities that the Holders of Transfer Restricted Securities will suffer damages if a Registration Default (as defined below) occurs and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Company, the Guarantors, the Purchasers and each Holder of Transfer Restricted Securities agree that the following Liquidated Damages provisions shall constitute liquidated damages in the event of a "Registration Default" (as defined below) and shall constitute the sole remedy of the Purchasers and each Holder of Transfer Restricted Securities for any Registration Defaults.

(a) In accordance with the terms of the Securities, liquidated damages ("Liquidated Damages") with respect to the Securities and New Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iv) below being herein called a "Registration Default"):

(i) on or prior to the 90th/ day following the Issue Date (or such longer period as required by applicable law), neither the Exchange Offer Registration Statement nor the Shelf Registration Statement has been filed with the Commission;

(ii) on or prior to the 180th/ day following the Issue Date (or such longer period as required by applicable law) (the "Effectiveness Target Date"), neither the Exchange Offer Registration Statement nor the Shelf Registration Statement has been declared effective;

(iii) on or prior to 30 business days (or such longer period as required by applicable law) following the Effectiveness Target Date, the Registered Exchange Offer has not been consummated; or

(iv) any Registration Statement required by this Agreement has been declared effective by the Commission but (A) such Registration Statement thereafter ceases to be effective or (B) such Registration Statement or the related prospectus ceases to be usable in connection with resales of Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Act or the Exchange Act or the respective rules thereunder;

Each of the foregoing shall constitute a Registration Default whatever the reason for any such event and whether it is voluntary or involuntary or is beyond the control of the Company or the Guarantors or pursuant to operation of law or as a result of any action or inaction by the Commission; provided, however, that the Company and the Guarantors shall in no event be required to pay liquidated damages for more than one Registration Default at any given time.

Liquidated Damages shall be assessed on the Securities or New Securities, from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults shall have been cured, at a rate of \$.05 per week per \$1,000 of Accreted Value of notes held (the "Liquidated Damages Amount") for the first 90-day period immediately following the occurrence of such Registration Default. The Liquidated Damages Amount will increase by an additional \$.05 per week per \$1,000 of Accreted Value of notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of Liquidated Damages for all Registration Defaults of \$.50 per week per \$1,000 of Accreted Value of notes.

(b) Any amounts of Liquidated Damages due pursuant to Section 6(a) shall be paid to the Holders entitled thereto on February 1 and August 1 of any given year as more fully set forth in the Indenture and the Notes.

7. Indemnification and Contribution. (a) The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless each Holder of Securities or New Securities, as the case may be, covered by any Registration Statement (including each Purchaser and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer), the directors, officers, employees and agents of each such Holder and each Person who controls any such Holder within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed or in any amendment thereof, or in any preliminary Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that neither the Company nor the Guarantors will be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any such Holder specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Company and the Guarantors may otherwise have.

The Company also agrees to indemnify or contribute as provided in Section 7(d) to Losses of any underwriter of Securities or New Securities, as the case may be, registered under a Shelf Registration Statement, their directors, officers, employees or agents and each Person who controls such underwriter on substantially the same basis as that of the indemnification of the Purchasers and the selling Holders provided in this Section 7(a) and shall, if requested by any Holder, enter into an underwriting agreement reflecting such agreement, as provided in Section 4(p) hereof.

(b) Each Holder of securities covered by a Registration Statement (including each Purchaser and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer) severally, but not jointly, agrees to indemnify and hold harmless the Company and the Guarantors, each of their respective directors, each of their respective officers who signs such Registration Statement and each Person who controls the Company or the Guarantors within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company and the Guarantors to each such Holder, but only with reference to written information relating to such Holder furnished to the Company by or on behalf of such Holder specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and is prejudiced thereby; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes (i) an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or an admission of fault or failure to act by or on behalf of any indemnified party. No indemnifying party shall be liable under subsections (a), (b) or (c) of this Section for any settlement of any claim or action effected without its consent, which consent will not be unreasonably withheld; provided, however, that such indemnifying party has notified in writing the indemnified party of its refusal to accept such settlement within 30 days of its receipt of a notice from the indemnified party outlining the terms of such settlement.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party shall have a joint and several obligation to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which such indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party, on the one hand, and such indemnified party, on the other hand, from the Initial Placement and the Registration Statement which

resulted in such Losses; provided, however, that in no case shall any Purchaser of any Security or New Security be responsible, in the aggregate, for any amount in excess of the purchase discount or commission applicable to such Security, or in the case of a New Security, applicable to the Security that was exchangeable into such New Security, as set forth in the Final Memorandum, nor shall any underwriter be responsible for any amount in excess of the underwriting discount or commission applicable to the securities purchased by such underwriter under the Registration Statement which resulted in such Losses, nor shall any subsequent Holder of any Security or New Security be responsible, in the aggregate, for any amount in excess of the net proceeds received by such Holder from the resale of such securities under the Registration Statement which resulted in such Losses. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the indemnifying party and the indemnified party shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of such indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company and the Guarantors shall be deemed to be equal to the sum of (x) the total net proceeds from the Initial Placement (before deducting expenses) as set forth in the Final Memorandum and (y) the total amount of additional interest which the Company and the Guarantors were not required to pay as a result of registering the securities covered by the Registration Statement which resulted in such Losses. Benefits received by the Purchasers shall be deemed to be equal to the total purchase discounts and commissions as set forth in the Final Memorandum, and benefits received by any other Holders shall be deemed to be equal to the value of receiving Securities or New Securities, as applicable, registered under the Act. Benefits received by any underwriter shall be deemed to be equal to the total underwriting discounts and commissions, as set forth on the cover page of the Prospectus forming a part of the Registration Statement which resulted in such Losses. Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission relates to information provided by the indemnifying party, on the one hand, or by the indemnified party, on the other hand, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties agree that it would not be just and equitable if contribution were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each Person who controls a Holder within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of such Holder shall have the same rights to contribution as such Holder, and each Person who controls the Company or the Guarantors within the meaning of either the Act or the Exchange Act, each officer of the Company and the Guarantors who shall have signed the Registration Statement and each director of the Company and the Guarantors shall have the same rights to contribution as the Company and the Guarantors, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The provisions of this Section will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder or the Company or the

Guarantors or any of the officers, directors or controlling Persons referred to in this Section hereof, and will survive the sale by a Holder of securities covered by a Registration Statement.

8. Underwritten Registrations. In connection with any Shelf Registration Statement required under this Agreement, the Company and the Guarantors may enter into one or more underwriting agreements, engagement letters, agency agreements, "best efforts" underwriting agreements or similar agreements, as appropriate, including customary provisions relating to indemnification and contribution, and take such other actions in connection therewith as the Majority Holders shall request in order to expedite or facilitate the disposition of such Securities.

