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AZ CORP COMMISSION
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December 3, 1999

Arizona Corporation Commission
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BY FEDERAL EXPRESS

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

Re: CNG Communications, Inc.

TO WHOM IT MAY CONCERN:

Enclosed for filing please find an original and eleven copies of a supplement to the Application for a Certificate of Convenience and Necessity of CNG Communications, Inc. This supplement is presented as a response to correspondence from Mr. Kevin Mosier.

Please contact the undersigned should you require additional information.

Very truly yours,

John T. Sessions

JTS:mm
Enclosures (as noted)

411 University Street, Suite 1200
Seattle, Washington 98101-2515
Telephone: (206)587-4040
Facsimile: (206)587-4041

Law Offices
SESSIONS & CO.
A Professional Service Corporation

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1999 DEC -6 P 1:42

AZ CORP COMMISSION
DOCUMENT CONTROL

December 3, 1999

BY FEDERAL EXPRESS

Mr. Kevin Mosier
Economist II
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Re: CNG Communications, Inc.

Dear Mr. Mosier:

This is to supplement the application and tariff already filed with respect to the applicant captioned above.

1. The technical capability of applicant to provide the proposed services is based on its retention of substantially all of the employees who successfully operated the system for over seven years while it was owned by MCI/American Television Relay. In addition, the executives responsible for the proposed services have considerable experience in telecommunications management as indicated by the resumes that accompany this submission. The facilities include tower and transmission sites. A listing of the sites located in Arizona accompanies this submission. The company is registered or is not required to register in California, Nevada, Texas and Colorado. Applications are pending in Arizona and New Mexico.

2. Until September 2, 1999, applicant was a first-tier subsidiary of WesTower Corporation ("WesTower"). As such, it depended upon inter-company loans for its financing. A public company, WesTower's public financial reporting accompanies this submission. Effective September 2, 1999, WesTower merged with Spectrasite Holdings, Inc. That company's public financial reporting also accompanies this submission. As an operating subsidiary, applicant has developed accounting systems to report its results since May 1999, but full period, representative reporting is not yet available due to the reorganization. Consequently, applicant requests that the State of Arizona rely on the undertaking of its parent corporation. A copy of that undertaking accompanies this submission.

3. Copies of the Certificate of Incorporation and Bylaws of applicant accompany this submission.

411 University Street, Suite 1200 | Telephone: (206)587-4040
Seattle, Washington 98101-2515 | Facsimile: (206)587-4041

Please advise me of any further information you require.

Yours very truly,

John T. Sessions

JTS:mm
Enclosures (as noted on the "Index of Attachments")

INDEX OF ATTACHMENTS
SUBMISSION OF CNG COMMUNICATIONS, INC.
DECEMBER 3, 1999

1. Resumes of Key Managers
2. Arizona Site List
3. Form 10-Q of WesTower Corporation
4. Form 10-Q of Spectrasite Holdings, Inc.
5. Undertaking of WesTower Corporation
6. Certificate of Incorporation and Bylaws of CNG Communications, Inc.

ATTACHMENT 1

CNG COMMUNICATIONS, INC.
RESUMES OF KEY MANAGERS

CALVIN J. PAYNE, P. Eng.

Calvin J. Payne is a co-founder and Chief Executive Officer of WesTower Corporation. Since inception in 1990, Mr. Payne has managed the company's growth in his capacity as a director, officer and chief engineer. Mr. Payne has 22 years of experience in all aspects of the construction of steel communication towers. He was a construction worker and rigger in 1975, a field engineer in 1978, a design engineer in 1979, engineering manager in charge of a tower company's Australian operations in 1983, and chief engineer of the same company's domestic operations in 1988. Mr. Payne has engineered over 600 towers, including a 1,470-foot tower in Florida designed to withstand hurricane winds. Mr. Payne won a design award for a steel tower erected on a mountaintop site near the Alaskan-Canadian border that was totally enclosed in fiberglass to protect the tower and antenna from wind and ice. Mr. Payne has assisted in the writing of design standards for communication towers in the United States, Canada and Australia, and was an inspector of towers for Aramco in Saudi Arabia. He received a degree in civil engineering from the University of British Columbia in 1978 and an MBA from the University of Western Australia in 1985.

KENNETH C. GEESLIN

Kenneth C. Geeslin has been MCI's Executive Director of Network Construction Services since 1996, having the responsibility of building the local and long distance network infrastructure for MCI. Mr. Geeslin has also been MCImetro's Vice President of Engineering, Construction & Operations, Program Director of MCI's FAA LINCS and Network Digitization Programs, Director of Microwave Engineering and Transmission Systems Construction, Senior Manager of Microwave Project Engineering and Mid-Atlantic Operations, and a Manager of Systems Field Engineering. Prior to joining MCI, Mr. Geeslin was a Maintenance Superintendent and JCS Exercise Planner for the U.S. Air National Guard, and a Communications Technician and Supervisor in the U.S. Air Force. Mr. Geeslin is a highly skilled executive with extensive management experience in the telecommunications field. He excels at establishing organizations, turning around failing situations, analyzing and fixing organizational and technical problems, writing and implementing standardized procedures, budgeting, instructing and managing the training of employees. He was educated at Ohio University, CCAF, PGCC and the Menninger Institute Executive Managerial Studies Program.

ATTACHMENT 2

WesTower Communications | Site Locations
Sites in Arizona

Tower Types
G - Guyed; **M** - Monopole; **TP** - Telephone Pole; **SS** - Self-Support; **TBD** - To be determined

Loc Code	Site Name	City	County	Type	Latitude	Longitude	Ground Elevation (ft.)	Twr Ht. (ft.)	Site Statu
AZ0032	Bigelow Mtn.	Tucson	Pima	SS	32-24-54.9	110-42-50.3	8575	68	In Developm
AZ0033	Buchanan	Phoenix	Maricopa	SS	33-26-34	112-05-10	1090	160	Available Nov
AZ0010	Buckeye E.S.	Phoenix	Maricopa	G	33-15-39	112-22-11	1157	245	Available Nov
AZ0008	Chloride	Kingman	Mohave	SS	35-15-21	114-05-39	6355	60	In Developm
AZ0002	Crown King	Crown King	Prescott	SS	34-14-04	112-22-05	7680	140	In Developm
AZ0011.1	Elden 1	Flagstaff	Flagstaff	G	35-08-48	111-21-47	9250	80	Available Nov
AZ0011.2	Elden 2	Flagstaff	Flagstaff	SS	35-08-48	111-21-47	9250	100	Available Nov
AZ0011.3	Elden 3	Flagstaff	Flagstaff	SS	35-08-48	111-21-47	9250	40	Available Nov
AZ0007	Flagstaff Junction	Jerome	Yavapal	SS	34-25-15	112-04-17	7658	190	In Developm
AZ0003	Greens Peak (Greer)	Springerville	Apache	SS	34-06-35.2	109-34-28.2	10126	120	In Developm
AZ0012	Heliograph	Safford	Graham	SS	32-39-01	109-50-58	10080	65	Available Nov
AZ0013	Jacks Peak	Page	Coconino	SS	36-41-53	111-37-49	6460	160	Available Nov
AZ0014	Keystone Peak	Tucson	Pima	SS	31-52-37	111-12-55	6352	20	Available Nov
AZ0015	Mingus Mtn.	Jerome	Yavapal	SS	34-24-44	112-04-13	7700	80	Available Nov
AZ0016	Mohawk Pass	Dateland	Yuma	SS	32-43-36	113-44-47	557	50	Available Nov
AZ0004	Mt. Ord	Phoenix	Maricopa	SS	33-54-19.5	111-24-31.6	7090	80	In Developm
AZ0017.1	Oatman 1	Gila Bend	Yuma	SS	33-03-04	113-08-07	1770	80	Available Nov
AZ0017.2	Oatman 2	Gila Bend	Yuma	SS	33-03-04	113-08-07	1770	50	Available Nov
AZ0001	Osborne Phoenix	Phoenix	Maricopa	SS	33-29-13	112-07-22	1026	100	Available Nov
AZ0006	Peach Springs	Peach Springs	Mohave	SS	35-14-28	113-13-48	5910	200	In Developm
AZ0009	Phoenix ATR	Phoenix	Maricopa	SS	33-29-39	112-07-05	1153	120	Available Nov
AZ0031.1	Pinal 1	Miami	Gila	SS	33-16-57.2	110-49-16.7	7900	60	In Developm
AZ0031.2	Pinal 2	Miami	Gila	SS	33-16-57.2	110-49-16.7	7900	78	In Developm
AZ0019	Preston Mesa	The Gap	Navajo	SS	36-21-31	111-12-11	6690	50	Available Nov
AZ0029	Seligman	Seligman	Coconino	SS	35-21-44	112-57-13	6245	120	In Developm
AZ0030	South Butte	Chino Valley	Mojave	SS	35-02-02	112-25-45	4890	100	In Developm
AZ0020	Telegraph Pass	Yuma	Yuma	SS	32-40-13	114-20-07	1565	95	Available Nov
AZ0021.1	White Tanks 1	Phoenix	Maricopa	SS	33-34-03	112-33-33	4366	75	Available Nov
AZ0021.2	White Tanks 2	Phoenix	Maricopa	SS	33-34-03	112-33-33	4366	40	Available Nov
AZ0005	Willow Beach	Kingman	Mohave	SS	35-26-19	114-18-49	3452	100	In Developm

Back to WesTower Site Search

Download the site locations listed above
(For your convenience, you can save the information to disk or open it in a spreadsheet program such as Microsoft Exce

ATTACHMENT 3

-----BEGIN PRIVACY-ENHANCED MESSAGE-----
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Originator-Key-Asymmetric:
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CONFORMED SUBMISSION TYPE: 10-Q
PUBLIC DOCUMENT COUNT: 2
CONFORMED PERIOD OF REPORT: 19990630
FILED AS OF DATE: 19990823

FILER:

COMPANY DATA:
COMPANY CONFORMED NAME: WESTOWER CORP
CENTRAL INDEX KEY: 0001043274
STANDARD INDUSTRIAL CLASSIFICATION: WATER, SEWER, PIPELINE, COMM AND POWER LINE CONSTRUCTION [1623]
IRS NUMBER: 911825860
STATE OF INCORPORATION: WA
FISCAL YEAR END: 0930

FILING VALUES:
FORM TYPE: 10-Q
SEC ACT:
SEC FILE NUMBER: 001-13491
FILM NUMBER: 99697884

BUSINESS ADDRESS:
STREET 1: 2001 6TH AVENUE SUITE 3302
CITY: SEATTLE
STATE: WA
ZIP: 98121
BUSINESS PHONE: 2064410334

MAIL ADDRESS:
STREET 1: 2001 6TH AVENUE SUITE 3302
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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from____________ to ____________

COMMISSION FILE NUMBER 1-132963

WESTOWER CORPORATION
(Name of registrant as specified in its charter)

WASHINGTON	1623	91-1825860
(State or jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Westower Corporation
2001 6th Avenue, Suite 3302
Seattle, Washington 98121
(206) 441-0334

(Address and telephone number of principal executive offices and principal place of business)

(1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act 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 [X] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes common equity, as of the latest practicable date:

8,559,635 as of August 16, 1999

<PAGE>

INDEX

<TABLE>

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<PAGE>

Westower Corporation and Subsidiaries
Condensed Consolidated Balance Sheets
At June 30, 1999 and September 30, 1998

<TABLE>
<CAPTION>

ASSETS

	June 30, 1999	September 30, 1998
CURRENT ASSETS	(unaudited)	
<S>	<C>	<C>
Cash and cash equivalents	$ 4,204,000	$ 9,331,000
Accounts receivable, net	20,506,000	13,289,000
Costs and estimated earnings in excess of billings on uncompleted contracts	6,758,000	5,078,000
Inventory	3,133,000	2,151,000
Related party advances and receivables	419,000	956,000
Income tax receivable	220,000	220,000
Other current assets	1,744,000	1,203,000
Total current assets	36,984,000	32,228,000

PROPERTY AND EQUIPMENT, net	50,217,000	7,574,000
INTANGIBLE ASSETS, net	26,992,000	19,721,000
OTHER ASSETS	6,139,000	2,771,000
TOTAL ASSETS	$ 120,332,000	$62,294,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$ 8,374,000	$ 7,053,000
Other current liabilities	1,909,000	2,810,000
Billings in excess of costs and estimated earnings on uncompleted contracts	1,586,000	1,435,000
Income taxes payable	2,450,000	2,116,000
Deferred income taxes	395,000	428,000
Stockholder advances and notes payable to related parties	154,000	228,000
Note payable	68,000	1,089,000
Current portion of long-term debt and capital lease obligations	1,576,000	2,419,000
Total current liabilities	16,512,000	17,578,000
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, excluding current portion	57,059,000	14,991,000
DEFERRED INCOME TAXES	2,977,000	2,962,000
Total liabilities	76,548,000	35,531,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock ($.01 par value, 25,000,000 and 10,000,000 shares authorized, 8,562,000 and 7,047,000 shares issued and outstanding at June 30, 1999 and September 30, 1998, respectively)	85,000	70,000
Additional paid-in-capital	39,818,000	22,610,000
Accumulated other comprehensive loss	(237,000)	(581,000)
Retained earnings	4,118,000	4,664,000
Total stockholders' equity	43,784,000	26,763,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 120,332,000	$ 62,294,000

</TABLE>

See accompanying notes to these financial statements

<PAGE>

Westower Corporation and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
Three and Nine Months ended June 30, 1999 and 1998

<TABLE>
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	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998	Nine Months Ended June 30, 1999	Nine Months Ended June 30, 1998
<S>	<C>	<C>	<C>	<C>
CONTRACT AND OTHER REVENUES EARNED	$ 25,184,000	$ 12,637,000	$ 68,455,000	$ 35,995,000
COSTS OF REVENUES EARNED (exclusive of depreciation shown below)	17,688,000	9,609,000	48,418,000	26,659,000
Gross profit	7,496,000	3,028,000	20,037,000	9,336,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,128,000	1,640,000	13,385,000	4,827,000
DEPRECIATION AND AMORTIZATION	1,078,000	146,000	2,537,000	407,000
MERGER RELATED EXPENSES	1,519,000	250,000	1,596,000	250,000
OPERATING INCOME (LOSS)	(229,000)	992,000	2,519,000	3,852,000
OTHER INCOME (EXPENSE)				
Other income (expense)	(53,000)	41,000	220,000	157,000
Interest income	21,000	75,000	152,000	187,000
Interest and financing expense	(928,000)	(31,000)	(2,051,000)	(103,000)
Total other income (expense)	(960,000)	85,000	(1,679,000)	241,000
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	(1,189,000)	1,077,000	840,000	4,093,000

