

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
:
PINNACLE TOWERS III INC., et al., : Case Nos. 02-12477 (BRL) and
: 02-12482 through 02-12484 (BRL)
Debtors. : Jointly Administered

Objection Deadline: December 20, 2002 at 4:00 p.m.
Hearing Date: December 23, 2002 at 10:00 a.m.

**FIRST AND FINAL APPLICATION OF GORDIAN GROUP, LLC
AS FINANCIAL ADVISOR TO PINNACLE TOWERS III INC., AND
AFFILIATES FOR ALLOWANCE OF FINAL COMPENSATION FOR ACTUAL
AND NECESSARY SERVICES RENDERED AND REIMBURSEMENT OF ALL
ACTUAL AND NECESSARY EXPENSES INCURRED
FOR THE PERIOD MAY 21, 2002 THROUGH NOVEMBER 1, 2002**

SUMMARY SHEET

Name of Applicant:	Gordian Group, LLC
Persons Providing Professional Services:	Victor G. Caruso, Peter S. Kaufman Dennis M. McGettigan, Poppy J. Keller, Robert A. Rupe, Katherine G. Polson
Authorized to Provide Professional Services to:	Pinnacle Towers III Inc., et al.
Date of Retention:	May 21, 2002
Approval for Total Compensation requested in these cases of	\$3,075,000.00
Total Amount of Expenses requested in these cases:	\$24,705.15
Period for which compensation and reimbursement is sought:	May 21, 2002 through November 1, 2002
Approval for Compensation sought in the First and Final Application of:	\$3,075,000.00

**Approval for Expense Reimbursement
sought in the First and Final Application: \$24,705.15**

This is a(n): interim x final application.

**The total time expended for the preparation of this application is approximately 40 hours
and the corresponding compensation requested is \$0.00.**

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Debtors. :
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FOR THE PERIOD MAY 21, 2002 THROUGH NOVEMBER 1, 2002**

**TO THE HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE:**

I. Background

Gordian Group, LLC, or its predecessor firm Gordian Group, L.P. (both "Gordian"), financial advisor to Pinnacle Towers III Inc., *et al.* (collectively, the "Debtors"), respectfully represents:

1. Gordian has served as financial advisor to the Debtors pursuant to a retention agreement dated December 13, 2001 (the "Retention Agreement"), and attached hereto as Exhibit A.
2. Prior to the Chapter 11 filing, Gordian worked with the Debtors to source new capital to recapitalize the Debtors. Gordian had a pivotal role in due diligence, contract negotiations and advice to the management and Board of Directors of the Debtors during that process. The results of the comprehensive marketing efforts of the Debtors, and representative market check, prior to the Chapter 11 filing

were that: (i) no strategic buyer was interested in, and/or capable of, making an investment in the Debtors, (ii) there was no viable interest by any party in making a minority investment and (iii) it was determined that the only viable transaction in this matter was a "control" transaction through Chapter 11. Of those who expressed interest in such a transaction, the offer by Fortress Investment Group, LLC ("Fortress") and Greenhill Capital Partners, LLC ("Greenhill") was clearly the "highest and best", so the Debtors made the decision to proceed with the consortium of Fortress and Greenhill as the stalking horse bidders. The Debtors simultaneously worked with its significant creditor constituencies to negotiate allocation of consideration offered by Fortress and Greenhill, and the result was support of the proposed Fortress and Greenhill transaction by all significant constituencies (and recoveries for all of the Debtors' constituencies including old equity). Thus, the Debtors were able to file for Chapter 11 pursuant to a fully documented transaction that all significant parties-in-interest believed was the "highest and best".

3. The result of the process was that the securities purchase agreement documenting the Fortress and Greenhill deal (the "SPA") was executed on April 25, 2002.
4. On May 21, 2002 (the "Petition Date"), each of the Debtors filed a voluntary petition in this Court for relief under Chapter 11 of the Bankruptcy Code.
5. On May 21, 2002, the Debtors applied to this Court under Sections 327(a) and 328(a) of the Bankruptcy Code for an order authorizing them to employ Gordian as their financial advisor, effective as of the Petition Date, attached hereto as Exhibit B.