(a) If any of the Securities or New Securities, as the case may be, covered by any Shelf Registration Statement are to be sold in an underwritten offering, the Managing Underwriters shall be selected by the Majority Holders provided that such Managing Underwriters shall be reasonably satisfactory to the Company and the Guarantors.

(b) No Person may participate in any underwritten offering pursuant to any Shelf Registration Statement, unless such Person (i) agrees to sell such Person's Securities or New Securities, as the case may be, on the basis reasonably provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements; and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. No Inconsistent Agreements. Neither the Company nor the Guarantors have, as of the date hereof, entered into, nor shall they, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

10. Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of the Majority Holders (or, after the consummation of any Registered Exchange Offer in accordance with Section 2 hereof, of New Securities); provided that, with respect to any matter that directly or indirectly affects the rights of any Purchaser hereunder, the Company shall obtain the written consent of each such Purchaser against which such amendment, qualification, supplement, waiver or consent is to be effective. Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities or New Securities, as the case may be, are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by the Majority Holders, determined on the basis of Securities or New Securities, as the case may be, being sold rather than registered under such Registration Statement.

11. Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telex, telecopier or air courier guaranteeing overnight delivery:

(a) if to a Holder, at the most current address given by such holder to the Company in accordance with the provisions of this Section, which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture, with copies in like manner to Credit Suisse First Boston LLC.

(b) if to you, initially at the respective addresses set forth in the Purchase Agreement; and

(c) if to the Company or the Guarantors, initially at the address set forth in the Purchase Agreement with a copy to Company counsel at the following address:

Palmer & Dodge LLP
11 Huntington Avenue
Boston, MA 02199
Attn: Matthew J. Gardella
Tel: (617) 239-0100
Facsimile: (617) 227-4420

All such notices and communications shall be deemed to have been duly given when received.

The Purchasers, Company and the Guarantors by notice to the other parties may designate additional or different addresses for subsequent notices or communications.

12. Successors. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without the need for an express assignment or any consent by the Company or the Guarantors thereto, subsequent Holders of Securities and the New Securities. The Company and the Guarantors hereby agree to extend the benefits of this Agreement to any Holder of Securities and the New Securities, and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

13. Counterparts. This agreement may be in signed counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.

14. Headings. The headings used herein are for convenience only and shall not affect the construction hereof.

15. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

16. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

17. Securities Held by the Company, Etc. Whenever the consent or approval of Holders of a specified percentage of the principal amount at maturity of Securities or New Securities is required hereunder, Securities or New Securities, as applicable, held by the Company, the Guarantors or their respective Affiliates (other than subsequent Holders of Securities or New Securities if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Securities or New Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, the Guarantors and the several Purchasers.

Very truly yours,

AMERICAN TOWERS, INC.

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and
Treasurer

Each of the Guarantors agrees to be bound by the terms and conditions of this Registration Rights Agreement, as of the date of the consummation of the Escrow Corp. Merger. Prior to such date, the Guarantors shall not be deemed to be a party to this Registration Rights Agreement and shall not be bound by the terms and conditions thereof.

American Tower Corporation
ATC GP, Inc.
American Tower Delaware Corporation
American Tower Management, Inc.
ATC LP Inc.
ATC International Holding Corp.
New Loma Communications, Inc.
Towersites Monitoring, Inc.
Kline Iron & Steel Co., Inc.
Carolina Towers, Inc.
ATC Tower Services, Inc.
UniSite, Inc.
ATC South America Holding Corp.
American Tower International, Inc.

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

American Tower LLC

By: American Tower Corporation, its sole
member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Towers of America, L.L.L.P.
ATS/PCS, LLC

By: American Tower, L.P., its general
partner and its sole member and
manager (as applicable)
By: ATC GP, INC., its general partner

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

American Tower PA LLC
Telecom Towers, L.L.C.
ATC South LLC

By: American Towers, Inc., its sole member
and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

ATC Midwest, LLC

By: American Tower Management, Inc., its
sole member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

MHB Tower Rentals of America, LLC

By: ATC South LLC., its sole member

By: American Towers, Inc., its sole member
and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

American Tower, L.P.

By: ATC GP, Inc., its general partner

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

Shreveport Tower Company

By: Telecom Towers, LLC, and
ATC South, LLC, its general partners

By: American Towers, Inc., their sole
member and manager

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Sr. Vice President

American Tower Trust #1

American Tower Trust #2

By: /s/ Justin D. Benincasa

Name: Justin D. Benincasa
Title: Trustee

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

Credit Suisse First Boston LLC
Goldman, Sachs & Co.

By: Credit Suisse First Boston LLC

By: /s/ Kristin M. Allen

Name: Kristin M. Allen
Title: Managing Director

For themselves and the other several
Purchasers named in Schedule A to the Purchase Agreement.

Each Broker-Dealer that receives New Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a Broker-Dealer in connection with resales of New Securities received in exchange for Securities where such Securities were acquired by such Broker-Dealer as a result of market-making activities or other trading activities. The Company has agreed that, starting on the Expiration Date (as defined herein) and ending on the close of business 180 days after the Expiration Date, it will make this Prospectus available to any Broker-Dealer for use in connection with any such resale. See "Plan of Distribution".

Each Broker-Dealer that receives New Securities for its own account in exchange for Securities, where such Securities were acquired by such Broker-Dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. See "Plan of Distribution".

PLAN OF DISTRIBUTION

Each Broker-Dealer that receives New Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a Broker-Dealer in connection with resales of New Securities received in exchange for Securities where such Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, starting on the Expiration Date and ending on the close of business 180 days after the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any Broker-Dealer for use in connection with any such resale. In addition, until the date that is 180 days from Issue Date, all dealers effecting transactions in the New Securities may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of New Securities by brokers-dealers. New Securities received by Broker-Dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such Broker-Dealer and/or the purchasers of any such New Securities. Any Broker-Dealer that resells New Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such New Securities may be deemed to be an "underwriter" within the meaning of the Act and any profit of any such resale of New Securities and any commissions or concessions received by any such Persons may be deemed to be underwriting compensation under the Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Act.

For a period of 180 days after the Expiration Date, the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any Broker-Dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the holder of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Securities (including any Broker-Dealers) against certain liabilities, including liabilities under the Act.

Rider A

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10
ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY
AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____
Address: _____

Rider B

If the undersigned is not a Broker-Dealer, the undersigned represents that it acquired the New Securities in the ordinary course of its business, it is not engaged in, and does not intend to engage in, a distribution of New Securities and it has not made arrangements or understandings with any Person to participate in a distribution of the New Securities. If the undersigned is a Broker-Dealer that will receive New Securities for its own account in exchange for Securities, it represents that the Securities to be exchanged for New Securities were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus in connection with any resale of such New Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Act.

AMERICAN TOWERS, INC.