PROVISION FOR INCOME TAXES	(503,000)	(213,000)	(1,386,000)	(1,270,000)
NET INCOME (LOSS)	$ (1,692,000)	$ 864,000	$ (546,000)	$ 2,823,000
EARNINGS (LOSS) PER SHARE:				
BASIC	$ (0.20)	$ 0.14	$ (0.07)	$ 0.46
DILUTED	$ (0.20)	$ 0.13	$ (0.07)	$ 0.39

</TABLE>

See accompanying notes to these financial statements

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<PAGE>

Westower Corporation and Subsidiaries
Unaudited Condensed Consolidated Statement of Stockholders' Equity
June 30, 1999

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Comprehensive Income (loss)	Total
	Shares	Amount					
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, September 30, 1998	7,047,000	$ 70,000	$22,610,000	$4,664,000	$ (581,000)		$26,763,000
Net loss				(546,000)		$ (546,000)	
Foreign currency translation adjustment					344,000	344,000	
Total comprehensive loss						$ (202,000)	(202,000)
Proceeds from warrants and options exercised, net	1,112,000	11,000	8,868,000				8,879,000
Stock issuances for business acquisitions	403,000	4,000	8,280,000				8,284,000
Stock compensation expense			60,000				60,000
BALANCE, June 30, 1999	8,562,000	$ 85,000	$39,818,000	$4,118,000	$ (237,000)		$43,784,000

</TABLE>

See accompanying notes to these financial statements

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<PAGE>

Westower Corporation and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
Nine Months ended June 30, 1999 and 1998

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
CASH FROM OPERATING ACTIVITIES		
Net income (loss)	$ (546,000)	$ 2,823,000
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation and amortization	2,537,000	407,000
Gain on sale of assets		(125,000)
Non-cash interest and financing expense	361,000	142,000
Earnings from equity investment	(142,000)	
Stock compensation expense	60,000	55,000
Changes in operating assets and liabilities, net of effect of acquisitions		
Accounts receivable	(3,609,000)	(646,000)
Costs and estimated earnings in excess of billings on uncompleted contracts	(1,680,000)	(1,138,000)
Inventory and other current assets	(1,333,000)	(867,000)
Other assets		13,000
Trade accounts payable	647,000	109,000
Billings in excess of costs and estimated earnings on uncompleted contracts	151,000	141,000
Other current liabilities	(1,023,000)	19,000
Income taxes payable	334,000	1,280,000
Current and deferred income taxes	(18,000)	(57,000)
Net cash flows (used in) provided		

CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for acquisitions, net of cash acquired	(6,583,000)	(1,474,000)
Increase in other assets	(2,700,000)	
Purchases of property and equipment	(37,422,000)	(1,405,000)
Proceeds from sale of assets		302,000
Net cash flows used in investing activities	(46,705,000)	(2,577,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock issuances, net	8,878,000	8,934,000
Redemption of preferred stock		(150,000)
Proceeds from long-term debt	1,207,000	15,884,000
Repayments to related parties	(2,080,000)	(1,972,000)
Repayments from (advances to) related parties	696,000	(101,000)
Borrowings (repayments) on line of credit, net	(1,871,000)	(245,000)
Proceeds from credit facility	41,600,000	
Distributions to stockholders of acquired subsidiaries prior to acquisition		(2,800,000)
Additions to financing costs	(490,000)	(349,000)
Repayments of long-term debt	(2,140,000)	(476,000)
Net cash flow from financing activities	45,800,000	18,725,000
EFFECT OF EXCHANGE RATES	39,000	28,000
NET INCREASE (DECREASE) IN		
CASH AND CASH EQUIVALENTS	(5,127,000)	18,332,000
CASH AND CASH EQUIVALENTS, beginning of period	9,331,000	1,748,000

</TABLE>

See accompanying notes to these financial statements

<PAGE>

Westower Corporation and Subsidiaries
Unaudited Condensed Consolidated Statement of Cash Flows
Nine Months ended June 30, 1999 and 1998

<TABLE>

<S>	<C>	<C>
CASH AND CASH EQUIVALENTS, end of period	$ 4,204,000	$ 20,080,000

</TABLE>

See accompanying notes to financial statements

<PAGE>

Westower Corporation and Subsidiaries
Notes To Unaudited Condensed Consolidated Financial Statements

Note 1 - Basis of Presentation

Westower Corporation (the "Company") designs, builds and maintains wireless communications transmitting and receiving facilities for providers of wireless communications services. The Company also owns and leases communications towers. The Company operates throughout the U.S. and Canada.

The unaudited condensed consolidated financial statements and notes thereto at June 30, 1999 and September 30, 1998 (audited), and for the three and nine months ended June 30, 1999 and 1998, reflect the October 28, 1997 merger with Western Telecom Construction Ltd., an Alberta corporation, the May 29, 1998 merger with MJA Communications Corp., a Florida corporation, and the August 31, 1998 merger with Standby Services, Inc., a Texas corporation. All companies design, fabricate and construct wireless transmitting and receiving facilities and shelters for communications providers. The Company issued 835,000 shares of its common stock for all the common shares of Western Telecom Construction Ltd., 397,000 shares of its common stock for all of the common shares of MJA Communications Corp., and 544,000 shares of its common stock for all of the common shares of Standby Services, Inc. All of these mergers were accounted for as or similar to a pooling-of-interests.

On October 27, 1998, the Company changed its fiscal year-end from February 28 to September 30. All prior information has been restated to conform with a September 30 year end.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and in accordance with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and disclosures normally required by generally accepted accounting

principles for complete [illegible]
Company's Annual Report on Form 10-KSB. The financial information included herein reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of results for interim periods. Results of interim periods are not necessarily indicative of the results to be expected for a full year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the seven-month Transition Period ended September 30, 1998 and the notes thereto included in the Company's Form 10-KSB.

Consolidation -- The consolidated financial statements include the accounts of the Company and its wholly owned domestic and Canadian subsidiaries. Investments in subsidiaries in which the Company exercises significant influence but which it does not control are accounted for using the equity method. Investment in a 60% owned affiliated company is accounted for on the equity method of accounting. The Company's equity (loss) earnings from this investment during the three and nine months ended June 30, 1999 was $(83,000) and $142,000, respectively, which has been included in other income. All material intercompany accounts and transactions have been eliminated in consolidation.

Foreign Currency Translation -- All asset and liability accounts of Canadian operations are translated into U.S. dollars at current exchange rates. Revenues and expenses are translated using the average exchange rate during the period. Foreign currency translation adjustments are reported as a component of comprehensive income and stockholders' equity in the consolidated balance sheet. Exchange gains and losses from foreign currency transactions are included in income currently.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements. Examples of estimates subject to possible revision based upon the outcome of future events include costs and estimated earnings on uncompleted contracts, depreciation of property and equipment, accrued income tax liabilities, and purchase price allocations for acquisitions. Actual results could differ from those estimates.

Reclassification -- Certain prior year amounts have been reclassified to conform to the current year presentation and did not impact previously reported stockholders' equity or cash flow.

Note 2 - Inventory

Inventory is stated at the lower of cost and estimated net realizable value using the first-in, first-out method. Inventory consists of materials purchased for future construction not associated with specific jobs.

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<PAGE>

Note 3 - Property And Equipment

Property and equipment consists of the following:

	June 30, 1999	September 30, 1998
Buildings	$ 1,883,000	$ 1,795,000
Vehicles	4,016,000	2,540,000
Equipment	2,851,000	1,580,000
Communications towers	37,479,000	1,401,000
Furniture and fixtures	1,840,000	943,000
Leasehold improvements	161,000	81,000
Construction in progress	3,534,000	
	51,764,000	8,340,000
Less accumulated depreciation and amortization	(2,878,000)	(1,562,000)
	48,886,000	6,778,000
Land	1,331,000	796,000
	$50,217,000	$ 7,574,000

In February 1999, the Company completed the acquisition of certain communications towers under contract in December 1998, at an aggregate cost of approximately $17 million. In May 1999, the Company completed the acquisition of certain communications towers under contract in September 1998, at an aggregate cost of approximately $15.5 million.

Note 4 - Acquisitions

During the nine months ended June 30, 1999, the Company consummated the following transactions which were accounted for under the purchase method of accounting, and accordingly, the operating results of the acquired entities have been included in the consolidated operating results since the date of acquisition.

On October 30, 1998 the Company completed the acquisition of Teletronics

Management Services, LLC. (...
exchanging approximately 188,000 shares of common stock valued at approximately $3.8 million, based on the publicly traded price, $1.8 million in cash, including distributions payable to former shareholders in the amount of $800,000, and the assumption of certain liabilities, for all outstanding shares of Teletronics. The acquisition was accounted for using the purchase method for business combinations resulting in goodwill of approximately $5.0 million.

On November 10, 1998 the Company completed the acquisition of Summit Communications, LLC ("Summit"), a Mississippi limited liability company which engages in operations similar to those of the Company. The acquisition was effected by exchanging approximately 200,000 shares of common stock valued at approximately $4.1 million, based on the publicly traded price, $4.4 million in cash, and the assumption of certain liabilities, for all membership interests in Summit. The former members of Summit may also receive an additional 100,000 shares of common stock, based on certain performance criteria during the three years following the date of acquisition. The acquisition was accounted for using the purchase method for business combinations resulting in goodwill of approximately $8.0 million.

On February 4, 1999 the Company completed the acquisition of Cypress Real Estate Services, Inc. ("Cypress"), a Florida corporation. The acquisition was effected by exchanging approximately 15,000 shares of common stock valued at approximately $424,000, based on the publicly traded price, for all outstanding shares of Cypress. The former shareholder of Cypress may also receive additional shares of common stock, based on the number of towers, not to exceed 1,000 towers, acquired or constructed by the Company, subject to certain limitations and restrictions. The acquisition was accounted for using the purchase method for business combinations with substantially all of the purchase price allocated to goodwill.

On February 26, 1999 the Company completed the acquisition of Telecommunications R. David ("R. David"), a Quebec, Canada company which engages in operations similar to those of the Company. The acquisition was effected by exchanging approximately $330,000 in cash, and the assumption of certain liabilities, for all outstanding shares of R. David. The acquisition was accounted for using the purchase method for business combinations resulting in goodwill of approximately $350,000.

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The following is a summary of all consideration exchanged for acquisitions that were accounted for as purchases:

	Nine Months Ended June 30, 1999
Shares issued	403,000
Value of shares	$ 8,284,000
Cash	6,583,000
Total purchase price	$14,867,000

The assets and liabilities of the acquired entities were recorded at their estimated fair market values at the dates of acquisition. The initial allocations of fair market values are preliminary and are subject to adjustments during the first year following the acquisition. The initial allocations were as follows:

	June 30, 1999
Non-compete agreements	$ 136,000
Tangible assets	5,084,000
Goodwill	13,825,000
Liabilities assumed and deferred tax liabilities	(4,178,000)
Total purchase price	$14,867,000

Included in the operating results for the three and nine months ended June 30, 1999 are revenues of $5,273,000 and $14,552,000, respectively, and operating income of $668,000 and $2,028,000, respectively, from the dates of acquisition. Goodwill is generally amortized over a 20 year period.

Note 5 - Intangible Assets

Intangible assets consist of the following:

	June 30, 1999	September 30, 1998
Goodwill	$27,864,000	$14,039,000

Non-compete agreements	355,000	219,000
	28,219,000	19,919,000
Less accumulated amortization	(1,227,000)	(198,000)
	$26,992,000	$19,721,000

Note 6 - Other Assets

Other assets consist of the following:

	June 30, 1999	September 30, 1998
Deposits on tower purchase contracts	$ 1,176,000	$ -
Equity investment in joint venture	1,189,000	217,000
Other noncurrent assets, net	3,774,000	2,554,000
	$ 6,139,000	$ 2,771,000

<PAGE>

During the nine months ended June 30, 1999, the Company paid approximately $1.2 million as deposits to acquire additional towers. Equity investment in joint venture represents the Company's cash investment and the Company's equity earnings from this investment

Note 7 - Long -Term Debt

During the nine months ended June 30, 1999, the Company borrowed an aggregate $41.6 million under its credit facility with Bank Boston N.A. As of June 30, 1999, the effective interest rate on borrowings under the facility was approximately 7.75%. The Company borrowed an additional $8.0 million under the facility subsequent to June 30, 1999. The facility is collateralized by substantially all of the Company's assets. At June 30, 1999 the Company was in compliance with all of its covenants with the exception of certain financial ratio requirements related to cash flow. The Company has received a waiver from the lenders waiving the right to demand repayment as a result of the violation.

Note 8 - Common Stock

On October 15, 1997, the Company issued 1,200,000 shares of common stock and 1,380,000 warrants to purchase common stock in a public offering. The Company received proceeds, net of costs, of $7,493,000 from its public offering. During the nine months ended June 30, 1999, the Company received net proceeds of $7,291,000 on the exercise of 819,000 warrants, at $9.00 per share of common stock. In addition to the warrants noted above, during the nine months ended June 30, 1999, the Company's underwriters exercised warrants, issued in connection with the Company's initial public offering, resulting in the Company receiving $1,123,000 on the exercise of warrants to purchase 162,000 shares of common stock at $9 per share. At June 30, 1999, there were unexercised warrants to purchase approximately 79,000 shares of common stock held by underwriters.