6. On May 22, 2002, this Court entered an order (the "Retention Order") authorizing the Debtors to employ Gordian as their financial advisor effective as of the Petition Date pursuant to the terms of the Retention Agreement. The Retention Order, with the signature of the U.S. Trustee, is attached hereto as Exhibit C.
7. On May 22, 2002, this Court entered an Administrative Order (the "Administrative Order") pursuant to Sections 105(a) and 331 of the Bankruptcy Code establishing procedures for interim compensation and reimbursement of expenses of professionals.
8. This is the first and final application of Gordian for (i) the allowance of final compensation for services rendered for the period May 21, 2002 through November 1, 2002 (the "First and Final Period"); and (ii) the reimbursement of expenses incurred in connection with the First and Final Period. This application is made pursuant to the provisions of Sections 330 and 331 of the Bankruptcy Code, the Retention Order, the Administrative Order and the Local Rules of the United States Bankruptcy Court of the Southern District of New York.

II. The Gordian Retention Agreement

9. On May 21, 2002, the Debtors applied to this Court for an order authorizing them to retain Gordian pursuant to the Retention Agreement as their financial advisor effective as of the Petition Date. With the support of the Debtors, the Bank Group and the Official Committee of Unsecured Creditors, Gordian was approved on May 21, 2002 as financial advisor to provide the following professional services:

- (a) as needed and appropriate, evaluating and developing a strategy (or strategies) for Debtors in connection with a Financial Transaction¹,

¹ Financial Transaction is defined in the Retention Agreement (i) a restructuring of the Company's indebtedness or a material portion of the Company's obligations, (ii) raising new or

including assisting Debtors in identifying and evaluating a prospective party for a Financial Transaction;

- (b) as needed and appropriate, representing Debtors in discussions and negotiations with various third parties, including creditors, potential investors, acquirors and acquisition targets;
- (c) as needed and appropriate, negotiating and structuring of financial aspects of a proposed Financial Transaction;
- (d) reviewing and evaluating Debtors' business plan, debt capacity and liquidation analysis;
- (e) providing general financial restructuring advice;
- (f) advising the Board of Directors of Debtors with respect to a Financial Transaction; and
- (g) testifying in connection with any bankruptcy proceeding.

10. Pursuant to the terms of the Retention Agreement, as approved by the Retention Order, Gordian is entitled to be compensated for its services under the Retention Agreement as follows:

- (a) monthly fees of \$150,000 per month, payable in advance on the first day of each month for each month of this engagement or portion thereof (the "Monthly Fees"); plus
- (b) \$4,000,000 minus the sum of the Monthly Fees previously paid by Debtors to Gordian pursuant to (a) above, payable upon the consummation of a Financial Transaction (the "Transaction Fee");
- (c) provided that the sum of the Monthly Fees paid to Gordian pursuant to (a) above and the Transaction Fee paid to Gordian pursuant to (b) above shall not exceed \$4,000,000.

replacement capital for the Company, (iii) an investment in the Company or any merger, consolidation, reorganization, recapitalization, joint venture or other business combination or sale of substantially all or a material portion of the assets or outstanding securities of the Company, or (iv) the acquisition of substantially all or a material portion of the assets or outstanding securities of another entity, in one or a series of transactions (each, a "Financial Transaction"); provided however that the sale of co-locations, European assets, approximately 88 parcels of real estate of Pinnacle Towers Inc., broadcast towers and the microwave towers shall not be deemed to be a Financial Transaction unless Gordian is specifically engaged with respect thereto or requested by the Company to sell the above-mentioned assets.