INSTRUCTION TO DTC PARTICIPANTS

(Date of Mailing)

URGENT -- IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE]

The Depositary Trust Company ("DTC") has identified you as a DTC Participant through which beneficial interests in the American Towers, Inc. (the "Company") 12.25% Senior Subordinated Discount Notes due 2008 (the "Securities") are held.

The Company is in the process of registering the Securities under the Securities Act of 1933 for resale by the beneficial owners thereof. In order to have their Securities included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

It is important that beneficial owners of the Securities receive a copy of the enclosed materials as soon as possible as their rights to have the Securities included in the registration statement depend upon their returning the Notice and Questionnaire by [DEADLINE FOR RESPONSE]. Please forward a copy of the enclosed documents to each beneficial owner that holds interest in the Securities through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact American Towers, Inc., 116 Huntington Avenue, 11/th/ Floor, Boston, MA 02116, Attention: General Counsel.

AMERICAN TOWERS CORPORATION

(Notice of Registration Statement and Selling
Securityholder Questionnaire
(Date))

Reference is hereby made to the Warrant Registration Rights Agreement (the "Warrant Registration Rights Agreement") between American Towers, Inc. (the "Company") and the Purchasers named therein. Pursuant to the American Towers, Inc. Registration Rights Agreement, the Company has filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form ____ (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Company's 12.25% Senior Subordinated Discount Notes due 2008, (the "Securities"). A copy of the Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Each beneficial owner of Transfer Restricted Securities (as defined below) is entitled to have the Transfer Restricted Securities beneficially owned by it included in the Shelf Registration Statement. In order to have Transfer Restricted Securities included in the Shelf Registration Statement, this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Company's counsel of the address set forth herein for receipt ON OR BEFORE [DEADLINE FOR RESPONSE]. Beneficial owners of Transfer Restricted Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf and Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Transfer Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Transfer Restricted Securities are advised to consult their own securities law counsel regarding the consequence of being named or not being named as a selling securityholder in the Shelf Registration Statement and related Prospectus.

The term "TRANSFER RESTRICTED SECURITIES" is defined in the Registration Rights Agreement.

ELECTION

The undersigned holder (the "Selling Securityholder") of Transfer Restricted Securities hereby elects to include in the Shelf Registration Statement the Transfer Restricted Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Transfer Restricted Securities by the terms and conditions of this Notice and Questionnaire and the Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Company and Trustee the Notice of Transfer set forth as Annex F to the Registration Rights Agreement. The Selling Securityholder hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

(1) (a) Full Legal Name of Selling Securityholder:

(b) Full Legal Name of Holder (if not the same as in (a) above) of Transfer Restricted Securities Listed in Item (3) below:

(c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Transfer Restricted Securities Listed in Item (3) below are Held:

(2) Address for Notices to Selling Securityholder:

Telephone:

Fax:

Contact Person:

(3) Beneficial Ownership of Securities:

Except as set forth below in this Item (3), the undersigned does not beneficially own any Securities.

(a) Principal Amount at Maturity of Transfer Restricted Securities beneficially owned: ____ CUSIP No(s). of such Transfer Restricted Securities____

(b) Principal Amount at Maturity of Securities other than Transfer Restricted Securities beneficially owned: ____ CUSIP No(s). of such other Securities____

(c) Principal Amount at Maturity of Transfer Restricted Securities which the undersigned wishes to be included in the Shelf Registration Statement: ____ CUSIP No(s). of such Transfer Restricted Securities to be included in the Shelf Registration Statement____

(4) Beneficial Ownership of other Securities of the Company:

Except as set forth below in this Item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any other securities of the Company, other than the Securities listed above in Item (3).

State any exceptions here:

(5) Relationships with the Company:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

(6) Plan of Distribution:

State any exceptions here:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Transfer Restricted Securities listed above in Item (3) only as follows (if at all): Such Transfer

Restricted Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Transfer Restricted Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation service on which the Registered Securities may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Transfer Restricted Securities or otherwise, the Selling Securityholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Transfer Restricted Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Transfer Restricted Securities short and deliver Transfer Restricted Securities to close out such short positions, or loan or pledge Transfer Restricted Securities to broker-dealers that in turn may sell such securities

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Transfer Restricted Securities listed in Item (3) above after the date on which such information is provided to the Company, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Exchange and Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Company in connection with the preparation of the Shelf Registration Statement and related Prospectus. In accordance with the Selling Securityholder's obligation under Section 3(e) of the Exchange and Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Registration Rights Agreement shall be made in writing, by hand-delivery, or air courier guaranteeing overnight delivery as follows:

(i) To the Company:

(ii) With a copy to:

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Company's counsel, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Company and the Selling Securityholder (with respect to the Transfer Restricted Securities beneficially owned by such Selling Securityholder and listed in Item (3) above. This Agreement shall be governed in all respects by the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated:

Selling Securityholder
(Print/type full legal name of beneficial owner of Transfer Restricted Securities)

By:
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE COMPANY'S COUNSEL AT:

Notice of Transfer Pursuant to Registration Statement

America Towers, Inc.
The Bank of New York
Trustee Services
5 Penn Plaza, 13/th/ Floor
New York, NY 10001

Attention: Trust Officer

Re: 12.25% Senior Subordinated Discount Notes Due 2008

Dear Sirs:

Please be advised that _____ has transferred \$ _____
accreted value of the above-referenced Notes pursuant to an effective
Registration Statement on Form [] (File No. 333-) filed by the Company.

We hereby certify that the prospectus delivery requirements, if any, of the
Securities Act of 1933, as amended, have been satisfied and that the above-named
beneficial owner of the Notes is named as a "Selling Holder" in the Prospectus
dated [DATE] or in supplements thereto, and that the accreted value of the Notes
transferred are the Notes listed in such Prospectus opposite such owner's name.

Dated:

Very truly yours,

(Name)
By: (Authorized Signature)

=====

WARRANT
REGISTRATION RIGHTS AGREEMENT

AMERICAN TOWER CORPORATION

Warrants to Purchase 11,389,012 Shares of Common Stock

Dated as of January 29, 2003

CREDIT SUISSE FIRST BOSTON LLC
GOLDMAN, SACHS & CO.

=====

This Warrant Registration Rights Agreement (this "Agreement") is made and entered into as of January 29, 2003, between American Tower Corporation, a Delaware corporation (the "Company"), and Credit Suisse First Boston LLC and Goldman, Sachs & Co. (each an "Initial Purchaser" and collectively, the "Initial Purchasers"), which have agreed to purchase the Warrants of the Company issued pursuant to the Warrant Agreement (the "Warrant Agreement"), dated as of the date hereof, between the Company and The Bank of New York, as warrant agent (the "Warrant Agent").

