

May 24, 2005

Mr. B. Michael Verne
Premerger Notification Office
Bureau of Competition - Room 303
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Proposed Acquisition of [REDACTED]

by [REDACTED]

Dear Mike:

I am writing to confirm advice you provided to [REDACTED] during your telephone conversation with him on May 23, 2005 with respect to the above-referenced transaction.

The relevant facts are as follows: Pursuant to a merger agreement dated May 3, 2005, [REDACTED] proposes to acquire [REDACTED] through the merger of [REDACTED] with and into a wholly owned subsidiary of [REDACTED]. The merger consideration to be received by the stockholders of [REDACTED] consists of common stock of [REDACTED] valued at \$3.1 billion. [REDACTED] and [REDACTED] are operators of wireless communications and broadcast towers and sites.

The business of [REDACTED] consists of four principal segments:

- (i) wireless communications towers and rooftops;
- (ii) broadcast towers;

[REDACTED]

- (iii) in-building antenna systems; and
- (iv) rooftop and broadcast tower management services.

- **Wireless Communications Towers and Rooftops.** [REDACTED] operates wireless communications towers by leasing space for antennas on towers and rooftops and for supporting communications equipment on the ground or rooftops to wireless carriers. In consideration for [REDACTED] leasing this space on a tower or rooftop, [REDACTED] typically receives monthly rent from its customers. Its leases typically have initial terms of five to ten years, with multiple five year renewal options.

- **Broadcast Towers.** [REDACTED] operates broadcast towers by leasing space for antennas on towers and for supporting broadcasting or communications equipment on the ground to broadcasters and wireless carriers. In consideration for leasing this space, [REDACTED] typically receives monthly rent from its customers. Its broadcast leases typically have initial terms of ten to twenty years, with multiple renewal options.

- **In-building Antenna Systems.** These systems allow wireless carriers to provide wireless service inside a building. [REDACTED] enters into leases with property owners, which give SpectraSite the right to install and operate in-building systems, usually for an initial period of ten years, with some leases having multiple five year renewal options. Under these leases, [REDACTED] has the exclusive right to build and operate in-building antenna systems for use by wireless carriers in buildings, currently consisting of retail shopping malls and casino/hotel resorts. [REDACTED] in-building antenna systems are composed of hubs and antennas installed in ceilings and other areas of the buildings that are connected to each other with fiber optic and coaxial cabling. Once installed, the antennas, cabling and conduit become fixtures in the buildings in which they are installed in that there is no residual value to those components once installed in the building. The majority of [REDACTED] cost for the installation of the in-building system is composed of the labor to install the components in the buildings. The wireless carriers attach their equipment to [REDACTED] in-building system for a fee under license agreements that typically have an initial term of ten years. The agreements between [REDACTED] and the wireless carrier grant the wireless carrier the right to install and maintain its equipment in a room in the building and to connect the carrier's equipment to [REDACTED] in-building system and require [REDACTED] to maintain its in-building antenna system. [REDACTED] typically shares a portion of the monthly rents it collects from wireless carriers with the property owners.

- **Rooftop and Broadcast Tower Management.** [REDACTED] provides rooftop and broadcast tower management services to wireless carriers and broadcasters. Under a typical rooftop management arrangement, [REDACTED] acts as the exclusive manager for the property owner in a wireless carrier's utilization of a property owner's rooftop site as a transmitting location. Under these arrangements, which are usually for an initial term of three to five years, [REDACTED] acts as the exclusive site manager for

rooftop telecommunications and the agreements permitting the wireless carriers to locate its equipment on the rooftops are between the property owner and the wireless carrier. For its services, [REDACTED] receives a percentage of the fees that the property owner receives from the wireless carrier. [REDACTED] also provides management services to certain owners of broadcast towers similar to the model for managed rooftops.

Rule 802.5 of the regulations promulgated under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act"), provides that acquisitions of investment property assets are exempt from the requirements of the Act. Under current interpretation of this Rule by the Premerger Notification Office of the Federal Trade Commission, broadcast and wireless communications towers are considered real property and their acquisition is exempt from the requirements of the Act provided that the towers (i) are currently held by the seller for rental or leasing to entities not within the same ultimate parent entity as the seller and (ii) will be held for rental or leasing to entities not within the acquiring person.

All of [REDACTED] towers, rooftops and in-building systems are currently held for rental, leasing or licensing to entities not within [REDACTED] and we understand that, following the acquisition, [REDACTED] will hold [REDACTED] assets for rental, leasing or licensing to entities not within [REDACTED]

Rule 802.4 exempts an acquisition of voting securities of an issuer whose assets, together with those of all entities it controls, consist of assets whose direct acquisition would be exempt from the requirements of the Act if the acquired issuer and all the entities it controls do not hold non-exempt assets with an aggregate fair market value of more than \$53.1 million.

I understand that you have advised [REDACTED] that because the in-buildings business of [REDACTED] is similar in nature to the telecommunications tower business it should be treated as real property for purposes of Rule 802.5.

The rooftop management and broadcast tower management businesses of [REDACTED] are not exempt under Rule 802.5. However, we understand that those assets have a fair market value of less than \$53.1 million, which will be formally determined by the board of directors of [REDACTED] in accordance with Rule 801.10(c)(3). The remaining assets of [REDACTED] are exempt under Rule 802.5. Accordingly, assuming the fair market value of the non-exempt assets of [REDACTED] is less than \$53.1 million, the acquisition by [REDACTED] of 100% of the voting securities of [REDACTED] would be exempt from the requirements of the Act under Rule 802.4.

[REDACTED]
Mr. B. Michael Verne

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Please call me at the above-referenced number to confirm that the above accurately reflects your advice.

Very truly yours,

[REDACTED]

cc.: [REDACTED]

AGNEE-
Bucher
5/24/05

[REDACTED]