11. The Transaction Fee shall be payable in full simultaneously with the closing of a Financial Transaction.
12. In addition to the fees described above, the Debtors, upon receipt of an invoice, shall reimburse Gordian for all of its reasonable out-of-pocket expenses (including reasonable legal fees, if the Debtors have approved Gordian's retention of counsel, such approval not to be unreasonably withheld) incurred in connection with Gordian's Retention Agreement hereunder. The obligations of the Debtors pursuant to this paragraph shall survive the completion or termination of the Retention Agreement with respect to expenses incurred before it is completed or terminated.
13. Prior to this Court's May 21, 2002 Retention Order, Gordian served as financial advisor to the Debtors pursuant to the Retention Agreement. During that retention and pre-petition period, Gordian spent substantial time managing the sale process, negotiating the terms and conditions of the financial transaction and advising the Debtors' Board of Directors, among other activities. Prior to the Petition Date, the Debtors paid Gordian an aggregate amount of \$941,877.81. Of this amount, Gordian earned \$900,000.00 of fees and incurred \$41,877.81 of reimbursable out-of-pocket expenses.

III. First and Final Period

14. Gordian served as the Debtors' financial advisor pursuant to the Retention Order, during the First and Final Period. During this and the pre-petition period, Gordian performed many integral services in that capacity for the Debtors.

15. On July 30, 2002, this Court entered a confirmation order for the Debtors' Amended Joint Plan of Reorganization upon the belief that the new credit facility, as testified to in this Court, would close within a reasonable period of time.
16. Subsequently, the Debtors were advised by the Debtors' putative equity investors, Fortress and Greenhill, that their efforts to syndicate the new credit facility contemplated by a commitment letter executed by Deutsche Bank Securities Inc. and Bank of America, N.A. in favor of Fortress and Greenhill would likely not be able to be consummated on terms commercially acceptable to the Debtors' equity investors.
17. In the weeks following the announcement that the new credit facility was not going to be syndicated as previously believed, Gordian, in conjunction with the Debtors and their advisors, committed significant resources to negotiating with the Debtors' existing lenders to participate in a new credit facility for the Debtors. Intensive negotiations at various meetings and numerous analyses were utilized to achieve a successful result.
18. Additionally, Gordian had contact with certain members of the Debtors' existing credit facility in order to understand the issues important to them and to assist in the negotiation of the terms of the Debtors' new credit facility.
19. Ultimately, the significant commitment of Gordian, the Debtors and their other advisors led to a successful negotiation of a new credit facility for the Debtors, which allowed the Debtors to consummate their Financial Transaction and to maintain recoveries for all significant constituencies of the Debtors.

20. Simultaneous with the dedication to securing the new credit facility, Gordian and the Debtors' worked with certain other parties who were interested in making a significant investment in the Debtors, pursuant to the terms of the SPA, through various discussions and assisting in their performing due diligence.
21. On October 9, 2002, this Court confirmed the Debtors Second Amended Joint Plan of Reorganization with the new credit facility secured and on terms that were commercially acceptable to the Debtors' equity investors and should allow the Debtors to execute their business plan.
22. For the First and Final Period and pursuant to the Retention Agreement, as approved by the Retention Order, Gordian makes this First and Final Application for compensation for professional services rendered in the amount of \$774,705.15, which includes approval for previously paid Monthly Fees of \$750,000.00 and for reimbursement of actual and necessary out-of-pocket expenses of \$24,705.15 incurred by Gordian during the First and Final period. Attached, as Exhibit D is a detailed list of expenses incurred by Gordian on a monthly basis.
23. To date, Gordian has received payments in the aggregate amounts of \$750,000.00 and \$24,705.15 for fees and expenses, respectively. Gordian, therefore, respectfully requests the allowance and payment of \$774,705.15 for the First and Final Period, consisting of reimbursement of out-of-pocket expenses in the aggregate amount of \$24,705.15 and payment of \$750,000.00 of monthly fees.
24. Gordian respectfully requests final approval for all fees and expenses paid during the First and Final Period.