Note 9 - Earnings (Loss) Per Share

The numerators and denominators of basic and fully diluted earnings (loss) per share are as follows:

<TABLE>
<CAPTION>

<S>	<C> Three Months Ended June 30, 1999	<C> Three Months Ended June 30, 1998	<C> Nine Months Ended June 30, 1999	<C> Nine Months Ended June 30, 1998
Numerator - Net income (Loss) as reported	$(1,692,000)	$ 864,000	$ (546,000)	$2,823,000
Denominator - Weighted average number of shares outstanding:				
Basic weighted average number of shares	8,525,000	6,356,000	8,234,000	6,104,000
Effect of dilutive stock options and warrants		431,000		1,104,000
Diluted weighted average number of shares	8,525,000	6,787,000	8,234,000	7,208,000

</TABLE>

For the three and nine months ended June 30, 1999, all potential common shares were excluded from the computation of diluted earnings (loss) per share because inclusion would have had an anti-dilutive effect on earnings (loss) per share. For the three months ended June 30, 1998, shares associated with convertible debt were excluded from the computation of diluted earnings per share because inclusion would have had an anti-dilutive effect on earnings per share. All other potential common shares have been included in the diluted earnings per share calculations for the three and nine months ended June 30, 1999.

Note 10 - Segment Information

<PAGE>

The Company's operations are comprised of a number of communication tower construction entities that were recently acquired. While management assesses the operating results of each of these entities separately, as these entities and its existing operations exhibit similar financial performance and have similar economic characteristics, they have been aggregated as one segment.

The following table summarizes contract and other revenues and long-lived assets related to the respective countries in which the Company operates.

<TABLE>
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	As of and for the Nine Months Ended June 30, 1999		
	Total	United States	Canada
<S>	<C>	<C>	<C>
Contract and Other Revenues	$68,455,000	$52,658,000	$15,797,000
Long-lived Assets	$50,217,000	$43,574,000	$ 6,643,000

</TABLE>

<TABLE>
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	As of and for the Nine Months Ended June 30, 1998		
	Total	United States	Canada
<S>	<C>	<C>	<C>
Contract and Other Revenues	$35,995,000	$19,206,000	$16,789,000
Long-lived Assets	$ 4,854,000	$ 1,251,000	$ 3,603,000

</TABLE>

Long-lived assets are comprised of property and equipment and exclude intangible assets.

Note 11 - Merger of the Company

On May 15, 1999, the Company entered into a definitive agreement with Spectrasite Holdings, Inc. (Spectrasite), under which Westower will merge with a subsidiary of Spectrasite. As of, and for the three months ended June 30, 1999, the Company had incurred approximately $1.5 million in expenses related to the merger. Under the terms of the agreement, Westower shareholders will receive 1.81 shares of Spectrasite common stock for each Westower share. The merger is subject to the approval of Westower's shareholders and the appropriate regulatory agencies as well as other customary closing conditions. In the event the merger is not consummated, the Company may be obligated to pay a $12 million termination fee plus Spectrasite's expenses. The proposed merger is to be considered at a special meeting of Westower shareholders on September 2, 1999; however, there can be no assurance that the merger will be consummated.

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ITEM 2-MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not historical facts are forward-looking statements ("forward-looking statements") within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created by those sections. Such forward-looking statements are necessarily estimates reflecting the best judgment of the Company's management based upon current information and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, those set forth in the Company's Annual Report on Form 10-KSB for the transition period ended September 30, 1998 and appearing from time to time in filings made by the Company with the Securities and Exchange Commission. These risks, uncertainties and other factors should not be construed as exhaustive and the Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

GENERAL AND COMPANY STRATEGY

Historically, Westower Corporation and its subsidiaries (the "Company" or "Westower") principally has been engaged in building towers for wireless carriers, who have traditionally owned and operated their own transmission tower assets. While the Company continues to provide infrastructure building and implementation services to wireless carriers, the Company's focus has been directed increasingly toward developing sources of recurring revenues, specifically building towers for its own account (build-to-suit), acquiring towers from carriers and other owners, maximizing revenues from existing towers, and entering into long-term maintenance contracts with other tower owners. The Company's focus on sources of recurring revenues is intended, in part, to capitalize on recent trends by several carriers who have begun to evaluate opportunities to outsource the ownership and operation of their wireless infrastructure either by selling their existing tower sites to independent third party tower owners and operators, who would then lease tower space back to the carriers, and/or entering into build-to-suit arrangements, whereby an independent third party builds, owns and leases towers to the wireless carriers, often with multiple tenants on any given tower. The Company believes that its historical competency of tower design and construction makes the Company one of the leading candidates for carrier outsourcing.

The Company believes owning towers and leasing tower space to wireless carriers and other users will provide more stable long-term recurring revenues. In addition to the Company's plan to pursue opportunities to acquire existing sites and towers from carriers seeking to outsource their wireless infrastructure, the Company believes that, at the present time, utilizing its infrastructure building and implementation resources to construct towers for its own account is a more cost-effective method of expanding its portfolio of owned towers. In the first fiscal quarter of the fiscal year ending September 30, 1999, the Company began focusing on opportunities to provide sources of recurring revenues. The Company's build-to-suit program offers a turnkey solution to wireless carriers and is designed to reduce carriers' capital expenditures and overhead associated with the traditional methods of acquiring and owning their wireless networks. As of August 13, 1999, approximately 300 towers were under written or oral commitments from four wireless carriers. In addition to the towers subject to build-to-suit commitments, as of August 13, 1999, the Company owned or had contracts to acquire 215 towers. There can be no assurance that the Company will successfully enter into additional significant build-to-suit agreements with any wireless carrier or group of carriers or that it will be able to reach definitive agreements with the owners of towers not currently under written contract or develop the towers in a cost-effective manner, that implementation of its existing build-to-suit agreements will result in the Company's ownership of all of the towers originally contemplated by those agreements or that the Company will complete the development of any of the towers currently being developed for its own
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account. As the Company increasingly focuses its resources on tower ownership, revenues from third parties generated by its infrastructure building and implementation services operations are likely to decline. Management believes that the decline in revenues from its infrastructure building and implementation services operations will be offset over time by the recurring revenue stream expected from tower ownership, revenues from future tower acquisitions by the Company, revenues from towers the Company is currently developing and building for its own account and revenues from the towers the Company will develop and build for its own account in the future.

On May 15, 1999, the Company entered into a definitive agreement with Spectrasite Holdings, Inc. ("Spectrasite"), under which Westower will merge with a subsidiary of Spectrasite. Under the terms of the agreement, Westower shareholders will receive 1.81 shares of Spectrasite common stock for each Westower share. The merger is subject to the approval of Westower's shareholders and the appropriate regulatory agencies as well as other customary closing conditions. The Company has scheduled a shareholders meeting on September 2, 1999 to request approval by shareholders. There can be no assurance that the merger will be consummated.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 1999 COMPARED TO JUNE 30, 1998

The Company's revenues for the three-month period ended June 30, 1999 increased approximately 99% to $25,184,000 from $12,637,000 for the same three-month period in the prior year. The increase in revenues was primarily due to an increased rollout of wireless infrastructure building and implementation activities during the 1999 period and the results of business acquisitions completed after June 30, 1998, accounted for as purchases.

Gross profit, excluding depreciation, for the three-month period ended June 30, 1999 increased approximately 148% to $7,496,000 from $3,028,000 for the same three-month period in the prior year. Gross profit as a percentage of revenue increased to 29.8% for the three months ended June 30, 1999 from 24.0% for the same three months of fiscal 1998. The increase in the gross profit percentage is attributable to an increase in the labor content of revenues. The increase in gross profit is primarily due to the increase in revenues coupled with improved margins.

Selling, general and administrative expenses for the three-month period ended June 30, 1999 increased approximately 213% to $5,128,000 from $1,640,000 for the same three-month period in the prior year. As a percentage of revenues, selling, general and administrative expenses increased to 20.4% in the three months of ended June 30, 1999 compared to 13.0% in the same three months of fiscal 1998. The increase in selling, general and administrative expenses is attributable to the increase in revenues that required additional management and administrative resources and an increase in staffing of the Company for the build-to-suit and tower leasing programs, both of which did not exist in the comparable period in the prior year.

On May 15, 1999, the Company entered into a merger agreement under which Westower will merge with a subsidiary of Spectrasite. In connection with the merger, the Company incurred $1,519,000 in professional fees and other costs. This expense represents 6.0% of revenue for the three months ended June 30, 1999. The Company expects to incur additional expenses in connection with the merger.

Interest and financing expenses for the three-month period ended June 30, 1999 increased approximately 2894% to $928,000 from $31,000 for the same three-month period in the prior year. The increase is due to borrowings made, the proceeds of which have been principally used to acquire companies and towers (See "Liquidity and Capital Resources") and working capital for its build-to-suit and tower leasing programs.

Income tax expense for the three-month period ended June 30, 1999 increased approximately 136% to $503,000 from $213,000 for the same three-month period in the prior year. The increase in income tax expense is primarily the result of non-deductible amortization expense of goodwill recognized in business combinations accounted for as purchases and non-deductible expenses in connection with the merger with Spectrasite in this period compared to
<PAGE>

the prior period in which the Company merged with entities for which income was taxed directly to the former owners.

NINE MONTHS ENDED JUNE 30, 1999 COMPARED TO JUNE 30, 1998

The Company's revenues for the nine-month period ended June 30, 1999 increased approximately 90% to $68,455,000 from $35,995,000 for the same nine-month period in the prior year. The increase in revenues was primarily due to an increased rollout of wireless infrastructure building and implementation activities during the 1999 period and the results of business acquisitions completed after June 30, 1998 and accounted for as purchases.

Gross profit, excluding depreciation, for the nine-month period ended June 30, 1999 increased approximately 115% to $20,037,000 from $9,336,000 for the same nine-month period in the prior year. Gross profit as a percentage of revenue increased to 29.3% for the first nine months of the fiscal 1999 from 25.9% for the same nine months of fiscal 1998. The increase in the gross profit percentage is attributable to an increase in the labor content of revenues. The increase in gross profit is primarily due to the increase in revenues coupled with improved margins.

Selling, general and administrative expenses for the nine-month period ended June 30, 1999 increased approximately 177% to $13,385,000 from $4,827,000 for the same nine-month period in the prior year. As a percentage of revenues, selling, general and administrative expenses increased to 19.6% in the first nine months of fiscal 1999 compared to 13.4% in the same nine months of fiscal 1999. The increase in selling, general and administrative expenses is attributable to the increase in revenues that required additional management and administrative resources and an increase in staffing of the Company for the build-to-suit and tower leasing programs, both of which did not exist in the comparable period in the prior year.

On May 15, 1999, the Company entered into a merger agreement with Spectrasite. In connection with the merger, the Company incurred $1,519,000 in professional fees and other costs. The total merger expense for the period is $1,596,000. The Company expects to incur additional expenses in connection with the merger.

Interest and financing expenses for the nine-month period ended June 30, 1999 increased approximately 1891% to $2,051,000 from $103,000 for the same nine-month period in the prior year. The increase is due to borrowings made, the proceeds of which have been used to acquire companies and towers (See "Liquidity and Capital Resources") and working capital for its build-to-suit and tower leasing programs.

Income tax expense for the nine-month period ended June 30, 1999 increased approximately 9% to $1,386,000 from $1,270,000 for the same nine-month period in the prior year. The increase in income tax expense is primarily the result of non-deductible amortization expense of goodwill recognized in business combinations accounted for as purchases and non-deductible expenses in connection with the merger with Spectrasite in this period compared to the prior period in which the Company merged with entities for which income was taxed directly to the former owners.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 1999, the Company had cash of $4,204,000 a decrease from September 30, 1998, of $5,127,000. Working capital was $20,472,000.

The Company used $4,261,000 of cash in its operations during the nine months ended June 30, 1999. Net loss offset by non-cash operating expenses were $2,412,000 and $6,531,000 is reflected in the changes in operating assets and liabilities. During the nine months ended June 30, 1999, the Company used cash of $6,583,000, net of acquired cash, to acquire businesses, and $37,422,000 to purchase property and equipment, principally communications towers.

In October 1997, the Company sold 1,200,000 Units in its initial public offering of securities and received net proceeds of approximately $7,493,000. Each unit consisted of one share of common stock and one warrant to
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purchase a share of common stock for $9.00. During the seven month transition period ended September 30, 1998, 559,000 warrants were exercised resulting in net proceeds of $4,788,000. During the nine months ended June 30, 1999, nearly all of the remaining warrants were exercised resulting in net proceeds of $7,291,000. Additionally, during the nine months ended June 30, 1999, the Company's underwriters exercised warrants to purchase 162,000 shares of common stock, resulting in net proceeds of $1,123,000.

In June 1998, the Company issued a $15,000,000 principal amount 7% subordinated convertible note ("Subordinated Debt"). Net proceeds were $14,850,000. The note is convertible into 599,000 shares of common stock at $25.03 per share until April 30, 2007. In connection with the Subordinated Debt, the Company granted warrants to purchase 40,000 shares of common stock at $23 per share until April 30, 2007. The Company has used the proceeds to purchase and build communications towers for lease to others, and to acquire other enterprises.

On June 9, 1998, the Company signed a credit agreement with BankBoston, N.A. whereby BankBoston, N.A. committed to providing $75,000,000 principal amount of senior secured revolving credit (the "Credit Facility"). The Credit Facility allows the Company to purchase or construct communications towers for use by third parties and acquire businesses. The Company's ability to utilize the Credit Facility is determined by, among other criteria, its cash flows generated from operations and from tower leasing. During the nine months ended June 30, 1999, the Company borrowed $41.6 million under the Credit Facility. Subsequent to June 30, 1999 the Company borrowed an additional $8.0 million. At June 30, 1999 the amount available under the Credit Facility was $33.4 million, which is subject to projected cash flow to be derived from potential transactions.

On October 22, 1998, the Company exercised its right to acquire certain communications towers for $9.2 million, subject to regulatory approval. The Company received approval and consummated the transaction in May 1999.

On October 30, 1998, the Company completed the acquisition of Teletronics Management Services, Inc. ("Teletronics"). The acquisition was effected by exchanging approximately 188,000 shares of common stock valued at approximately $3.8 million, based upon the publicly traded price, $1.8 million in cash, including $800,000 in distributions payable to former shareholders, and the assumption of certain liabilities, for all outstanding shares of Teletronics. The acquisition was accounted for using the purchase method for business combinations, resulting in goodwill of approximately $5.0 million.

On November 10, 1998 the Company completed the acquisition of Summit Communications, LLC ("Summit"), a Mississippi limited liability company which engages in operations similar to those of the Company. The merger was effected by exchanging 200,000 shares of common stock valued at approximately $4.1 million, based on the publicly traded price, $4.4 million in cash, and the assumption of certain liabilities, for all membership interest in Summit. The former members of Summit may also receive an additional 100,000 shares of common stock, based on certain performance criteria during the three years following the date of acquisition. The acquisition was accounted for using the purchase method for business combinations, resulting in goodwill of approximately $8.0 million.