The Warrants are being issued and sold in connection with the offering by American Tower Escrow Corporation, which is expected to merge with and into American Towers, Inc. (together, "American Towers") of 808,000 Units each consisting of (i) \$1,000 principal amount at maturity of 12.25% Senior Subordinated Discount Notes due 2008 (the "Notes") of American Towers, issued pursuant to the Indenture, dated as of January 29, 2003 among American Towers, the Guarantors named therein (from and after the consummation of the Escrow Corp. Merger) and The Bank of New York, as trustee (the "Indenture") and (ii) one Warrant to purchase 14.0953 fully paid and non-assessable shares of the Company's Class A common stock (the "Warrant Shares").

This Agreement is made pursuant to the Purchase Agreement, dated January 22, 2003 (the "Purchase Agreement"), by and among American Towers, the Guarantors (as defined in the Purchase Agreement) (from and after the consummation of the Escrow Corp. Merger) and the Initial Purchasers. In order to induce the Initial Purchasers to purchase the Warrants, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 6(g) of the Purchase Agreement. Capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Warrant Agreement.

The parties hereby agree as follows:

1. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

Act: The Securities Act of 1933, as amended.

Affiliate: As defined in Rule 144.

Black Out Notice: As defined in Section 5(b) hereof.

Black Out Period: As defined in Section 3(a) hereof.

Closing Date: The date hereof.

Commission: The Securities and Exchange Commission.

Escrow Corp.: means American Tower Escrow Corporation, a Delaware corporation.

Escrow Corp. Merger: means the merger transaction involving Escrow Corp. and American Towers, Inc. pursuant to the Escrow Corp. Merger Agreement.

Escrow Corp. Merger Agreement: means an Agreement and Plan of Merger with respect to the Escrow Corp. Merger, dated as of the date of the Indenture.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Holders: As defined in Section 2 hereof.

Majority Holders: shall mean, on any date, Holders of a majority of the aggregate amount of Warrants registered under a Registration Statement.

Notice and Questionnaire: shall mean a written notice delivered to the Company substantially in the form attached as Annex A hereto.

Notice Holder: shall mean, on any date, any Holder of Transfer Restricted Securities that has delivered a Notice and Questionnaire to the Company on or prior to such date.

Prospectus: The prospectus included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

Registration Default: shall have the meaning assigned in Section 6 hereof.

Registration Statement: Any registration statement of the Company relating to the registration for resale of Transfer Restricted Securities and the issuance of the Company's Class A common stock upon the exercise of the Warrants resold pursuant to the Registration Statement that is filed pursuant to the provisions of this Agreement and including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

Rule 144: Rule 144 promulgated under the Act.

Selling Holder: a Holder who is selling Transfer Restricted Securities pursuant to Section 3 hereof.

Transfer Restricted Securities: (a) Each Warrant and Warrant Share held by an Affiliate of the Company and (b) each other Warrant and Warrant Share until the earlier to occur of (i) the date on which such Warrant or Warrant Share (other than any Warrant Share issued upon exercise of a Warrant in accordance with a Registration Statement) has been disposed of in accordance with a Registration Statement and (ii) the date on which such Warrant or Warrant Share (or the related Warrant) is distributed to the public pursuant to Rule 144 under the Act.

2. HOLDERS

A Person is deemed to be a holder of Transfer Restricted Securities (each, a "Holder") whenever such Person is the holder of record of Transfer Restricted Securities.

3. SHELF REGISTRATION

(a) Shelf Registration. The Company shall prepare and cause to be filed with the Commission on or before 90 days from the Closing Date pursuant to Rule 415 under the Securities Act a Registration Statement on the appropriate form relating to resales of Transfer Restricted Securities by the Holders thereof and issuance of the Company's Class A common stock upon the exercise of the Warrants resold pursuant to such registration statement. The Company shall use its reasonable best efforts to cause the Registration Statement to be declared effective by the Commission, subject to certain exceptions discussed herein, on or before 180 days after the Closing Date.

(b) To the extent necessary to ensure that the Registration Statement is available for sales of Transfer Restricted Securities by the Holders thereof entitled to the benefit of Section 3(a) hereof, the Company shall use its reasonable best efforts to keep any Registration Statement required by Section 3(a) hereof continuously effective, supplemented, amended and current as required by and subject to the provisions of Sections 3(c) and 5(a) hereof and in conformity with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, until the second anniversary of the date hereof; provided that such obligation shall expire before such date if the Company delivers to the Warrant Agent a written opinion of counsel to the Company (which opinion of counsel shall be satisfactory to the Company) that all Holders (other than Affiliates of the Company) of Warrants and Warrant Shares may resell the Warrants and the Warrant Shares without registration under the Act and without restriction as to the manner, timing or volume of any such sale; and provided, further, that notwithstanding the foregoing, any Affiliate of the Company may, with notice to the Company, require the Company to keep the Registration Statement continuously effective for resales by such Affiliate for so long as such Affiliate holds Warrants or Warrant Shares, including as a result of any market-making activities or other trading activities of such Affiliate.

(c) Notwithstanding the foregoing, the Company shall not be required to amend or supplement the Registration Statement, any related prospectus or any document incorporated therein by reference and may suspend the availability of the Registration Statement, for a period (a "Black Out Period") not to exceed, for so long as this Agreement is in effect, an aggregate of 60 days in any calendar year, (i) upon the occurrence or existence of any pending corporate development or any other material event as a result of which the Registration Statement, any related prospectus or any document incorporated therein by reference as then amended or supplemented would, in the Company's good faith judgment, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii)(A) the Company determines in good faith and in its sole judgment that the disclosure of such event at such time would not be in the best interests of the Company or (B) the disclosure otherwise relates to a material business transaction which has not yet been publicly disclosed; provided that such Black Out Period shall be extended for any period, not to exceed an aggregate of 30 days in any calendar year, during which the Commission is reviewing any proposed amendment or supplement to the Registration Statement, any related prospectus or any document incorporated therein by reference which has been filed by the Company.