IV. Gordian's Transaction Fee

25. Additionally, Gordian makes this First and Final Application for a Transaction Fee of \$2,325,000.00 (\$4,000,000.00, less aggregate Monthly Fees for eleven months equaling \$1,650,000.00 (\$900,000.00 of which relate to the pre-petition period and \$750,000.00 of which relate to the First and Final Period), less a contribution to a settlement of Debtors' litigation of \$25,000.00 as discussed in Paragraph 26 below), pursuant to the terms of the Retention Agreement, as approved by the Retention Order, to be paid in full simultaneously with the closing of a Financial Transaction. As described above in Paragraph 10, Gordian is entitled to a Transaction Fee equal to \$4,000,000.00 minus the sum of the total Monthly Fees previously paid by the Debtors to Gordian, payable upon the consummation of a Financial Transaction; provided that the sum of the Monthly Fees paid to Gordian and the Transaction Fee paid shall not exceed \$4,000,000.00.
26. Subsequently, on October 8, 2002, the day prior the Debtors' confirmation hearing, the Debtors settled certain litigation with certain holders of Class 1 claims. Gordian volunteered to reduce its Transaction Fee by \$25,000.00 as a contribution to such settlement. As a result of such agreement, Gordian requests that the Transaction Fee be calculated as \$3,975,000.00 (\$4,000,000.00 less the settlement contribution of \$25,000.00) less the sum of the Monthly Fees that Gordian has received from the Debtors from the time of the Retention Agreement, with the sum of Monthly Fees paid to Gordian and the Transaction Fee not to exceed \$3,975,000.00.

27. To date, Gordian has received \$1,650,000.00 in Monthly Fees. The Transaction Fee for which this First and Final Application seeks final approval is for \$2,325,000.00. The Financial Transaction which has caused Gordian to make this First and Final Application for the Transaction Fee was the consummation of the SPA.
28. Upon invoice, the Debtors rendered payment of the Transaction Fee in the aggregate amount of \$2,325,000.00. Gordian, therefore does not request further payment in connection with the Transaction Fee.
29. Gordian respectfully requests final approval of all payments related to the Transaction Fee during the First and Final Period.

V. The Gordian Team

30. The financial services set forth above were performed primarily by: Victor G. Caruso, Managing Director; Peter S. Kaufman, Managing Director; Dennis M. McGettigan, Vice President; and Poppy J. Keller, Analyst; and other professionals of Gordian, as required.
31. During the First and Final Period, Gordian provided the following services to the Debtors, amongst others detailed in Exhibit E, attached hereto:
 - (a) Held regularly scheduled twice-weekly conference calls with the Debtors and their other advisors, in addition to numerous conference calls as necessary with some combination of the Debtors, their advisors, the Debtors' creditors and their respective advisors, Senior Credit Facility Steering Committee and their advisors, the full Senior Credit Facility participants and their advisors, potential overbidders and their respective advisors, and Fortress, Greenhill and their respective advisors;

- (b) **Attended periodic meetings with the Debtors and their advisors and all other parties listed in (a) above, as necessary, to facilitate a successful Financial Transaction;**
- (c) **Assisted the Debtors in extensive negotiations with all Parties-In-Interest on various occasions and attended numerous meetings in conjunction therewith to achieve the successful Financial Transaction that permitted the Debtors to exit Chapter 11;**
- (d) **Assisted the Debtors in obtaining its new senior credit facility through intensive negotiations, allowing the Debtors to complete its successful Financial Transaction;**
- (e) **Reviewed depositions relevant to these cases in preparation for testimony before this Court;**
- (f) **Prepared materials to be used to assist in testimony before this Court;**
- (g) **Prepared for depositions and testimony before this Court;**
- (h) **Provided testimony before this Court, as necessary;**
- (i) **Attended hearings, chambers conferences and status updates before this Court;**
- (j) **Assisted in the review and preparation of various documents to be filed with this Court;**
- (k) **Assisted in the review and preparation of press releases made by the Debtors;**
- (l) **Assisted in the review and preparation of presentations made by the Debtors to various parties;**
- (m) **Monitored industry and market trends to maintain current views on the Debtors, their competitors and their business, amongst other information;**
- (n) **Prepared various analyses as required by the Debtors and their counsel;**
- (o) **Reviewed various documents pertaining to litigation suits pending with the Debtors;**
- (p) **Maintained current information on issues associated with the Debtors' Chapter 11 cases to be in a position to advise on relevant issues, as necessary;**

- (q) Coordinated conference calls and meetings for the Debtors and their advisors;
- (r) Completed all necessary analyses to support and expedite the confirmation of the Debtors Plan of Reorganization;
- (s) Reviewed materials forwarded to prospective bidders for the Debtors' business; and
- (t) Assisted in preparation of term sheets detailing various proposals for the Debtors' Senior Credit Facility.