On February 4, 1999 the Company completed the acquisition of Cypress Real Estate Services, Inc. ("Cypress"), a Florida corporation. The acquisition was effected by exchanging approximately 15,000 shares of common stock valued at approximately $424,000, based upon the publicly traded price, for all outstanding shares of Cypress. The former shareholder of Cypress may also receive additional shares of common stock, based on the number of towers, not to exceed 1,000 towers, acquired or constructed by the Company, subject to certain limitations and restrictions. The acquisition was accounted for using the purchase method for business combinations with substantially all of the purchase price allocated to goodwill.

On February 26, 1999 the Company completed the acquisition of Telecommunications R. David ("R. David"), a Quebec, Canada company which engages in operations similar to those of the Company. The acquisition was effected by exchanging approximately $330,000 in cash, and the assumption of certain liabilities, for all outstanding shares of R. David. The acquisition was accounted for using the purchase method for business combinations resulting in goodwill of approximately $350,000.

The Company's future cash requirements for fiscal 1999 and beyond will depend primarily upon the level of wireless infrastructure building and implementation undertaken by the Company, the level of working capital
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needed to generate the revenues associated with such business plan, and acquisition opportunities. The Company believes that cash on hand and from operations and amounts available under the Credit Facility will be adequate to satisfy its working capital requirements at least through September 1999. In the event the merger with Spectrasite is not consummated, the Company will seek additional financing. However, there can be no assurance that such financing will be available.

To date, the Company has derived substantially all of its revenues from sales in the United States and Canada, and inflation has not had a significant effect on the Company's business. The Company does not currently expect inflation to adversely affect it in the future unless inflation increases significantly in the United States or Canada. To date, the Company's activities in Brazil have been denominated in Canadian currency.

The Company is currently in negotiations with certain tower construction companies concerning acquisition by Westower. The Company is also in negotiation with certain third parties concerning the acquisition of wireless communication towers, and with a financial institution to arrange financing for the wireless communication tower purchases, should the negotiations conclude successfully. None of the negotiations are finalized and there is no assurance that the Company will be successful in concluding these negotiations or if the Company is successful, that the acquisitions will not be dilutive to existing shareholders.

YEAR 2000 COMPLIANCE

The Company is aware of the issues associated with the Year 2000 as it relates to information systems. In September 1998, independent consultants completed a review of the Company's software and hardware. Pursuant to recommendations made by the consultants, the Company replaced a few personal computers. The Company's total expenditure to date for the Year 2000 compliance is less that $50,000. The Year 2000 is not expected to have a material impact on the Company's current information systems because its current software is either already Year 2000 compliant or required changes are not expected to be significant. The Company has not conducted a survey of its customers or vendors to ascertain their Year 2000 readiness. Based on the nature of the Company's business, and the existence of alternate vendors, however, the Company anticipates that it is not likely to experience material business interruption due to the potential adverse impact of the Year 2000 on its vendors. As a result, the Company does not anticipate that incremental expenditures to address Year 2000 compliance will be material to the Company's liquidity, financial position or results of operations.

ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". Among other provision, SFAS No. 133 requires that entities recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Gains and losses resulting from changes in the fair values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. SFAS No. 133 becomes effective for the fiscal years beginning after June 15, 2000. Management has not yet evaluated the effects that the adoption of SFAS No. 133 will have on its reported financial position or results of operations.

ITEM 3- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our risk exposure from the period reported in our Form 10-KSB for the Transition Period ended September 30, 1998.
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PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings.

The Company's subsidiary CNG Communications, Inc. ("CNG") is a defendant in an action entitled _Commercial Labor Management, Inc., Mark J. Richardson and Edward Torres v. CNG Communications, Inc. and Paul Bishop_, No. 99-3192, United States District Court for the Central District of California. The Company acquired CNG in September 1998. Plaintiffs allege that they had a pre-existing agreement to acquire CNG that was breached when the Company acquired CNG by merger. The Plaintiffs are seeking the recovery of damages in an unspecified amount. CNG is contesting the matter vigorously and believes that the allegations are without merit. There has been no material change in the status of the proceeding since the filing of the Company's Quarterly Report for the quarterly period ended March 31, 1999.

ITEM 2. Changes in Securities and Use of Proceeds.
None.

ITEM 3. Defaults Upon Senior Securities.
None.

ITEM 4. Submission of Matters to a Vote of Security Holders.
None.

ITEM 5. Other Information.
None.

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits. The following exhibits are contained in this report:

Exhibit	Description of Exhibit
2.1	Agreement and Plan of Merger, dated as of May 15, 1999, among Westower Corporation, SpectraSite Holdings, Inc. and W Acquisition Corp. (Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K dated May 18, 1999.)
27	Financial Data Schedule.

(b) Reports on Form 8-K. The following reports on Form 8-K were filed during the quarter ended June 30, 1999:

1. Form 8-K, dated May 18, 1999, relating to Item 5 (Other Events), announcing that on May 15, 1999, Westower Corporation, SpectraSite Holdings, Inc., a Delaware corporation, and W Acquisition Corp., a Washington corporation and a wholly-owned subsidiary of SpectraSite, entered into an Agreement and Plan of Merger pursuant to

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which Westower Corporation is to become a wholly-owned subsidiary of SpectraSite Holdings, Inc.

2. Form 8-K, dated May 28, 1999, relating to Item 2 (Acquisition or Disposition of Assets) relating to the acquisition of certain assets, including telecommunications towers, from the American Television Relay unit of MCI Telecommunications Corporation.

3. Form 8-K/A (Amendment No. 2), dated June 18, 1999, relating to Item 7 (Financial Statements, Pro Forma Financial Information and Exhibits) containing audited financial statements of Summit Communications, LLC and pro forma financial information adjusted to reflect the restated results of operations of Westower Corporation for the six months ended August 31, 1998.

4. Form 8-K/A (Amendment No. 3), dated June 18, 1999, relating to Item 7 (Financial Statements, Pro Forma Financial Information and Exhibits) containing audited financial statements of Cord Communications, Inc. and pro forma financial information adjusted to reflect the restated results of operations of Westower Corporation for the six months ended August 31, 1998.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 23, 1999 By: /s/ Peter Lucas

Peter Lucas,
Chief Financial Officer

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EXHIBIT INDEX

Exhibit	Description of Exhibit
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27	Financial Data Schedule.

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<NET-INCOME>	(546,000)	2,823,000
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<EPS-DILUTED>	(0.07)	0.39

<FN>
<F1>The comparative financial information contained in this schedule has been restated to reflect the October 28, 1997 merger with Western Telecom Construction Ltd., the May 29, 1998 merger with MJA Communications Corp., and the August 31, 1998 merger with Standby Services, Inc., all of which were accounted for as poolings-of-interests.
<F2>Other equity of $43,369,000 at June 30, 1999 is comprised of Additional paid-in Capital of $39,818,000, Accumulated Other Comprehensive Income of $(237,000) and Retained Earnings of $4,118,000.
<F3>Other equity of $19,680,000 at June 30, 1998 is comprised of Additional paid-in Capital of $13,568,000, Accumulated Other Comprehensive Income of $(176,000) and Retained Earnings of $6,288,000.
</FN>

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-----END PRIVACY-ENHANCED MESSAGE-----

ATTACHMENT 4

Vanguard/Money
Mutual Fund Literacy Quiz www.Vanguard.com START

1

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(x) QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **SEPTEMBER 30, 1999**

( ) TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from ____________to____________

COMMISSION FILE NUMBER 0-27217

SPECTRASITE HOLDINGS, INC.
(Name of registrant as specified in its charter)

DELAWARE	**4899**	**56-3027322**
(State or jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

SPECTRASITE HOLDINGS, INC.
100 Regency Forest Drive, Suite 400
Cary, North Carolina 27511
(919) 468-0112
(Address and telephone number of principal executive offices and principal place of business)

Check whether the issuer:

(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 X No
--- ---

As of October 31, 1999, the registrant had only one outstanding class of common stock, of which there were 19,714,001 shares outstanding.

2

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SPECTRASITE HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
At September 30,1999 and December 31, 1998
(dollars in thousands)

	September 30, 1999	December 31, 1998
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 120,241	$ 99,548
Short-term investments	-	15,414
Accounts receivable	24,721	3,353
Earnings in excess of billings	7,314	-
Inventories	4,055	-
Prepaid expenses and other	2,825	253
Total current assets	159,156	118,568
Property and equipment, net	695,921	28,469
Goodwill and other intangible assets, net	257,834	12,757
Other assets	56,755	2,152
Total assets	$ 1,169,666	$ 161,946
LIABILITIES, REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities:		
Accounts payable	$ 24,548	$ 1,635
Accrued and other expenses	13,936	809
Billings in excess of costs and estimated earnings	2,986	-
Total current liabilities	41,470	2,444
Long-term debt	155,718	-
Senior discount notes	501,382	132,689
Other long-term liabilities	-	224
Total liabilities	698,570	135,357
Redeemable convertible preferred stock (Series A and B)	-	40,656
Shareholders' equity (deficiency):		
Common stock ($.001 par value, 300,000,000 and 20,000,000 shares authorized, 19,060,219 and 956,753 shares issued and outstanding at September 30, 1999 and December 31, 1998, respectively)	19	1
Convertible preferred stock (Series A, B and C)	339,494	-
Additional paid-in-capital	209,376	-
Accumulated other comprehensive income	135	-
Accumulated deficit	(77,928)	(14,068)
Total shareholders' equity (deficiency)	471,096	(14,067)
Total liabilities, redeemable preferred stock and shareholders' equity (deficiency)	$ 1,169,666	$ 161,946

See accompanying notes to these financial statements

SPECTRASITE HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Three and Nine Months Ended September 30, 1999 and 1998
(in thousands, except per share amounts)

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
Revenues:				
Site leasing	$ 16,436	$ 170	$ 29,450	$ 211
Network services	9,644	1,520	13,967	5,154
Total revenues	26,080	1,690	43,417	5,365
Operating Expenses:				
Costs of operations, excluding depreciation, amortization and selling, general and administrative expenses:				
Site leasing	5,463	117	10,490	143
Network services	6,372	565	7,265	1,721
Selling, general and administrative expenses	12,249	2,262	21,909	5,997
Depreciation and amortization expense	12,759	461	21,833	780
Restructuring charges	7,127	-	7,727	-
Total operating expenses	43,970	3,405	69,224	8,641
Loss from operations	(17,890)	(1,715)	(25,807)	(3,276)

Other income (expense):				
Interest income	2,485	1,743	7,212	2,110
Interest expense	(18,693)	(3,898)	(47,519)	(4,335)
Other income (expense)	(295)	208	(295)	473
Total other income (expense)	(16,503)	(1,947)	(40,602)	(1,752)
Loss before income taxes	(34,393)	(3,662)	(66,409)	(5,028)
Income tax expense	107	-	107	-
Net loss	$ (34,500)	$ (3,662)	$ (66,516)	$ (5,028)
Loss applicable to common shareholders:				
Net loss	$ (34,500)	$ (3,662)	$ (66,516)	$ (5,028)
Accretion of redemption value of preferred stock	-	(626)	(760)	(1,396)
Net loss applicable to common shareholders	$ (34,500)	$ (4,288)	$ (67,276)	$ (6,424)
Net loss per common share (basic and diluted)	$ (4.21)	$ (4.53)	$ (16.85)	$ (6.86)
Weighted average common shares outstanding	8,188	947	3,993	937

See accompanying notes to these financial statements

SPECTRASITE HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF REDEEMABLE
CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY (DEFICIENCY)
Nine Months Ended September 30, 1999
(dollars in thousands)

	Redeemable Convertible Preferred Stock	Common Stock Shares	Common Stock Amount	Convertible Preferred Stock	Additional Paid-in Capital
Balance at December 31, 1998	$ 40,656	956,753	$ 1	$ -	$ -
Net loss	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-
Total comprehensive loss	-				
Issuance of common stock	-	18,103,466	18	-	215,927
Stock issuance costs	-	-	-	-	(6,551)
Issuance of Series C preferred stock	-	-	-	301,494	-
Accretion of redemption value	760	-	-	-	-
Cancellation of redemption status of preferred stock	(41,416)	-	-	38,000	-
Balance at September 30, 1999	$ -	19,060,219	$ 19	$ 339,494	$ 209,376

	Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
Balance at December 31, 1998	$ -	$ -	$ (14,068)	$ (14,067)
Net loss	(66,516)	-	(66,516)	(66,516)
Foreign currency translation adjustment	135	135	-	135
Total comprehensive loss	$ (66,381)			
Issuance of common stock		-	-	215,945
Stock issuance costs		-	-	(6,551)
Issuance of Series C preferred stock		-	-	301,494
Accretion of redemption value		-	(760)	(760)
Cancellation of redemption status of preferred stock		-	3,416	41,416
Balance at September 30, 1999		$ 135	$ (77,928)	$ 471,096

See accompanying notes to these financial statements

SPECTRASITE HOLDINGS, INC. AND SUBSIDIARIES

http://www.disclosure-investor.com/retail/display_filing.cgi?COMPANY_NAME=SPECTRASITE+HOLDINGS+INC&COMPANY_NR=...&FILING_TYPE=10-Q&DESCRIPTION=&TICKER=SITE&VENDOR=AOL

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 1999 and 1998
(dollars in thousands)

	1999	1998
OPERATING ACTIVITIES		
Net loss	$ (66,516)	$ (5,028)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	19,749	261
Amortization of goodwill and other intangibles	2,084	519
Amortization of debt issuance costs	11,085	-
Amortization of senior discount notes	28,689	3,915
Write-off of Telesite goodwill	6,178	-
Loss (gain) on sale of assets	95	(472)
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	(3,859)	436
Earnings in excess of billings	(552)	-
Inventories	(147)	-
Prepaid expenses and other	(1,938)	(149)
Accounts payable	16,832	1,217
Other current liabilities	8,372	(359)
Other, net	(338)	-
Net cash provided by operating activities	19,734	340
INVESTING ACTIVITIES		
Purchases of property and equipment	(566,359)	(12,496)
Deposits on asset purchases	(48,186)	(11,750)
Purchase of short-term investments	-	(45,561)
Maturities of short term investments	15,414	-
Acquisitions, net of cash acquired	(78,720)	(1,989)
Proceeds from sale of assets	22	298
Other, net	(4,312)	150
Net cash flows used in investing activities	(682,141)	(71,348)
FINANCING ACTIVITIES		
Proceeds from issuance of common stock	900	-
Proceeds from issuance of preferred stock	231,494	28,000
Stock issuance costs	(6,551)	(359)
Proceeds from issuance of long-term debt	150,052	-
Repayments of debt	(3,598)	(2,952)
Proceeds from issuance of senior discount notes	340,004	125,000
Debt issuance costs	(29,201)	(4,711)
Net cash flow from financing activities	683,100	144,978
Net increase in cash and cash equivalents	20,693	73,970
Cash and cash equivalents at beginning of period	99,548	2,234
Cash and cash equivalents at end of period	$ 120,241	$ 76,204
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 4,498	$ 211
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for financing costs	$ 9,000	$ -
Series C preferred stock issued for purchase of property and equipment	$ 70,000	$ -
Common stock issued for purchase of Westower Corporation	$ 205,559	$ -

SPECTRASITE HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENTS

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

SpectraSite Holdings, Inc. ("SpectraSite") and its wholly owned subsidiaries (collectively referred to as the "Company") are principally engaged in providing services to companies operating in the telecommunications industry, including leasing of antenna sites on multi-tenant towers, network design, tower construction and antenna installation.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of SpectraSite and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements. Actual results could differ from those estimates.