4. HOLDER INFORMATION

No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 20 days after receipt of a request therefor substantially in the form of the Notice and Questionnaire, the information specified in Item 507 or 508 of Regulation S-K, as applicable, of the Act for use in connection with any Registration Statement or Prospectus or preliminary Prospectus

included therein. Each selling Holder agrees to promptly furnish additional information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

5. REGISTRATION PROCEDURES

(a) In connection with the Registration Statement and any related Prospectus required by this Agreement, the Company shall:

(i) use its reasonable best efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto the Company will prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof within the time periods and otherwise in accordance with the provisions hereof;

(ii) use its reasonable best efforts to keep such Registration Statement continuously effective and provide or incorporate by reference all requisite financial statements for the period specified in Section 3 of this Agreement. Upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain an untrue statement of material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company shall, except to the extent permitted by Section 3(c) hereof, file promptly an appropriate amendment to such Registration Statement or a supplement to the Prospectus, as applicable, curing such defect, and, in the case of an amendment, use its reasonable best efforts to cause such amendment to be declared effective as soon as practicable;

(iii) prepare and file with the Commission such amendments and post-effective amendments to the applicable Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period set forth in Section 3 hereof; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act, and to comply fully with Rules 424, 430A and 462, as applicable, under the Act in a timely manner; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iv) advise the Notice Holders promptly and, if requested by the Notice Holders, confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any applicable Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, and (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the

Registration Statement, the Prospectus, any amendment or supplement thereto or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement in order to make the statements therein not misleading, or that requires the making of any additions to or changes in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Company shall use its reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(v) subject to Section 3(c) hereof, if any fact or event contemplated by Section 5(a)(iv)(D) hereof shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vi) before filling any Registration Statement or Prospectus or any amendments or supplements thereto (including all documents incorporated by reference after the initial filing of such Registration Statement) furnish to and afford such Holder and such Holder's counsel, if any, a reasonable opportunity to review copies of all such documents proposed to be filed (in each case, where possible, at least five Business Days prior to such filing, or such later date as is reasonable under the circumstances), and shall incorporate into such filings such comments and changes as may be reasonably requested by such persons. The provisions of this Section 4(a) shall not apply to the filing by the Company of annual, quarterly or current reports, or proxy statements or schedules under the Exchange Act. The Company shall not file any Registration Statement or Prospectus or any amendments or supplements thereto if Holders of the Majority Holders covered by such Registration Statement or their counsel, shall reasonably and in a timely manner object.

(vii) Make available at reasonable times for inspection by one or more representatives of the Selling Holders, designated in writing by a Majority of Holders whose Transfer Restricted Securities are included in the Registration Statement, and any attorney or accountant retained by such Selling Holders, all financial and other records, pertinent corporate documents and properties of the Company as shall be reasonably necessary to enable them to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act, and cause the Company's officers, directors, managers and employees to supply all information reasonably requested by any such representative or representatives of the Selling Holders, attorney or accountant in connection therewith; provided, however, that any information that is designated in writing by the Company, in good faith, as confidential at the time of delivery of such information shall be kept confidential by the Selling Holders or any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality;

(viii) if requested by the Selling Holders, promptly include in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as the Selling Holders may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the

Transfer Restricted Securities and the use of the Registration Statement or Prospectus for market-making activities; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Company is notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(ix) furnish to each Selling Holder and each Holder upon request, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment;

(x) deliver to the underwriters, if any, and each Holder, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as the underwriters, if any, or such Selling Holder reasonably may request; the Company hereby consents to the use (in accordance with law) of the Prospectus and any amendment or supplement thereto by each selling Person in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto and all market-making activities of the underwriters, if any, as the case may be;

(xi) enter into such agreements (including underwriting agreements) and make such representations and warranties and take all such other actions in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any applicable Registration Statement contemplated by this Agreement as may be reasonably requested by the Selling Holders in connection with any sale or resale pursuant to any applicable Registration Statement. In such connection, the Company shall:

(A) if requested by the Majority Holders, furnish (or, in the case of paragraphs (2) and (3), use its reasonable best efforts to cause to be furnished) to the Selling Holders, upon the effectiveness of the Registration Statement:

(1) a certificate, dated such date, signed on behalf of the Company by (x) the President or any Vice President and (y) a principal financial or accounting officer of the Company, confirming, as of the date thereof, the matters set forth in Sections 6(b) and 6(e) of the Purchase Agreement and such other similar matters as such Person may reasonably request;

(2) an opinion, dated the date of effectiveness of the Registration Statement, of counsel for the Company covering matters similar to those set forth in Schedules D and E of the Purchase Agreement and such other matters as the Selling Holders may reasonably request, and in any event including a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company and have considered the matters required to be stated therein and the statements contained therein, although such counsel has not independently verified the accuracy, completeness or fairness of such statements; and that such counsel advises that, on the basis of the foregoing (relying as to materiality to the extent such counsel deems appropriate upon the statements of officers and other representatives of the Company) and without independent check or verification), no facts came to such counsel's attention that caused such counsel to believe that the applicable Registration Statement, at the time such Registration Statement or any post-effective amendment thereto became effective, contained an untrue statement of a material fact or omitted to state a

material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus contained in such Registration Statement as of its date contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Without limiting the foregoing, such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated the date of effectiveness of the Registration Statement, from the Company's independent accountants, in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with underwritten offerings, and affirming the matters set forth in the comfort letters delivered pursuant to Section 9(i) of the Purchase Agreement; provided the appropriate representation letters are provided to the accountants from the Holders under Statement on Auditing Standards No. 72.

(B) set forth in full or incorporate by reference in the underwriting agreement, if any, in connection with any sale or resale pursuant to any Registration Statement the indemnification provisions and procedure of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section; and

(C) deliver such other documents and certificates as may be reasonably requested by the Selling Holders to evidence compliance with the matters covered in clause (A) above and with any customary conditions contained in any agreement entered into by the Company pursuant to this clause;

The above shall be done at each closing under such underwriting or similar agreement, as and to the extent required thereunder, and if at any time the representations and warranties of the Company contemplated in (A)(i) above cease to be true and correct, the Company shall so advise the underwriter(s), if any, and Selling Holders promptly and if requested by such Persons, shall confirm such advise in writing.

(xii) prior to any public offering of Transfer Restricted Securities, cooperate with the Selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the Holders or underwriter(s), if any, may request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the applicable Registration Statement; provided, however, that where Transfer Restricted Securities are offered other than through an underwritten offering, the Company agrees to cause its counsel to perform Blue Sky investigations and file registrations and qualifications required to be filed pursuant to this Section 5(a)(xiii), keep each such registration or qualification (or exemption therefrom) effective during the period that the applicable Registration Statement is required to remain effective under the terms of this Agreement and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the securities covered thereby; provided that the Company shall not be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other

than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xiii) in connection with any sale of Transfer Restricted Securities that will result in such securities no longer being Transfer Restricted Securities, cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and to register such Transfer Restricted Securities in such denominations and such names as the selling Holders may reasonably request at least two Business Days prior to such sale of Transfer Restricted Securities;

(xiv) use its reasonable best efforts to cause the disposition of the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xii) above;

(xv) provide a CUSIP number for all Transfer Restricted Securities not later than the effective date of a Registration Statement covering such Transfer Restricted Securities and provide the Warrant Agent with printed certificates for the Transfer Restricted Securities which are in a form eligible for deposit with The Depository Trust Company;

(xvi) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make generally available to its security holders with regard to any applicable Registration Statement, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) covering a twelve-month period beginning after the effective date of the Registration Statement (as such term is defined in Rule 158(c) under the Act); and

(xvii) provide promptly to the Holders, upon written request, each document filed with the Commission pursuant to the requirements of Section 13 or Section 15(d) of the Exchange Act.