32. Gordian respectfully submits that the compensation requested for the First and Final Period for services rendered by Gordian to the Debtors is fully justified and reasonable based upon (a) the time and labor required, (b) the complexity of the issues presented, (c) the skill necessary to perform the financial advisory services properly, (d) the preclusion of other employment, (e) the customary fees charged to clients in non-bankruptcy situations for similar services rendered, (f) time restraints required by the exigencies of the case and (g) the experience, reputation and ability of the professionals rendering services.

33. Gordian respectfully submits that the services it has rendered to the Debtors have been necessary and in the best interest of the Debtors and have furthered the goals of all parties in interest. The effort expended by Gordian in representing the Debtors, the complexity of the issues and the difficulty in negotiating these cases have been substantial in this phase of the case.

34. Gordian respectfully submits that under all of the criteria normally examined in Chapter 11 reorganization cases, the compensation requested by Gordian is reasonable in light of the work performed by Gordian in these cases.

35. The amount of fees and expenses sought in this application and Gordian's billing processes are consistent with market practices both in and out of a bankruptcy context. Gordian's professionals generally do not maintain detailed time records for the work performed for its clients. However, the Retention Order requires Gordian to keep approximate time in hourly increments of the tasks performed and time spent performing services for the Debtors. Accordingly, Gordian has maintained its contemporaneous approximate time records in hourly increments, in compliance with the Retention Order. Time records of the hours expended in the First and Final Period are attached as Exhibit E, hereto.
36. Gordian incurred reasonable and necessary out-of-pocket expenses aggregating \$24,705.15, during the First and Final Period. To date, Gordian has been reimbursed \$24,705.15 for its out-of-pocket expenses. Therefore, Gordian requests final approval for the previously reimbursed out-of-pocket expenses aggregating \$24,705.15 for the First and Final Period. Details of the expenses incurred during the First and Final Period are provided in Appendix E.
37. Out-of-pocket expenses incurred by Gordian are charged to a client if the expenses are incurred for the client or are otherwise necessary in connection with services rendered for such client. Gordian does not factor general overhead expenses into disbursements charged to its clients in connection with Chapter 11 cases. Gordian has followed its general internal policies with respect to out-of-pocket expenses billed to the Debtors as set for the below, with any exceptions specifically explained:

- (a) Gordian's general policy permits its employees to bill dinner meals to a client if the employee is required to provide services to the client during such meal time due to extreme time constraints. Gordian employees are permitted to order dinner in the office if the employee is required to work after 8:00 p.m.;
- (b) All airfare charges billed to the Debtors are based on coach rates;
- (c) The Research/Other category of expenses includes charges from outside computer/electronic service companies that supply, for a fee, research and/or financial documents to Gordian. The services provided by these companies primarily consist of the retrieval of financial documents from regulatory agencies and/or the retrieval of research that would not otherwise be available to Gordian;
- (d) Gordian bills photocopying charges at the rate of \$0.15 per page;
- (e) With respect to local travel, Gordian's current policy enables employees to travel by private car service or taxi to and from meetings while rendering services to a client on a client related matter, for which the client is charges. Also, Gordian employees are permitted to charge personal commuting expenses to a client after regular working hours; and
- (f) Gordian bills out-going facsimile charges at a rate \$1.00 per page. Gordian does not bill incoming facsimile charges to clients.