REVENUE RECOGNITION

Site leasing revenues are recognized when earned. Escalation clauses present in the lease agreements with the Company's customers are recognized on a straight-line basis over the term of the lease. Service revenues from site selection, construction and construction management activities are derived under

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service contracts with customers which provide for billing on a time and materials or fixed price basis. Revenues are recognized as services are performed with respect to time and materials contracts. Revenues are recognized using the percentage-of-completion method for fixed price contracts, measured by the percentage of contract costs incurred to date compared to estimated total contract costs. Costs in excess of billings on uncompleted contracts represent revenues recognized in excess of amounts billed. Billings in excess of costs on uncompleted contracts represent billings in excess of revenues recognized. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

INVENTORIES

Inventories are stated at the lower of cost or market using the first-in, first-out method and consist primarily of materials purchased for future construction not associated with specific jobs

INVESTMENTS

Investments in entities in which the Company owns more than 20% but less than 50% are accounted for using the equity method. Under the equity method, the investment is stated at cost plus the Company's equity in net income (loss) of the entity since acquisition. The equity in net income (loss) of such entity is recorded in "Other income (expense)" in the accompanying condensed consolidated statements of operations.

SIGNIFICANT CUSTOMERS

In the three and nine months ended September 30, 1999, one customer accounted for 40.2% and 40.4% of the Company's revenues, respectively. In the three and nine months ended September 30, 1998, a different customer accounted for 41.2% and 42.2% of revenues, respectively. In addition, in the three months ended September 30, 1998, two customers accounted for 21.9% and 10.1% of the Company's revenues, respectively.

RESTRUCTURING CHARGES

In September 1999, the Company announced that it would no longer directly provide site acquisition services. As a result, the Company recorded restructuring charges of $7.1 million, of which $6.2 million is related to the write-off of goodwill related to the purchase of TeleSite Services, LLC and $0.9 million is related to costs of employee severance. In March 1999, the Company announced that it would relocate its marketing and administrative operations from Little Rock, Arkansas and Birmingham, Alabama to its corporate headquarters in Cary, North Carolina. As a result, the Company recorded a restructuring charge of $0.6 million for

employee termination and other costs related to the relocation of these activities.

INCOME TAXES

The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate for the full fiscal year for each tax reporting entity. Cumulative adjustments to the Company's estimate are recorded in the interim period in which a change in the estimated annual effective rate is determined.

RECLASSIFICATIONS

Certain reclassifications have been made to the 1998 condensed consolidated financial statements to conform to the 1999 presentation.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments will be recorded either in results of operations or in other comprehensive income, depending on the intended use of the derivative instrument. The initial application of SFAS 133 will be reported as the effect of a change in accounting principle. SFAS 133 is effective for all fiscal quarters beginning after June 15, 2000. The Company has not yet determined the effect that the adoption of SFAS 133 will have on its consolidated financial statements.

UNAUDITED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and in accordance with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and disclosures normally required by generally accepted accounting principles for complete financial statements or those normally reflected in the Company's Annual Report on Form 10-K. The financial information included herein reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of results for interim periods. Results of interim periods are not necessarily indicative of the results to be expected for a full year.

2. PROPERTY AND EQUIPMENT

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

	September 30, 1999	December 31, 1998
Towers	$ 667,333	$ 24,780
Equipment	6,293	823
Furniture and fixtures	1,701	288
Other	11,444	212

	686,771	26,103
Less accumulated depreciation	(15,348)	(870)
	671,423	25,233
Construction in progress	24,498	3,236
	$ 695,921	$ 28,469

3. ACQUISITION ACTIVITIES

In September 1999, the Company consummated the Agreement and Plan of Merger, dated as of May 15, 1999 with Westower Corporation ("Westower"). Under the terms of the agreement, Westower shareholders received 1.81 shares of SpectraSite common stock for each share of Westower common stock. In the aggregate, SpectraSite exchanged 15.5 million shares of its common stock valued at $205.6 million for 8.6 million shares of Westower common stock and assumed $81.5

million of debt. The Company repaid $72.2 million of such assumed debt at closing. In addition, the Company assumed the outstanding Westower employee stock options, which were converted into options to purchase 1.7 million shares of SpectraSite's common stock. The acquisition was accounted for as a purchase, and the excess of cost over fair value of the net assets acquired is being amortized on a straight-line basis over fifteen years. The operations of Westower are included in the consolidated statement of operations from the date of acquisition.

The pro forma unaudited results of operations for the nine months ended September 30, 1999 and 1998, assuming the acquisition of Westower by the Company and Westower's purchases of Cord Communications, Inc. and Summit Communications, LLC had been consummated as of January 1, 1998, follows (in thousands, except per share data):

	Nine months Ended September 30, 1999	Nine months Ended September 30, 1998
Revenues	$ 130,571	$ 60,613
Net loss	$ (81,860)	$ (17,834)
Basic and diluted net loss per common share	$ (4.65)	$ (1.17)

In April 1999, the Company purchased 2,000 communications towers from Nextel Communications, Inc. ("Nextel") for $560.0 million in cash and shares of SpectraSite's Series C preferred stock valued at $70.0 million. The Company used $150.0 million of borrowings under a $500.0 million committed credit facility, $340.0 million from the proceeds of a privately-placed offering of senior discount notes and $231.5 million from the sale of SpectraSite's Series C preferred stock to fund the cash purchase price, to pay related fees and expenses and for general corporate purposes. As part of the transaction, Nextel has agreed to lease 1,700 additional sites on the Company's towers as part of Nextel's national deployment.

In connection with the purchase, Nextel entered into a master lease agreement to become the anchor tenant on each of the acquired towers and also conveyed to the Company certain third-party co-location site leases associated with the acquired assets. Nextel also transferred to the Company certain non-cancelable ground leases, and the Company assumed all operating and other costs associated with the acquired assets.

In November 1999, the Company entered into an agreement to acquire 94 communications towers from DigiPH PCS, Inc. for $36 million in cash. The cash consideration is expected to come from currently available funds. The transaction is expected to close in the fourth quarter of 1999.

4. INTANGIBLE ASSETS

Intangible assets consist of the following (in thousands):

	September 30, 1999	December 31, 1998
Goodwill	$ 227,048	$ 8,963
Debt issuance costs	33,847	4,836
	260,895	13,799
Less accumulated amortization	(3,061)	(1,042)
	$ 257,834	$ 12,757

5. OTHER ASSETS

Other assets consist of the following (in thousands):

		September 30, 1999		December 31, 1998
Deposits	$	49,244	$	1,750
Other		7,511		402
	$	56,755	$	2,152

6. DEBT

11.25% SENIOR DISCOUNT NOTES DUE 2009

In April 1999, SpectraSite issued $586.8 million aggregate principal amount at maturity of senior discount notes due 2009 (the "2009 Notes") for gross proceeds of $340.0 million. Interest on the 2009 Notes accretes daily at a rate of 11.25% per annum, compounded semiannually, to an aggregate principal amount of $586.8 million on April 15, 2004. Cash interest will not accrue on the 2009 Notes prior to April 15, 2004. Commencing April 15, 2004, cash interest will accrue and be payable semiannually in arrears on each April 15 and October 15, commencing October 15, 2004, at a rate of 11.25% per annum. After April 15, 2004, the Company may redeem all or a portion of the 2009 Notes at specified redemption prices, plus accrued and unpaid interest, to the applicable redemption date. On one or more occasions prior to April 15, 2002, the Company may redeem up to 35% of the aggregate principal amount at maturity of the 2009 Notes with the net cash proceeds from one or more equity offerings. The redemption price would be 111.25% of the accreted value on the redemption date. The Company is required to comply with certain covenants under the terms of the 2009 Notes that restrict the Company's ability to incur additional indebtedness, make certain payments and issue preferred stock, among other things.

CREDIT FACILITY

In April 1999 in connection with the acquisition of communications towers from Nextel, SpectraSite Communications, Inc. ("Communications"), a wholly-owned subsidiary of SpectraSite, entered into a $500.0 million credit facility. The credit facility consists of a $50.0 million revolving credit facility that may, subject to the satisfaction of certain financial covenants, be drawn at any time up to December 31, 2005, at which time all amounts drawn under the revolving credit facility must be paid in full; a $300.0 million multiple draw term loan that may be drawn at any through March 31, 2002, which requires that the amount drawn be repaid in quarterly installments commencing on June 30, 2002 and ending on December 31, 2005; and a $150.0 million term loan that was drawn in full at the closing of the Nextel tower acquisition and that amortizes at a rate of 1.0% annually, payable in quarterly installments beginning on June 30, 2002 through December 31, 2005, $67.5 million on March 31, 2006 with the balance due on June 30, 2006. In addition, the credit facility contemplates borrowings to be funded by affiliates of certain of SpectraSite's stockholders subject to the approval of a majority of the lenders under the credit facility and the consent of such affiliates.

The revolving credit loans and the multiple draw term loans will bear interest, at our option, at either Canadian Imperial Bank of Commerce's base rate, plus an applicable margin of 1.5% per annum initially, which margin after a period of time may decrease based on a leverage ratio, or the reserve adjusted London interbank offered rate, plus an applicable margin of 3.0% per annum initially, which margin after a period of time may decrease based on a leverage ratio.

The term loan bears interest, at our option, at either Canadian Imperial Bank of Commerce's base rate, plus 2.0% per annum, which margin after a period of time may decrease based on a leverage ratio, or the reserve adjusted London interbank offered rate, plus 3.5% per annum, which margin after a period of time may decrease based on a leverage ratio.

We will be required to pay a commitment fee of between 1.25% and 0.50% per annum in respect of the undrawn portion of the multiple draw term loan, depending on the amount undrawn. We are required to pay a commitment fee of 0.50% per annum in respect of the undrawn portion of the revolving credit facility.

We may be required to prepay the credit facility in part upon the occurrence of certain events, such as a sale of assets, the incurrence of certain additional indebtedness, the issuance of equity and the generation of excess cash flow.

SpectraSite and each of Communications' subsidiaries has guaranteed the obligations under the credit facility. The credit facility is further secured by substantially all the tangible and intangible assets of Communications and its subsidiaries and a pledge of all of the capital stock of Communications and its subsidiaries.

The credit facility contains a number of covenants that, among other things, restrict our ability to incur additional indebtedness; create liens on assets; make investments, make acquisitions, or engage in mergers or consolidations; dispose of assets; enter into new lines of business; engage in certain transactions with affiliates; and pay dividends or make capital distributions. SpectraSite, however, will be permitted to pay dividends after July 15, 2003, for the purpose of paying interest on its 12% Senior Discount Notes due 2008 and the 2009 Notes so long as no default under the credit facility then exists or would exist after giving effect to such payment.

In addition, the credit facility requires compliance with certain financial covenants, including requiring Communications and its subsidiaries, on a consolidated basis, to maintain a maximum ratio of total debt to annualized EBITDA; a minimum interest coverage ratio; a minimum fixed charge coverage ratio; and a minimum annualized EBITDA, for the first year only.

7. SHAREHOLDERS' EQUITY

SERIES A AND B CONVERTIBLE PREFERRED STOCK

At December 31, 1998, the Company had mandatorily redeemable convertible preferred stock consisting of Series A and Series B cumulative redeemable preferred stock, each with a $0.001 par value, 10,462,830 shares authorized in the aggregate and 3,462,830 and 7,000,000 shares issued and outstanding, respectively. In connection with closing the Nextel tower acquisition, provisions for dividends and redemption were eliminated with respect to the Series A and Series B preferred stock. Previously accrued dividends have been eliminated, and the outstanding balances have been reclassified as shareholders' equity in the balance sheet as of September 30, 1999. Each share of Series A and Series B preferred stock is convertible into one share of common stock and entitles the holder to vote on an as-converted basis with holders of common stock. In addition, contemporaneously with the closing of an underwritten public offering of common stock resulting in gross proceeds of at least $150.0 million at a per share price of $8.00 or greater, the outstanding shares of Series A and Series B preferred stock shall automatically convert to common stock on a share-for-share basis. The Company has reserved a sufficient number of its authorized shares of common stock for the purpose of effecting the future conversion of the preferred stock.

SERIES C CONVERTIBLE PREFERRED STOCK

In connection with closing the Nextel tower acquisition, the Company sold 46,286,795 shares of Series C preferred stock at a price of $5.00 per share. In addition, Nextel received 14 million shares of Series C preferred stock. At September 30, 1999, the Company has 60,286,795 of $0.001 par value Series C shares authorized, issued and outstanding. Each share of Series C preferred stock is convertible into one share of common stock and entitles the holder to vote on an as-converted basis with holders of common stock. In addition, contemporaneously with the closing of an underwritten public offering of common stock resulting in gross proceeds of at least $150.0 million at a per share price of $8.00 or greater, the outstanding shares of Series C preferred stock shall automatically convert to common stock. The Company has reserved a sufficient number of its authorized shares of common stock for the purpose of effecting the future conversion of the preferred stock.