(b) Restrictions on Holders. Each Holder agrees by acquisition of a Transfer Restricted Security and the Initial Purchasers agrees that, upon receipt of the notice (without notice of the nature or details of the events) from the Company of the commencement of a Black Out Period (in each case, a "Black Out Notice"), such Person will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Person is advised in writing by the Company of the termination of the Black Out Period and such Holder receives copies of the supplemented or amended Prospectus contemplated by Section 5(a)(v) hereof, or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus. If so directed by the Company each Person receiving a Black Out Notice hereby agrees that it will either (i) destroy any Prospectuses, other than permanent file copies, then in such Person's possession which have been replaced by the Company with more recently dated Prospectuses or (ii) deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Person's possession of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of the Black Out Notice.

6. LIQUIDATED DAMAGES

If the Registration Statement: (i) is not filed with the Commission on or prior to the date specified for such filing in Section 3(a) hereof; (ii) has not been declared effective by the Commission on or prior to the date specified for such effectiveness in Section 3(a) hereof; or (iii) following the date such Registration Statement is declared effective by the Commission, shall cease to be effective without being restored to effectiveness by amendment or otherwise within 30 business days, other than as permitted by Section 3(c) hereof (each such event referred to in clauses (i) through (iii), a "Registration Default") to the extent permitted by applicable law, the Company shall pay as liquidated damages and not as a penalty to each Holder during the first 90-day period immediately following the occurrence, and during the continuance of such Registration Default, an amount equal to \$0.01 per week per Warrant (or per such number of Warrant Shares then issuable upon exercise of or in respect of a Warrant) held by such Holder for each week or portion thereof that the Registration Default continues. To the extent permitted by applicable law, the amount of the liquidated damages will increase by an additional \$0.01 per week per Warrant (or per such number of Warrant Shares then issuable upon exercise of or in respect of a Warrant) with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of liquidated damages of \$0.05 per week per Warrant (or per such number of Warrant Shares then issuable upon exercise of or in respect of a Warrant).

All accrued liquidated damages shall be paid to record Holders by the Company by wire transfer of immediately available funds, or by mailing a federal funds check, on February 1 and August 1 of any given year. All obligations of the Company set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security has been effectively registered under the Act shall survive until such time as all such obligations with respect to such security have been satisfied in full.

7. REGISTRATION EXPENSES

All expenses incident to the Company's performance of or compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement becomes effective, including, without limitation: (i) all registration and filing fees and expenses; (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing Prospectuses (whether for sales, market-making or otherwise), messenger and delivery services and telephone; (iv) all fees and disbursements of counsel for the Company; (v) all application and filing fees in connection with listing the Warrant Shares on a national securities exchange or automated quotation system pursuant to the requirements hereof; and (vi) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit (which shall not be required except to the extent required by applicable law) and comfort letters required by or incident to such performance).

The Company will, in any event, bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company.

8. INDEMNIFICATION

(a) The Company agrees to indemnify and hold harmless each Holder, its directors, officers and each Person, if any, who controls such Holder (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act), from and against any and all losses, claims, damages, liabilities, judgments, (including, without limitation, any legal or other expenses incurred in connection with investigating or defending any matter, including any action that could give rise to any such losses, claims,

damages, liabilities or judgments) caused by any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, preliminary prospectus or Prospectus (or any amendment or supplement thereto) provided by the Company to any Holder or any prospective purchaser of Transfer Restricted Securities, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or judgments are caused by an untrue statement or omission or alleged untrue statement or omission that is based upon information relating to a Holder furnished in writing to the Company by such Holder.

(b) Each Holder of Transfer Restricted Securities agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors and officers, and each person, if any, who controls (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) the Company, to the same extent as the foregoing indemnity from the Company set forth in Section 6(a) hereof, but only with reference to information relating to such Holder furnished in writing to the Company by such Holder expressly for use in any Registration Statement. In no event shall any Holder, its directors, officers or any Person who controls such Holder be liable or responsible for any amount in excess of the amount by which the total amount received by such Holder with respect to its sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds (i) the amount paid by such Holder for such Transfer Restricted Securities and (ii) the amount of any damages that such Holder, its directors, officers or any Person who controls such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. This indemnity agreement shall be in addition to any liability which any such Holder may otherwise have.

(c) In case any action shall be commenced involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b) (the "indemnified party"), the indemnified party shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing, and the indemnifying party shall assume the defense of such action, including the employment of counsel reasonably satisfactory to the indemnified party and the payment of all fees and expenses of such counsel, as incurred (except that, in the case of any action in respect of which indemnity may be sought pursuant to both Sections 8(a) and 8(b), a Holder shall not be required to assume the defense of such action pursuant to this Section 8(c), but may employ separate counsel and participate in the defense thereof, but the fees and expenses of such counsel, except as provided below, shall be at the expense of the Holder). Any indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the indemnified party, unless (i) the employment of such counsel shall have been specifically authorized in writing by the indemnifying party, (ii) the indemnifying party shall have failed to assume the defense of such action or employ counsel reasonably satisfactory to the indemnified party or (iii) the named parties to any such action (including any impleaded parties) include both the indemnified party and the indemnifying party, and the indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party). In any such case, the indemnifying party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties and all such reasonable fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by a majority of the Holders, in the case of the parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall indemnify and hold harmless the indemnified party from and against any and all losses, claims, damages, liabilities and judgments by reason of any settlement of any action effected with its written consent. The Company shall not, without the prior written consent of the

indemnified party, effect any settlement or compromise of, or consent to the entry of judgment with respect to, any pending or threatened action in respect of which the indemnified party is or could have been a party and indemnity or contribution may be or could have been sought hereunder by the indemnified party, unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability on claims that are or could have been the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) To the extent that the indemnification provided for in this Section 8 is unavailable to an indemnified party in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Holders, on the other hand, from their sale of Transfer Restricted Securities or (ii) if the allocation provided by clause 8(d)(i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) hereof but also the relative fault of the Company, on the one hand, and of the Holder, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Holder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or by the Holder, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to above shall be deemed to include, subject to the limitations set forth in the second paragraph of Section 8(a), any reasonable legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any matter, including any action that could have given rise to such losses, claims, damages, liabilities or judgments.

The Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8, no Holder, its directors, its officers or any Person, if any, who controls such Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the total received by such Holder with respect to the sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds (i) the amount paid by such Holder for such Transfer Restricted Securities and (ii) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective principal amount of Transfer Restricted Securities held by each Holder hereunder and not joint.

9. RULE 144

The Company agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding and during any period in which the Company is subject to Section 13 or 15(d) of the Exchange Act, to make all filings required thereby in a timely manner in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144.