38. Enclosed as Exhibit F is Gordian's certification with respect to the guidelines provided by the U.S Trustee and the Southern District of New York Bankruptcy Cases regarding application for payment of fees and reimbursement of expenses for these cases.

WHEREFORE, Gordian requests the Court to:

- (a) Approve the final allowance of Gordian's Monthly Fees in the amount of \$750,000.00, Gordian's Transaction Fee in the amount of \$2,325,000.00 and the reimbursement of expenses in the amount of \$24,705.15 for the First and Final Period; and
- (b) Grant such other and further relief as this Court deems just and proper.

Dated: New York, New York

December 4, 2002

GORDIAN GROUP, LLC

Financial Advisor to the Debtors

By: 

Peter S. Kaufman

Managing Director

499 Park Avenue, 5th Floor

New York, NY 10022

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
:
PINNACLE TOWERS III INC., *et al.*, : Case Nos. 02-12477 (BRL) and
: 02-12482 through 02-12484 (BRL)
Debtors. : Jointly Administered

ORDER APPROVING FIRST AND FINAL FEE APPLICATION OF GORDIAN GROUP, LLC, FINANCIAL ADVISOR FOR PINNACLE TOWERS III INC., ET. AL., FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM MAY 21, 2002 THROUGH OCTOBER 31, 2002

Upon consideration of the First and Final Application (the "First and Final Application") of Gordian Group, LLC ("Gordian") as Financial Advisor to the above-referenced debtors (the "Debtors") for Allowance of Final Compensation for Actual and Necessary Services Rendered and Reimbursement of All Actual and Necessary Expenses Incurred for the Period May 21, 2002 through November 1, 2002 (the "Fee Application Period"), and adequate notice of the First and Final Application having been given and it appearing that no other notice need be given, and this Court having jurisdiction over the First and Final Application, and after any proceedings in respect of this matter, and sufficient cause appearing thereof, it is ORDERED that:

1. The First and Final Application is approved.
2. Gordian is allowed final compensation for professional services during the Fee Application Period in the amount of \$3,075,000.00, and reimbursement of expenses during the Fee Application Period in the amount of \$24,705.15.
3. Allowance of all fees and expenses related to the Debtors cases is final.

Dated: _____, 2002

Honorable Burton R. Lifland
United States Bankruptcy Court Judge

EXHIBIT A

GORDIAN GROUP, L.P.
499 Park Avenue, 5th Floor
New York, New York 10022
(212) 486-3600

PERSONAL AND CONFIDENTIAL

December 13, 2001

Board of Directors
Pinnacle Holdings Inc.
Pinnacle Towers Inc.
301 North Cattlemen Road
Sarasota, Florida 34232

Attention: Mr. Steven R. Day, President and Chief Executive Officer

Gentlemen and Madame:

This letter (the "Agreement") confirms the terms of the engagement of Gordian Group, L.P. ("Gordian") by Pinnacle Holdings Inc. and Pinnacle Towers Inc. (together with their subsidiaries, the "Company") as of the date hereof to provide certain financial advisory services as specifically set forth below in connection with a restructuring of the Company's indebtedness or a material portion of the Company's obligations, raising new or replacement capital for the Company, an investment in the Company or any merger, consolidation, reorganization, recapitalization, joint venture or other business combination or sale of substantially all or a material portion of the assets or outstanding securities of the Company, or the acquisition of substantially all or a material portion of the assets or outstanding securities of another entity, in one or a series of transactions (each, a "Financial Transaction"); provided however that the sale of co-locations, European assets, approximately 88 parcels of real estate of Pinnacle Towers Inc., broadcast towers and the microwave towers shall not be deemed to be a Financial Transaction unless Gordian is specifically engaged with respect thereto or requested by the Company to sell the above-mentioned assets.