COMMON STOCK

In connection with the Nextel tower acquistion, SpectraSite also restated its certificate of incorporation. The amended and restated certificate authorized 95 million shares of common stock, $0.001 par value per share. In addition, the Company increased the maximum number of shares for which options may be granted under its stock option plan to 4.1 million.

In August 1999, SpectraSite amended its restated certificate of incorporation to increase the authorized shares of common stock to 300 million. In addition, SpectraSite increased the maximum number of shares for which options may be granted under its stock option plan to 10 million and authorized one million shares to be issued under the Employee Stock Purchase Plan.

8. BUSINESS SEGMENTS

The Company previously operated in one business segment. As a result of the Westower acquisition, the Company now operates in two business segments, site leasing and network services. Prior period information has been restated to reflect the current business segments. The site leasing segment provides for leasing and subleasing of antennae sites on multi-tenant towers for a diverse range of wireless communication services, including personal communication services, paging, cellular and microwave. The network services segment offers a broad range of network development services, including network design, tower construction and antenna installation.

In evaluating financial performance, management focuses on operating profit (loss), excluding depreciation and amortization and restructuring charges. This measure of operating profit (loss) is also before interest income, interest expense, other income (expense) and income taxes. All reported segment revenues are generated from external customers as intersegment revenues are not significant.

Summarized financial information concerning the reportable segments as of and for the three and nine months ended September 30, 1999 and 1998 is shown in the following table. The "Other" column represents amounts excluded from specific segments, such as income taxes, corporate general and administrative expenses, depreciation and amortization, restructuring and other non-recurring charges and interest. In addition, "Other" also includes corporate assets such as cash and cash equivalents, tangible and intangible assets and income tax accounts which have not been allocated to a specific segment.

	Site Leasing	Network Services	Other	Total
			(in thousands)	
Three months ended September 30,				
1999				
Revenues	$ 16,436	$ 9,644	$ -	$ 26,080
Income (loss) before income taxes	10,944	1,227	(46,564)	(34,393)
Assets	691,820	44,832	433,014	1,169,666
1998				
Revenues	$ 170	$ 1,520	$ -	$ 1,690
Income (loss) before income taxes	53	955	(4,670)	(3,662)
Assets	25,865	-	136,081	161,946
Nine months ended September 30,				
1999				
Revenues	$ 29,450	$ 13,967	$ -	$ 43,417
Income (loss) before income taxes	18,930	4,658	(89,997)	(66,409)
Assets	691,820	44,832	433,014	1,169,666
1998				
Revenues	$ 211	$ 5,154	$ -	$ 5,365
Income (loss) before income taxes	68	3,433	(8,529)	(5,028)
Assets	25,865	-	136,081	161,946

ITEM 2- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

This report contains "forward looking statements" concerning our future expectations, plans or strategies that involve risks and uncertainties. When we use the words or phrases "will likely result," "management expects" or "will continue," "is anticipated," "estimated" or similar expressions (including oral confirmations by our authorized executive officers), these statements are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. Factors that could impact our expectations include (i) substantial capital requirements and leverage principally as a consequence of our ongoing acquisition and construction activities, (ii) dependence on demand for wireless communications services, (iii) the success of our network development and tower construction programs, and (iv) the successful integration of assets and businesses we have acquired. We have no obligation to release publicly the result of any revisions, which may be made to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

SpectraSite's primary business is the leasing of antenna sites on multi-tenant towers to a diverse range of wireless communications industries. SpectraSite also offers its customers a broad range of network services, including network design, tower construction and antenna installation. SpectraSite is geographically diversified throughout the United States and Canada.

In April 1999, we acquired 2,000 communications towers from Nextel for a combination of cash and stock. In addition, Nextel has agreed to lease 1,700 additional sites on our towers as part of Nextel's national deployment. This transaction has significantly increased our revenues, costs of operations, operating expenses and interest expense.

On September 2, 1999, we acquired Westower Corporation in a merger transaction. In connection with the merger, Westower shareholders received 1.81 shares of SpectraSite common stock for each Westower share. The addition of Westower will significantly increase our revenues, costs of operations and operating expenses in future periods.

In November 1999, the Company entered into an agreement to acquire 94 communications towers from DigiPH PCS, Inc. for $36 million in cash. The cash consideration is expected to come from currently available funds. The transaction is expected to close in the fourth quarter of 1999.

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED TO THE RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1998.

Consolidated revenues for the three months ended September 30, 1999 were $26.1 million, an increase of $24.4 million from the three months ended September 30, 1998. Revenues from site leasing increased to $16.4 million for the three months ended September 30, 1999 from $0.2 million for the three months ended September 30, 1998 primarily as a result of revenues derived from 2,000 communications towers which we acquired from Nextel in April 1999. We owned 2,405 communications towers at September 30, 1999 compared to 45 communications towers at September 30, 1998.

Revenues from network services increased to $9.6 million for the three months ended September 30, 1999 compared to $1.5 million in the three months ended September 30, 1998 primarily as a result of the acquisition of Westower in September 1999. In September 1999, we announced that we would no longer directly provide site acquisition services. Revenues from site acquisition activities were $1.9 million and $1.5 million in the three months ended September 30, 1999 and 1998, respectively.

Costs of operations increased to $11.8 million for the three months ended September 30, 1999 from $0.7 million for the three months ended September 30, 1998. The increase in costs was primarily attributable to operating costs of the 2,000 communication towers purchased from Nextel in April 1999 and to the acquisition of Westower in September 1999. Costs of operations for site leasing as a percentage of site leasing revenues decreased to 33.2% for the three months ended September 30, 1999 from 68.8% for the three months ended September 30, 1998 primarily due to revenues generated from the acquisition of towers from Nextel and co-location revenues on those towers. As our site leasing operations mature, additional tenants on a

tower will generate increases in gross profit margin and cash flow because a significant proportion of tower operating costs are fixed and do not increase with additional tenants. Costs of operations for network services as a percentage of network services revenues increased to 66.1% for the three months ended September 30, 1999 from 37.2% for the three months ended September 30, 1998. This increase is due to construction activities associated with Westower's operations which have higher levels of direct costs than our historical site acquisition activities.

Selling, general and administrative expenses increased to $12.2 million for the three months ended September 30, 1999 from $2.3 million for the three months ended September 30, 1998. The increase is a result of expenses related to additional corporate overhead and field operations to manage and operate the growth in the ongoing activities of SpectraSite and the acquisition of Westower in September 1999.

Depreciation and amortization expense increased to $12.8 million for the three months ended September 30, 1999 from $0.5 million for the three months ended September 30, 1998 primarily as a result of the increased depreciation from the towers we have acquired or constructed and amortization of goodwill related to the Westower acquisition.

In September 1999, we announced that we would no longer directly provide site acquisition services. As a result, we recorded restructuring goodwill related to the purchase of TeleSite Services, LLC and $0.9 million is related to costs of employee severance.

As a result of the factors discussed above, our loss from operations was $17.9 million for the three months ended September 30, 1999 compared to $1.7 million for the three months ended September 30, 1998.

Net interest expense increased to $16.2 million during the three months ended September 30, 1999 from $2.2 million for the three months ended September 30, 1998, reflecting additional interest expense due to the issuance of SpectraSite's 12% senior discount notes due 2008 in June 1998 and SpectraSite's 11.25% senior discount notes due 2009 in April 1999, as well as borrowings under our credit facility in April 1999.

NINE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED TO THE RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998.

Consolidated revenues for the nine months ended September 30, 1999 were $43.4 million, an increase of $38.1 million from the nine months ended September 30, 1998. Revenues from site leasing increased to $29.5 million for the nine months ended September 30, 1999 from $0.2 million for the nine months ended September 30, 1998 primarily as a result of revenues derived from 2,000 communication towers which we acquired from Nextel in April 1999. We owned 2,405 communications towers at September 30, 1999 compared to 45 communications towers at September 30, 1998.

Revenues from network services increased to $14.0 million for the nine months ended September 30, 1999 compared to $5.2 million in the nine months ended September 30, 1998 primarily as a result of the acquisition of Westower in September 1999. In September 1999, we announced that we would no longer directly provide site acquisition services. Revenues from site acquisition activities were $6.2 million and $5.2 million in the nine months ended September 30, 1999 and 1998, respectively.

Costs of operations increased to $17.8 million for the nine months ended September 30, 1999 from $1.9 million for the nine months ended September 30, 1998. The increase in costs was attributable to operating costs of the 2,000 communication towers purchased from Nextel in April 1999. Costs of operations for site leasing as a percentage of site leasing revenues decreased to 35.6% for the nine months ended September 30, 1999 from 67.8% for the nine months ended September 30, 1998 primarily due to revenues generated from the acquisition of towers from Nextel and co-location revenues on those towers. As our site leasing operations mature, additional tenants on a tower will generate increases in gross profit margin and cash flow because a significant proportion of tower operating costs are fixed and do not increase with additional tenants. Costs of operations for network services as a percentage of network services revenues increased to 52.0% for the nine months ended September 30, 1999 from 33.4% for the nine months ended September 30, 1998. This increase is due to construction activities associated with Westower's operations which have higher levels of direct costs than our historical site acquisition activities.

Selling, general and administrative expenses increased to $21.9 million for the nine months ended September 30, 1999 from $6.0 million for the nine months ended September 30, 1998. The increase is a result of expenses related to additional corporate overhead and field operations to manage and operate the growth in the ongoing activities of SpectraSite and the acquisition of Westower.

Depreciation and amortization expense increased to $21.8 million for the nine months ended September 30, 1999

from $0.8 million for the nine months ended September 30, 1998 primarily as a result of the increased depreciation from the towers we have acquired or constructed and amortization of goodwill related to the Westower acquisition.

In September 1999, we announced that we would no longer directly provide site acquisition services. As a result, we recorded restructuring charges of $7.1 million, of which $6.2 million is related to the write-off of goodwill related to the purchase of TeleSite Services, LLC and $0.9 million is related to costs of employee severance. In March 1999, SpectraSite announced that it would relocate its marketing and administrative operations from Little Rock, Arkansas and Birmingham, Alabama to its corporate headquarters in Cary, North Carolina. As a result, we recorded a restructuring charge of $0.6 million for employee termination and other costs related to the relocation of these activities.

As a result of the factors discussed above, our loss from operations was $25.8 million for the nine months ended September 30, 1999 compared to $3.3 million for the nine months ended September 30, 1998.

Net interest expense increased to $40.3 million during the nine months ended September 30, 1999 from $2.2 million for the nine months ended September 30, 1998, reflecting additional interest expense due to the issuance of the 2008 notes in June 1998 and the 2009 notes in April 1999, as well as borrowings under our credit facility in April 1999.

LIQUIDITY AND CAPITAL RESOURCES

SpectraSite Holdings is a holding company whose only significant asset is the outstanding capital stock of its subsidiary, SpectraSite Communications. Our only source of cash to pay interest on and principal of our debt is distributions from SpectraSite Communications. Prior to July 15, 2003, interest expense on the 2008 notes will consist solely of non-cash accretion of an original issue discount and the notes will not require annual cash interest payments. After such time, the 2008 notes will have accreted to approximately $225.2 million and will require semi-annual cash interest payments of $13.5 million. In addition, the notes mature on July 15, 2008. Similarly, the 2009 notes will not require cash interest payments prior to October 15, 2004 and mature on April 15, 2009. After October 15, 2004, the 2009 notes will have accreted to approximately $586.8 million and will require semi-annual cash interest payments of $33.0 million. Furthermore, our credit facility provides for periodic principal and interest payments.

Under a registration rights agreement with the initial purchasers of the 2008 notes, we agreed to complete an exchange offer for the privately placed 2008 notes prior to March 10, 1999. Since we did not complete this exchange offer prior to March 10, 1999, the interest rate on the 2008 notes increased by completed the exchange offer on September 15, 1999. On July 15, 1999, we paid the first installment in additional cash interest to holders of the 2008 notes with cash-on-hand, and on January 15, 2000, we will pay the final installment to such holders. Similarly, under a registration rights agreement with the initial purchasers of the 2009 notes, Holdings agreed to file a registration statement with the SEC for an exchange offer of registered notes for the privately placed 2009 notes before July 20, 1999. Since we did not file the 2009 notes exchange offer registration statement before July 20, 1999, the interest rate on the 2009 notes increased by 0.50% per year. This additional interest accrued on the 2009 notes until we filed the exchange offer registration statement on August 12, 1999, and we paid this interest in cash on October 15, 1999. We completed both exchange offers on September 15, 1999.

To complete the Nextel tower acquisition and pay related fees and expenses, we used $150.0 million of borrowings under our credit facility, $340.0 million of proceeds from the sale of the 2009 notes and $231.4 million from the sale of Series C preferred stock. In addition, Nextel received shares of Series C preferred stock valued at $70.0 million. We also issued two million shares of common stock to various parties as consideration for providing financing commitments related to the Nextel tower acquisition. We did not utilize these commitments for the Nextel acquisition primarily because of the success of the 2009 notes offering. We currently have $350.0 million available under our credit facility to fund new tower construction or acquisition activity. The weighted average interest rate on outstanding borrowings under our credit facility as of September 30, 1999 was 8.76%. The facility also requires compliance with certain financial covenants. At September 30, 1999, we were in compliance with these covenants. In addition, our cash and cash equivalents were $120.2 million at September 30, 1999.

For the nine months ended September 30, 1999, cash flows provided by operating activities were $19.7 million as compared to $0.3 million for the nine months ended September 30, 1998. The change is primarily attributable to the favorable cash flow generated from communications tower acquisitions in 1999.

For the nine months ended September 30, 1999, cash flows used in investing activities were $682.1 million compared to $71.3 million for the nine months ended September 30, 1998. In the nine months ended September 30, 1999, SpectraSite invested $614.5 million in purchases of property and equipment and deposits on future acquisitions, primarily related to the acquisition of communications towers from Nextel. In addition, we used $78.7 million to acquire Westower in September

1999. These investments were partially offset by $15.4 million in maturities of short-term investments. In the nine months ended September 30, 1998, SpectraSite invested $45.6 million in short-term investments.