10. MISCELLANEOUS

(a) Remedies. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under this Agreement may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Section 3 hereof. The Company further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements. The Company will not, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof, except that the filing of the Registration Statement hereunder would require notice to be sent to holders under the Company's registration rights agreement dated February 25, 1999, as amended, and require the inclusion of such holders in a Registration Statement filed hereunder.

(c) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless (i) in the case of this Section 10(c)(i), the Company has obtained the written consent of Holders of all outstanding Transfer Restricted Securities, and (ii) in the case of all other provisions hereof, the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities (excluding Transfer Restricted Securities held by the Company or its Affiliates).

(d) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements granting rights to Holders made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Warrant Agent, with a copy to the Warrant Agent; and

(ii) if to the Company:

American Tower Corporation
116 Huntington Avenue, 11/th/ Floor
Boston, MA 02116
Telecopier No.: (617) 375-7575
Attention: Chief Financial Officer and Treasurer
Executive Vice President and General Counsel

With a copy to:

Palmer & Dodge LLP
111 Huntington Avenue
Boston, MA 02199
Telecopier No.: (617) 227-4420
Attention: Matthew J. Gardella, Esq.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Warrant Agent at the address specified in Warrant Agreement.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without limitation, and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Transfer Restricted Securities in violation of the terms hereof or of the Purchase Agreement or the Warrant Agreement. If any transferee of any Holder shall acquire Transfer Restricted Securities in any manner, whether by operation of law or otherwise, such Transfer Restricted Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Transfer Restricted Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such Person shall be entitled to receive the benefits hereof.

(g) Termination. This Agreement shall automatically terminate on the Redemption Date if the Escrow Corp. Merger has not been consummated.

(h) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(i) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(j) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW RULES THEREOF. The Company hereby irrevocably and unconditionally: (i) submits itself and its property in any legal action or proceeding relating to this Agreement or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York, and appellate courts thereof, and consents and agrees to such action or proceeding being brought in such courts; and (ii) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in any inconvenient court and agrees not to plead or claim the same.

(k) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(l) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AMERICAN TOWER CORPORATION

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and Treasurer

The foregoing Agreement is hereby
confirmed and accepted
as of the date first above written.

By Credit Suisse First Boston LLC

By: /s/ Kristin M. Allen

Name: Kristin Allen
Title: Managing Director

For themselves and the other several
Purchasers name in Schedule A to the Purchase Agreement.

ANNEX A

AMERICAN TOWER CORPORATION

Notice of Registration Statement and Selling
Securityholder Questionnaire
(Date)

Reference is hereby made to the Warrant Registration Rights Agreement (the "Warrant Registration Rights Agreement") between American Tower Corporation (the "Company") and the Initial Purchasers named therein. Pursuant to the Warrant Registration Rights Agreement, the Company has filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form ____ (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Company's warrants to purchase Class A Common Stock, par value \$0.01 per share of the Company, and the shares of Class A common stock issuable upon exercise thereof (collectively, the "Securities"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Warrant Registration Rights Agreement.

Each beneficial owner of Transfer Restricted Securities (as defined below) is entitled to have the Transfer Restricted Securities beneficially owned by it included in the Shelf Registration Statement. In order to have Transfer Restricted Securities included in the Shelf Registration Statement, this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Company's counsel of the address set forth herein for receipt ON OR BEFORE [DEADLINE FOR RESPONSE]. Beneficial owners of Transfer Restricted Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Transfer Restricted Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Transfer Restricted Securities are advised to consult their own securities law counsel regarding the consequence of being named or not being named as a selling securityholder in the Shelf Registration Statement and related Prospectus.

The term "TRANSFER RESTRICTED SECURITIES" has the meaning assigned in the Warrant Registration Rights Agreement.

ELECTION

The undersigned holder (the "Selling Securityholder") of Transfer Restricted Securities hereby elects to include in the Shelf Registration Statement the Transfer Restricted Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Transfer Restricted Securities by the terms and conditions of this Notice and Questionnaire and the Warrant Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Company and Trustee the Notice of Transfer set forth as Annex B to the Warrant Registration Rights Agreement. The Selling Securityholder hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

- (1) (a) Full Legal Name of Selling Securityholder:
- (b) Full Legal Name of Holder (if not the same as in (a) above) of Transfer Restricted Securities Listed in Item (3) below:
- (c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Transfer Restricted Securities Listed in Item (3) below are Held:

- (2) Address for Notices to Selling Securityholder:

Telephone:

Fax:

Contact Person:

- (3) Beneficial Ownership of Securities:

Except as set forth below in this Item (3), the undersigned does not beneficially own any Securities.

- (a) Number of Transfer Restricted Securities beneficially owned: _____ CUSIP No(s). of such Transfer Restricted Securities_____
- (b) Number of Securities other than Transfer Restricted Securities beneficially owned: _____ CUSIP No(s). of such other Securities_____
- (c) Number of Transfer Restricted Securities which the undersigned wishes to be included in the Shelf Registration Statement: _____ CUSIP No(s). of such Transfer Restricted Securities to be included in the Shelf Registration Statement_____

- (4) Beneficial Ownership of other Securities of the Company:

Except as set forth below in this Item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any other securities of the Company, other than the Securities listed above in Item (3).

State any exceptions here:

- (5) Relationships with the Company:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

- (6) Plan of Distribution:

State any exceptions here:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Transfer Restricted Securities listed above in Item (3) only as follows (if at all): Such Transfer Restricted Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Transfer Restricted Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation

service on which the Registered Securities may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Transfer Restricted Securities or otherwise, the Selling Securityholder may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Transfer Restricted Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Transfer Restricted Securities short and deliver Transfer Restricted Securities to close out such short positions, or loan or pledge Transfer Restricted Securities to broker-dealers that in turn may sell such securities

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Transfer Restricted Securities listed in Item (3) above after the date on which such information is provided to the Company, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Warrant Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Company in connection with the preparation of the Shelf Registration Statement and related Prospectus. In accordance with the Selling Securityholder's obligation under Section 3(e) of the Warrant Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Warrant Registration Rights Agreement shall be made in writing, by hand-delivery, or air courier guaranteeing overnight delivery as follows:

(i) To the Company:

(ii) With a copy to:

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Company's counsel, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Company and the Selling Securityholder (with respect to the Transfer Restricted Securities beneficially owned by such Selling

Securityholder and listed in Item (3) above). This Agreement shall be governed in all respects by the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated:

Selling Securityholder
(Print/type full legal name of beneficial owner of Transfer Restricted Securities)

By:
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE COMPANY'S COUNSEL AT:

ANNEX B

Notice of Transfer Pursuant to Registration Statement

America Towers Corporation
The Bank of New York
Trustee Services
5 Penn Plaza, 13/th/ Floor
New York, NY 10001

Attention: Trust Officer

Re: Warrants to purchase Class A Common Stock, par value \$0.01 per share

Dear Sirs:

Please be advised that _____ has transferred _____
of the above-referenced Warrants pursuant to an effective Registration Statement
on Form [] (File No. 333-) filed by the Company.