In the nine months ended September 30, 1999, cash flows provided by financing activities were $683.1 million as compared to $145.0 million in the nine months ended September 30, 1998. The increase in cash provided by financing activities was attributable to the proceeds from the sales of Series C preferred stock and the 2009 notes, as well as proceeds from borrowings under the credit facility.

Our ability to make scheduled payments of principal of, or to pay interest on, our debt obligations, and our ability to refinance any such debt obligations, including the 2008 notes and the 2009 notes, or to fund planned capital expenditures, will depend on our future performance, which, to a certain extent is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our business strategy contemplates substantial capital expenditures in connection with our planned tower build-out. Based on SpectraSite's current operations and anticipated revenue growth, management believes that cash flow from operations, available cash and anticipated available borrowings under our credit facility will be sufficient to fund our purchase of 94 towers from DigiPH PCS, Inc., capital expenditures and future acquisitions through fiscal 2000. Thereafter, however, or in the event SpectraSite exceeds its currently anticipated capital expenditures, makes significant additional acquisitions or, if for any reason, is unable to access our credit facility, SpectraSite anticipates that it will seek additional equity or debt financing to fund its business plan. Failure to obtain any such financing could require SpectraSite to significantly reduce its planned capital expenditures or scale back the scope of its tower build-out or acquisition activities, any of which could have a material adverse effect on our business, prospects, financial condition or results of operations. We cannot assure you that we will generate sufficient cash flow from operations, that anticipated revenue growth will be realized or that future borrowings or equity financing will be available, on terms acceptable to us, in amounts sufficient to service our indebtedness and make anticipated capital expenditures.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS 133 requires that derivative instruments be recognized as either assets or liabilities in the consolidated balance sheet based on their fair values. Changes in the fair values of such derivative instruments will be recorded either in results of operations or in other comprehensive income, depending on the intended use of the derivative instrument. The initial application of SFAS 133 will be reported as the effect of a change in accounting principle. SFAS 133 is effective for all fiscal years beginning after June 15, 2000. We have not yet determined the effect that the adoption of SFAS 133 will have on our consolidated financial statements.

YEAR 2000 COMPLIANCE

We have conducted a comprehensive review of our computer systems to identify which of our systems will have to be modified, upgraded or converted to recognize and process dates after December 31, 1999. We believe that most, if not all, of our computer software and systems are year 2000 compliant, because most of our hardware and software has been purchased within the past two years. We presently believe that the year 2000 issue will not pose significant operational problems for our systems as so modified, upgraded or converted. In fact, even if all of our computer systems and other equipment vulnerable to the millennium date change failed, we could continue operations uninterrupted after such failures. Like most other companies, SpectraSite is dependent upon a variety of external suppliers including vendors providing electrical power, telephony, water and other necessary commodities. SpectraSite also relies upon the interstate banking system and related electronic communications for functions such as transmitting financial data from field offices. We are not aware currently of any material non-compliance by these vendors that will systems and cannot assure that they will be converted in a timely fashion. Any delays or omissions by us or our customers, suppliers or contractors to resolve the year 2000 issue could materially adversely affect our business, financial condition or results of operations. We do not anticipate material expenditures related to the year 2000 issue and incremental costs to date have been negligible, but we cannot assure you that amounts to be spent on addressing the year 2000 issue will not be material.

ITEM 3- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use financial instruments, including fixed and variable rate debt, to finance our operations. The information below summarizes our market risks associated with debt obligations outstanding as of September 30, 1999. The following table presents principal cash flows and related weighted average interest rates by fiscal year of maturity. Variable interest rate obligations under our credit facility are not included in the table. We have no long-term variable interest obligations other than borrowings under our credit facility.

	Expected Maturity Date						
	1999	2000	2001	2002	2003	Thereafter	Total
	(dollars in thousands)						
Long-term obligations:							
Fixed rate.................	$ -	$ -	$ -	$ -	$ -	$ 501,382	$ 501,382
Average interest rate......	-	-	-	-	-	11.5%	11.5%

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

In May 1999, by unanimous written consent, the stockholders of SpectraSite consented to an amendment to SpectraSite's Amended and Restated Certificate of Incorporation to increase the number of shares of capital stock SpectraSite can issue from 165,749,625 to 190,749,625 and increase the number of shares of common stock SpectraSite can issue from 95 million to 120 million. However, the Amended and Restated Certificate of Incorporation was not amended at that time. In August 1999, by unanimous written consent, the stockholders of SpectraSite (i) consented to an amendment to SpectraSite's Amended and Restated Certificate of Incorporation to increase the number of shares of capital stock SpectraSite can issue from 165,749,625 to 370,749,625 and increase the number of shares of common stock SpectraSite can issue from 95 million to 300 million, (ii) approved the adoption of the SpectraSite Holdings, Inc. Stock Option Plan in amended and restated form and (iii) approved the adoption of the Employee Stock Purchase Plan.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3.1 Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.9 filed with the registration statement on Form S-4 (File No. 333-67043) of SpectraSite Holdings, Inc.).

3.2 Amendment No. 1 to the Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of SpectraSite's Form 8-K dated September 2, 1999 and filed September 17, 1999).

4.1 Indenture, dated as of June 26, 1998, between SpectraSite Holdings, Inc. and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.1 filed with the registration statement on Form S-4 (File No. 333-67043) of SpectraSite Holdings, Inc.).

4.2 First Supplemental Indenture, dated as of March 25, 1999, between SpectraSite Holdings, Inc. and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.2 filed with the registration statement on Form S-4 (File No. 333-67043) of SpectraSite Holdings, Inc.).

4.3 Indenture, dated as of April 20, 1999, between SpectraSite Holdings, Inc. and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.3 filed with the registration statement on Form S-4 (File No. 333-67043) of SpectraSite Holdings, Inc.).

27.1 Financial Data Schedule for the nine months ended September 30, 1999

(b) Reports on Form 8-K

A report on Form 8-K, dated September 2, 1999, was filed on September 17, 1999 to report SpectraSite's acquisition of Westower Corporation in a merger transaction under Item 2, to report the completion of SpectraSite's registered exchange offer for its 12% senior discount notes due 2008 and its 11 1/4% senior discount notes due 2009 under Item 5, and to include pro forma financial statements reflecting the acquisition of Westower.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of the 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 15, 1999 SPECTRASITE HOLDINGS, INC.
(Registrant)

/s/DAVID P. TOMICK

David P. Tomick
Executive Vice President, Chief Financial Officer and Secretary

/s/DANIEL I. HUNT

Daniel I. Hunt
Vice President- Finance and Administration, Principal Accounting Officer

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End of EDGARPlus filing

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ATTACHMENT 5

Undertaking

This is to confirm the undertaking of WesTower Corporation, parent corporation of CNG Communications, Inc. ("Applicant"), to maintain in this subsidiary, at all times, a minimum net equity and a minimum liquidity of One Hundred Thousand United States Dollars (US $100,000).

WesTower Corporation

By: [illegible]

Its: [illegible]

Dated: [illegible]

ATTACHMENT 6

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 09/15/1998
981356965 - 2944218

CERTIFICATE OF INCORPORATION

OF

WESTOWER CNG ACQUISITION COMPANY

FIRST: The name of the corporation is Westower CNG Acquisition Company

SECOND: The registered office of the corporation is to be located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, in the County of New Castle, in the State of Delaware. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.

FOURTH: The corporation shall be authorized to issue 1,000 shares all of which are to be of one class and with $0.10 par value per share.

FIFTH: The name and mailing address of the incorporator is as follows:

Name	Address
Peter S. Sartorius	Morgan, Lewis & Bockius, LLP 2000 One Logan Square Philadelphia, PA 19103-6993

SIXTH: Elections of directors need not be by written ballot.

SEVENTH: The original bylaws of the corporation shall be adopted by the initial incorporator named herein. Thereafter the Board of Directors shall have the power, in addition to the stockholders, to make, alter, or repeal the by-laws of the corporation.

EIGHTH: A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the

Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

NINTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders are granted subject to this reservation.

I, THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate, hereby declaring and certifying that this is my act and deed and that the facts herein stated are true, and accordingly have hereunto set my hand and seal this 15th day of September, 1998.

Peter S. Sartorius
Incorporator

BYLAWS

OF

CNG COMMUNICATIONS, INC.

(a Delaware Corporation)

...ooOoo...

ARTICLE I

Offices and Fiscal Year

SECTION 1.01. Registered Office.--The registered office of the corporation shall be in the City of Wilmington, County of New Castle, State of Delaware until otherwise established by resolution of the board of directors, and a certificate certifying the change is filed in the manner provided by statute.

SECTION 1.02. 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 determine or the business of the corporation requires.

SECTION 1.03. Fiscal Year.--The fiscal year of the corporation shall end on the 28th of February in each year.

ARTICLE II

Notice - Waivers - Meetings

SECTION 2.01. Notice, What Constitutes.--Whenever, under the provisions of the Delaware General Corporation Law ("GCL") or the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by facsimile transmission to the address (or to the telex, TWX, facsimile or telephone number) of the person appearing on the books of the corporation, or in the case of directors, supplied to the corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to be given when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched, or in the case of facsimile transmission, when received.

SECTION 2.02. Notice of Meetings of Board of Directors.--Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director by telephone or in writing at least 24 hours (in the case of notice by telephone, telex, TWX or facsimile transmission) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice of the meeting.

SECTION 2.03. Notice of Meetings of Stockholders.--Written notice of the place, date and hour of every meeting of the stockholders, whether annual or special, shall be given to each stockholder of record entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting. Every notice of a special meeting shall state the purpose or purposes thereof. If the notice is sent by mail, it shall be deemed to have been given when deposited in the United States mail, postage prepaid, directed to the stockholder at the address of the stockholder as it appears on the records of the corporation.

SECTION 2.04. Waivers of Notice.

(a) Written Waiver.--Whenever notice is required to be given under any provisions of the GCL or the certificate of incorporation or these bylaws, a written waiver, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice of such meeting.

(b) Waiver by Attendance.--Attendance of a person at a meeting, either in person or by proxy, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

SECTION 2.05. Exception to Requirements of Notice.

(a) General Rule.--Whenever notice is required to be given, under any provision of the GCL or of the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given.

(b) Stockholders Without Forwarding Addresses.--Whenever notice is required to be given, under any provision of the GCL or the certificate of incorporation or these bylaws, to any stockholder to whom (i) notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such person during the period between such two consecutive annual meetings, or (ii) all, and at least two, payments (if sent by first class mail) of dividends or interest on securities during a 12 month period, have been mailed addressed to such person at his address as shown on the records of the corporation and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the corporation a written notice setting forth the person's then current address, the requirement that notice be given to such person shall be reinstated.

SECTION 2.06. Conference Telephone Meetings.--One or more directors may participate in a meeting of the board, or of a committee of the board, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE III

Meetings of Stockholders

SECTION 3.01. Place of Meeting.--All meetings of the stockholders of the corporation shall be held at the registered office of the corporation, or at such other place within or without the State of Delaware as shall be designated by the board of directors in the notice of such meeting.

SECTION 3.02. Annual Meeting.--The board of directors may fix and designate the date and time of the annual meeting of the stockholders, but if no such date and time is fixed and designated by the board, the meeting for any calendar year shall be held on the first day of December in such year, if not a legal holiday under the laws of Delaware, and, if a legal holiday, then on the next succeeding business day, not a Saturday, at 10:00 o'clock A.M., and at said meeting the stockholders then entitled to vote shall elect directors and shall transact such other business as may properly be brought before the meeting.

SECTION 3.03. Special Meetings.--Special meetings of the stockholders of the corporation may be called at any time by the chairman of the board, a majority of the board of directors, the president, or at the request, in writing, of stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to cast at the particular meeting. At any time, upon the written request of any person or persons who have duly called a special meeting, which written request shall state the purpose or purposes of the meeting, it shall be the duty of the secretary to fix the date of the meeting which shall be held at such date and time as the secretary may fix, not less than ten nor more than 60 days after the receipt of the request, and to give due notice thereof. If the secretary shall neglect or refuse to fix the time and date of such meeting and give notice thereof, the person or persons calling the meeting may do so.

SECTION 3.04. Quorum, Manner of Acting and Adjournment.

(a) Quorum.--The holders of a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders except as otherwise provided by the GCL, by the certificate of incorporation or by these bylaws. If a quorum is not present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) Manner of Acting.--Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. In all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote thereon shall be the act of the stockholders, unless the question is one upon which, by express provision of the applicable statute, the certificate of incorporation or these bylaws, a different vote is required in which case such express provision shall govern and control the decision of the question. The stockholders present in person or by proxy at a duly organized meeting can continue to do business until adjournment, notwithstanding withdrawal of enough stockholders to leave less than a quorum.

SECTION 3.05. Organization.--At every meeting of the stockholders, the chairman of the board, if there be one, or in the case of a vacancy in the office or absence of the chairman of the board, one of the following persons present in the order stated: the vice chairman, if one has been appointed, the president, the vice presidents in their order of rank or seniority, a chairman designated by the board of directors or a chairman chosen by the stockholders entitled to cast a majority of the votes which all stockholders present in person or by proxy are entitled to cast, shall act as chairman, and the secretary, or, in the absence of the secretary, an assistant secretary, or in the absence of the secretary and the assistant secretaries, a person appointed by the chairman, shall act as secretary.

SECTION 3.06. Voting.

(a) General Rule.--Unless otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote, in person or by proxy, for each share of capital stock having voting power held by such stockholder.

(b) Voting and Other Action by Proxy.--

(1) A stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy. Such execution may be accomplished by the

stockholder or the authorized officer, director, employee or agent of the stockholder signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature. A stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission if such telegram, cablegram or other means of electronic transmission sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder.

(2) No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

(3) A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only so 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 an interest in the corporation generally.

SECTION 3.07. Consent of Stockholders in Lieu of Meeting.--Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, 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. 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 60 days of the earliest dated consent delivered in the manner required in this section to the corporation, written consents signed by a sufficient number of holders 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 a 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.

SECTION 3.08. Voting Lists.--The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting. The list shall be arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 3.09. Inspectors of Election.

(a) Appointment.--All elections of directors shall be by written ballot, unless otherwise provided in the certificate of incorporation; the vote upon any other matter need not be by ballot. In advance of any meeting of stockholders the board of directors may appoint inspectors, who need not be stockholders, to act at the meeting. If inspectors are not so appointed, the chairman of the meeting may, and upon the demand of any stockholder or his proxy at the meeting and before voting begins shall, appoint inspectors. The number of inspectors shall be either one or three, as determined, in the case of judges appointed upon demand of a stockholder, by stockholders present entitled to cast a majority of the votes which all stockholders present are entitled to cast thereon. No person who is a candidate for office shall act as an inspector. In case any person appointed as an inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting, or at the meeting by the chairman of the meeting.

(b) Duties.--If inspectors are appointed, they shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies, shall receive votes or ballots, shall hear and determine all challenges and questions in any way arising in connection with the right to vote, shall count and tabulate all votes, shall determine the result, and shall do such acts as may be proper to conduct the election or vote with fairness to all stockholders. If there be three inspectors of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

(c) Report.--On request of the chairman of the meeting or of any stockholder or his proxy, the inspectors shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them.

ARTICLE IV

Board of Directors

SECTION 4.01. Powers.--All powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

SECTION 4.02. Number and Term of Office.--The board of directors shall consist of such number of directors, not less than one nor more than seven, as may be determined from time to time by resolution of the board of directors. Each director shall hold office until the expiration of the term for which he or she was selected and until a successor shall have been elected and qualified or until his or her earlier death, resignation or removal. Directors need not be residents of Delaware or stockholders of the corporation.

SECTION 4.03. Vacancies.--Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having a right to vote as a single class may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until their successors are elected and qualified or until their earlier death, resignation or removal. If there are no directors in office, then an election of directors may be held in the manner provided by statute. Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

SECTION 4.04. Resignations.--Any director may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

SECTION 4.05. Removal.--Any director or the entire board of directors may be removed, with or without cause, by the holders of shares entitled to cast a majority of the votes which all stockholders are entitled to cast at an election of directors.

SECTION 4.06. Organization.--At every meeting of the board of directors, the chairman of the board, if there be one, or, in the case of a vacancy in the office or absence of the chairman of the board, one of the following officers present in the order stated: the vice chairman of the board, if there be one, the president, the vice presidents in their order of rank and seniority, or a chairman chosen by a majority of the directors present, shall preside, and the secretary, or, in the absence of the secretary, an assistant secretary, or in the absence of the secretary and the assistant secretaries, any person appointed by the chairman of the meeting, shall act as secretary.

SECTION 4.07. Place of Meeting.--Meetings of the board of directors shall be held at such place within or without the State of Delaware as the board of directors may from time to time determine, or as may be designated in the notice of the meeting.

SECTION 4.08. Regular Meetings.--Regular meetings of the board of directors shall be held without notice at such time and place as shall be designated from time to time by resolution of the board of directors.

SECTION 4.09. Special Meetings.--Special meetings of the board of directors shall be held whenever called by the president or by two or more of the directors.

SECTION 4.10. Quorum, Manner of Acting and Adjournment.

(a) General Rule.--At all meetings of the board one-third of the total number of directors shall constitute a quorum for the transaction of business; provided, however, that if the total number of directors is less than four, then two-thirds of the total number of directors shall constitute a quorum. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by the GCL or by the certificate of incorporation. If a quorum is not present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

(b) Unanimous Written Consent.--Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors may be taken without a meeting, if all members of the board consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board.

SECTION 4.11. Executive and Other Committees.

(a) Establishment.--The board of directors may, by resolution adopted by a majority of the whole board, establish an Executive Committee and one or more other committees, each committee to consist of one or more directors. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee and the alternate or alternates, if any, designated for such member, the member or members of the committee present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member.

(b) Powers.--The Executive Committee, if established, and any such other committee to the extent provided in the resolution establishing such committee shall have and may exercise all the power and authority of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in Section 151(a) of the GCL, fix the designation and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of shares of any series), adopting an agreement of merger or consolidation under Section 251 or 252 of the GCL, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation. The Executive Committee shall have the power or authority to declare a dividend, to authorize the issuance of stock and to adopt a certificate of ownership and merger pursuant to Section 253 of the GCL. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee so formed shall keep regular minutes of its meetings and report the same to the board of directors when required.

(c) Committee Procedures.--The term "board of directors" or "board," when used in any provision of these bylaws relating to the organization or procedures of or the manner of taking action by the board of directors, shall be construed to include and refer to the Executive Committee or other committee of the board.

SECTION 4.12. Compensation of Directors.--Unless otherwise restricted by the certificate of incorporation, the board of directors shall have the authority to fix the compensation of directors.

ARTICLE V

Officers

SECTION 5.01. Number, Qualifications and Designation.--The officers of the corporation shall be chosen by the board of directors and shall be a president, one or more vice presidents, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of section 5.03 of this Article. Any number of offices may be held by the same person. Officers may, but need not, be directors or stockholders of the corporation. The board of directors may elect from among the members of the board a chairman of the board and a vice chairman of the board who shall be officers of the corporation. The chairman of the board or the president, as designated from time to time by the board of directors, shall be the chief executive officer of the corporation.

SECTION 5.02. Election and Term of Office.--The officers of the corporation, except those elected by delegated authority pursuant to section 5.03 of this Article, shall be elected annually by the board of directors, and each such officer shall hold office for a term of one year and until a successor is elected and qualified, or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation.

SECTION 5.03. Subordinate Officers, Committees and Agents.--The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as it deems necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these bylaws, or as the board of directors may from time to time determine. The board of directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

SECTION 5.04. The Chairman and Vice Chairman of the Board.--The chairman of the board, if there be one, or in the absence of the chairman, the vice chairman of the board, if there be one, shall preside at all meetings of the stockholders and of the board of directors, and shall perform such other duties as may from time to time be assigned to them by the board of directors.

SECTION 5.05. The President.--The president shall have general supervision over the business and operations of the corporation, subject, however, to the control of the board of directors. The president shall, in general, perform all duties incident to the office of president, and such other duties as from time to time may be assigned by the board of directors and, if the chairman of the board is the chief executive officer, the chairman of the board.

SECTION 5.06. The Vice Presidents.--The vice presidents shall perform the duties of the president in the absence of the president and such other duties as may from time to time be assigned to them by the board of directors or by the president.

SECTION 5.07. The Secretary.--The secretary, or an assistant secretary, shall attend all meetings of the stockholders and of the board of directors and shall record the proceedings of the stockholders and of the directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors or the president.

SECTION 5.08. The Treasurer.--The treasurer, or an assistant treasurer, shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; whenever so required by the board of directors, shall render an account showing his or her transactions as treasurer and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors or the president.

SECTION 5.09. Officers' Bonds.--No officer of the corporation need provide a bond to guarantee the faithful discharge of the officer's duties unless the board of directors shall by resolution so require a bond in which event such officer shall give the corporation a bond (which shall be renewed if and as required) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of office.

SECTION 5.10. Salaries.--The salaries of the officers and agents of the corporation elected by the board of directors shall be fixed from time to time by the board of directors.

ARTICLE VI

Certificates of Stock, Transfer, Etc.

SECTION 6.01. Form and Issuance.

(a) Issuance.--The shares of the corporation shall be represented by certificates unless the board of directors shall by resolution provide that some or all of any class or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the corporation. Notwithstanding the adoption of any resolution providing for uncertificated shares, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by, the chairman or vice chairman of the board of directors, or the president or vice president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary, representing the number of shares registered in certificate form.

(b) Form and Records.--Stock certificates of the corporation shall be in such form as approved by the board of directors. The stock record books and the blank stock certificate books shall be kept by the secretary or by any agency designated by the board of directors for that purpose. The stock certificates of the corporation shall be numbered and registered in the stock ledger and transfer books of the corporation as they are issued.

(c) Signatures.--Any of or all the signatures upon the stock certificates of the corporation may be a facsimile. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, any share certificate shall have ceased to be such officer, transfer agent or registrar, before the certificate is issued, it may be issued with the same effect as if the signatory were such officer, transfer agent or registrar at the date of its issue.

SECTION 6.02. Transfer.--Transfers of shares shall be made on the share register or transfer books of the corporation upon surrender of the certificate therefor, endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. No transfer shall be made which would be inconsistent with the provisions of Article 8, Title 6 of the Delaware Uniform Commercial Code-Investment Securities.

SECTION 6.03. Lost, Stolen, Destroyed or Mutilated Certificates.--The board of directors may direct a new certificate of stock or uncertificated shares to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or the legal representative of the owner, to give the corporation a bond sufficient to indemnify against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate or uncertificated shares.

SECTION 6.04. Record Holder of Shares.--The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and 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, except as otherwise provided by the laws of Delaware.

SECTION 6.05. Determination of Stockholders of Record.

(a) Meetings of Stockholders.--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, 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 shall not be more than 60 nor less than ten days before the date of such meeting.

If no record date is fixed by the board of directors, 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. 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 unless the board of directors fixes a new record date for the adjourned meeting.

(b) Consent of Stockholders.--In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, 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 date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by the GCL, 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 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 a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by the GCL, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

(c) Dividends.--In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights of the stockholders 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, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

ARTICLE VII

Indemnification of Directors, Officers and Other Authorized Representatives

SECTION 7.01. Indemnification of Authorized Representatives in Third Party Proceedings.--The corporation shall indemnify any person who was or is an authorized representative of the corporation, and who was or is a party, or is threatened to be made a party to any third party proceeding, by reason of the fact that such person was or is an authorized representative of the corporation, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such third party proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal third party proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any third party 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 authorized representative did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to, the best interests of the corporation, and, with respect to any criminal third party proceeding, had reasonable cause to believe that such conduct was unlawful.

SECTION 7.02. Indemnification of Authorized Representatives in Corporate Proceedings.--The corporation shall indemnify any person who was or is an authorized representative of the corporation and who was or is a party or is threatened to be made a party to any corporate proceeding, by reason of the fact that such person was or is an authorized representative of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such corporate proceeding if such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation and 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 to the corporation unless and only to the extent that the Court of Chancery or the court in which such corporate proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such authorized representative is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 7.03. Mandatory Indemnification of Authorized Representatives.--To the extent that an authorized representative or other employee or agent of the corporation has been successful on the merits or otherwise in defense of any third party or corporate proceeding or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

SECTION 7.04. Determination of Entitlement to Indemnification.--Any indemnification under section 7.01, 7.02 or 7.03 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 authorized representative or other employee or agent is proper in the circumstances because such person has either met the applicable standard of conduct set forth in section 7.01 or 7.02 or has been successful on the merits or otherwise as set forth in section 7.03 and that the amount requested has been actually and reasonably incurred. Such determination shall be made:

(1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such third party or corporate proceeding; or

(2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or

(3) by the stockholders.

SECTION 7.05. Advancing Expenses.--Expenses actually and reasonably incurred in defending a third party or corporate proceeding shall be paid on behalf of an authorized representative by the corporation in advance of the final disposition of such third party or corporate proceeding upon receipt of an undertaking by or on behalf of the authorized representative to repay such amount if it shall ultimately be determined that the authorized representative is not entitled to be indemnified by the corporation as authorized in this Article. The financial ability of any authorized representative to make a repayment contemplated by this section shall not be a prerequisite to the making of an advance. Expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

SECTION 7.06. Definitions.--For purposes of this Article:

(1) "authorized representative" shall mean any and all directors and officers of the corporation and any person designated as an authorized representative by the board of directors of the corporation (which may, but need not, include any person serving at the

request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise);

(2) "corporation" shall include, in addition to the resulting corporation, any constituent corporation (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, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued;

(3) "corporate proceeding" shall mean any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor or investigative proceeding by the corporation;

(4) "criminal third party proceeding" shall include any action or investigation which could or does lead to a criminal third party proceeding;

(5) "expenses" shall include attorneys' fees and disbursements;

(6) "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan;

(7) "not opposed to the best interests of the corporation" shall include actions taken in good faith and in a manner the authorized representative reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan;

(8) "other enterprises" shall include employee benefit plans;

(9) "party" shall include the giving of testimony or similar involvement;

(10) "serving at the request of the corporation" shall include any service as a director, officer or employee of the corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants, or beneficiaries; and

(11) "third party proceeding" shall mean 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.

SECTION 7.07. Insurance.--The corporation may 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, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article.

SECTION 7.08. Scope of Article.--The indemnification of authorized representatives and advancement of expenses, as authorized by the preceding provisions 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 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. 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 an authorized representative and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7.09. Reliance on Provisions.--Each person who shall act as an authorized representative of the corporation shall be deemed to be doing so in reliance upon rights of indemnification provided by this Article.

ARTICLE VIII

General Provisions

SECTION 8.01. Dividends.--Subject to the restrictions contained in the GCL and any restrictions contained in the certificate of incorporation, the board of directors may declare and pay dividends upon the shares of capital stock of the corporation.

SECTION 8.02. Contracts.--Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers including the chairman and vice chairman of the board of directors, or any agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the corporation and such authority may be general or confined to specific instances.

SECTION 8.03. Corporate Seal.--The corporation shall have a corporate seal, which shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

SECTION 8.04. Deposits.--All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

SECTION 8.05. Corporate Records.

(a) Examination by Stockholders.--Every stockholder shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business, for any proper purpose, the stock ledger, list of stockholders, books or records of account, and records of the proceedings of the stockholders and directors of the corporation, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in Delaware or at its principal place of business. Where the stockholder seeks to inspect the books and records of the corporation, other than its stock ledger or list of stockholders, the stockholder shall first establish (1) that the stockholder has complied with the provisions of this section respecting the form and manner of making demand for inspection of such documents; and (2) that the inspection sought is for a proper purpose. Where the stockholder seeks to inspect the stock ledger or list of stockholders of the corporation and has complied with the provisions of this section respecting the form and manner of making demand for inspection of such documents, the burden of proof shall be upon the corporation to establish that the inspection sought is for an improper purpose.

(b) Examination by Directors.--Any director shall have the right to examine the corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to the person's position as a director.

SECTION 8.06. Amendment of Bylaws.--These bylaws may be altered, amended or repealed or new bylaws may be adopted either (1) by vote of the stockholders at a duly organized annual or special meeting of stockholders, or (2) by vote of a majority of the board of directors at any regular or special meeting of directors if such power is conferred upon the board of directors by the certificate of incorporation.