We hereby certify that the prospectus delivery requirements, if any, of the
Securities Act of 1933, as amended, have been satisfied and that the above-named
beneficial owner of the Warrants is named as a "Selling Holder" in the
Prospectus dated [DATE] or in supplements thereto, and that the number of
Warrants transferred is the number listed in such Prospectus opposite such
owner's name.

Dated:

Very truly yours,

(Name)
By: (Authorized Signature)

Ratio of Earnings to Fixed Charges
American Tower Corporation

The following table reflects the computation of the ratio of earnings to fixed charges for the periods presented (in thousands):

	Year Ended December 31,				
	1998	1999	2000	2001	2002
Computation of Earnings:					
Loss from continuing operations before income taxes	\$ (44,481)	\$ (51,975)	\$ (249,974)	\$ (489,753)	\$ (379,403)
Add:					
Interest expense	23,228	27,274	152,749	268,985	257,139
Operating leases	3,245	6,963	16,889	26,056	29,237
Minority interest in net earnings of subsidiaries	287	142	202	318	2,118
Losses from equity investments			2,500	9,064	9,000
Amortization of interest capitalized	47	206	698	1,587	2,292
Earnings as adjusted	(17,674)	(17,390)	(76,936)	(183,743)	(79,617)
Computation of fixed charges:					
Interest expense	23,228	27,274	152,749	268,985	257,139
Interest capitalized	1,403	3,379	11,365	15,321	5,835
Operating leases	3,245	6,963	16,889	26,056	29,237
Fixed charges	27,876	37,616	181,003	310,362	292,211
Deficiency in earnings required to cover fixed charges	\$ (45,550)	\$ (55,006)	\$ (257,939)	\$ (494,105)	\$ (371,828)

- (1) Interest expense includes amortization of deferred financing costs for the years ended December 31, 1998, 1999, 2000, 2001 and 2002. Interest expense also includes an amount related to our capital lease with TV Azteca for the years ended December 31, 2000, 2001 and 2002 and redeemable preferred stock dividends for the year ended December 31, 1998.
- (2) For the purposes of this calculation, “earnings” consists of loss from continuing operations before income taxes, fixed charges (excluding interest capitalized), minority interest in net earnings of subsidiaries, losses from equity investments and amortization of interest capitalized. “Fixed charges” consist of interest expensed and capitalized, amortization of debt discount and related issuance costs and the component of rental expense associated with operating leases believed by management to be representative of the interest factor thereon (30%).

Subsidiary	Jurisdiction of Incorporation or Organization
10 Presidential Way Associates, LLC (1)	Delaware
American Tower Corporation De Mexico S. de R.L. de C.V.	Mexico
American Tower Delaware Corporation	Delaware
American Tower do Brasil, Ltd.	Brazil
American Tower International, Inc. (2)	Delaware
American Tower Management Inc.	Delaware
American Tower PA LLC (3)	Delaware
American Tower Trust #1	Massachusetts
American Tower Trust #2	Massachusetts
American Tower LLC	Delaware
American Tower, L.P. (4)	Delaware
American Towers, Inc.	Delaware
ATC Connecticut, Inc.	Delaware
ATC GP, Inc.	Delaware
ATC International Holding Corp.	Delaware
ATC LP, Inc.	Delaware
ATC Midwest, LLC	Delaware
ATC MexHold, Inc.	Delaware
ATC Mexico Holding Corp. (5)	Delaware
ATC Presidential Way, Inc.	Delaware
ATC Realty Holding, Inc.	Delaware
ATC South America Holding Corp.	Delaware
ATC South LLC	Delaware
ATC Tower Services, Inc.	New Mexico
ATC Westwood, Inc.	Delaware
ATS-Needham LLC (6)	Massachusetts
ATS/PCS, LLC	Delaware
Carolina Towers, Inc.	South Carolina
Haysville Towers, LLC (7)	Kansas
Kline Iron & Steel Co., Inc.	Delaware
MATC Cellular, S. de R.L. de C.V.	Mexico
MATC Digital S. de R.L. de C.V.	Mexico
MATC Servicios, S. de R.L. de C.V.	Mexico
MHB Tower Rentals of America LLC	Mississippi
New Loma Communications, Inc.	California
Shreveport Tower Company (8)	Louisiana
Telecom Towers, LLC	Delaware
Towers of America LLLP (9)	Delaware
Towersites Monitoring, Inc.	Delaware
UniSite/Omni Point NE Tower Venture, L.L.C. (10)	Delaware
UniSite/OmniPoint FL Tower Venture, L.L.C. (11)	Delaware
UniSite/OmniPoint PA Tower Venture L.L.C. (12)	Delaware
Unisite, Inc.	Delaware
Verestar AG	Switzerland
Verestar International, Inc.	Delaware
Verestar Networks, Inc. (13)	Delaware
Verestar, Inc.	Delaware

- (1) 83.4105% owned by ATC Presidential Way, Inc.
(2) Formerly known as ATC International Holding Corp.
(3) Formerly known as American Tower Texas LLC.
(4) 1% owned by ATC GP, Inc.
(5) 88% owned by American Tower International, Inc.
(6) 45.23% owned by American Tower, L.P. and 34.77% owned by American Towers, Inc.
(7) 67% owned by Telecom Towers, LLC.
(8) 50% owned by Telecom Towers, LLC.
(9) 49% owned by American Tower, L.P.
(10) 95% owned by Unisite, Inc.
(11) 95% owned by Unisite, Inc.
(12) 95% owned by Unisite, Inc.
(13) Formerly known as Interpacket Networks, Inc.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 333-41226, 333-41224, 333-72927, 333-56331, 333-76324 and 333-51959 each on Form S-8 and Registration Statement Nos. 333-54648, 333-50098, 333-43130, 333-37988 and 333-35412 each on Form S-3 of American Tower Corporation of our report dated February 24, 2003, which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets", appearing in this Annual Report on Form 10-K of American Tower Corporation for the year ended December 31, 2002.

/s/ DELOITTE & TOUCHE LLP
Boston, Massachusetts
March 21, 2003

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of American Tower Corporation (the "Company") for the year ended December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), the undersigned, Steven B. Dodge, Chief Executive Officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2003

/s/ Steven B. Dodge

Steven B. Dodge
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of American Tower Corporation (the "Company") for the year ended December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), the undersigned, Bradley E. Singer, Chief Financial Officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2003

/s/ Bradley E. Singer

Bradley E. Singer
Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.