Gordian's services hereunder shall comprise advising and making recommendations to the Company in connection with a potential Financial Transaction. To the extent necessary, Gordian's services will include but not be limited to assisting the Company in

Risk by

(i) evaluating and developing a strategy (or strategies) for the Company in connection with a Financial Transaction, including assisting the Company in identifying and evaluating a prospective party for a Financial Transaction, (ii) representing the Company in discussions and negotiations with various third parties, including creditors, potential investors, acquirors and acquisition targets, (iii) negotiating and structuring of the financial aspects of a proposed Financial Transaction, (iv) reviewing and evaluating the Company's business plan and debt capacity, (v) providing general restructuring advice, (vi) advising the Board of Directors of the Company with respect to a Financial Transaction and (vii) testifying in connection with any bankruptcy proceedings. Although Gordian's services hereunder will include providing the Company with indications of value, Gordian's services hereunder do not include the rendering of any formal valuation, fairness or solvency opinions or other additional services not expressly referenced above; any such services shall be addressed in a separate engagement letter as may be mutually agreed to by the Company and Gordian.

In the event the Company, its affiliates or their management receive or initiate an inquiry or other contact concerning a Financial Transaction, the Company shall promptly inform Gordian of such inquiry or contact, in order that Gordian can assist the Company in any resulting negotiations in such manner as directed by the Company.

For Gordian's services in connection with this engagement, the Company shall pay or cause to be paid to Gordian, in cash in U.S. dollars, nonrefundable fees as follows: (a) monthly fees of \$150,000 per month, payable in advance on the first day of each month for each month of this engagement or portion thereof (the "Monthly Fees"); plus (b) \$4,000,000 minus the sum of the monthly fees previously paid by the Company to Gordian pursuant to (a) above, payable upon the consummation of a Financial Transaction (the "Transaction Fee"); provided that the sum of the Monthly Fees paid to Gordian pursuant to (a) above and the Transaction Fee paid to Gordian pursuant to (b) above shall not exceed \$4,000,000. The Transaction Fee shall be paid in full simultaneously with the closing of a Financial Transaction.

In addition to the fees described above, Gordian shall be reimbursed upon invoice for all of its reasonable out-of-pocket expenses (including reasonable legal fees, if the Company has approved retention of counsel, such approval not to be unreasonably withheld; travel by coach class; telephone and facsimile) incurred in connection with Gordian's engagement hereunder; provided that such expenses are reimbursable pursuant to the U.S. Bankruptcy Code.

The nature and scope of Gordian's investigation in connection with the matters described herein shall be as Gordian, in consultation with the Company, deems appropriate. Gordian shall familiarize itself with and consider, as it deems appropriate, the history and nature of the business of the Company, its operations, financial results and condition, properties and prospects and such other factors as Gordian deems relevant. In this regard, Gordian shall be entitled to rely entirely on publicly available information plus such other

information as may be directly or indirectly furnished to it orally or in writing by the Company or its officers, directors, employees, affiliates, representatives, counsel, auditors and advisors, without independent investigation thereof, and Gordian does not hereby assume any responsibility to verify the accuracy or completeness of any such information or to conduct any appraisal of the Company's assets or liabilities. The Company represents and warrants to Gordian that, to the best of its knowledge, all information it directly or indirectly furnishes to Gordian in connection with Gordian's engagement hereunder shall be true, complete and accurate in all respects, and not misleading. The Company agrees to cooperate fully with Gordian and shall promptly make available to Gordian all such information, documents and corporate records as Gordian reasonably deems necessary or appropriate.

Gordian does not represent or guarantee any specific result from this engagement. Gordian has not made, and is not responsible for the accuracy of, any projection of the Company's operating results, solvency or value, and Gordian does not make any representation regarding or guaranty of the accuracy of any projection, other view or advice Gordian provides regarding the Company or the Company's future. The Company acknowledges that all future matters are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected or otherwise addressed by Gordian.

Gordian's role shall be solely as a financial advisor to the Company's management and Board of Directors, which shall remain fully responsible for all decisions and matters as to which Gordian's advice is sought. Gordian is assuming no management responsibility with respect to the Company of any nature whatsoever. Gordian's obligations to the Board of Directors and the Company are contractual in nature as expressly set forth in this Agreement and neither Gordian nor any of its affiliates nor the respective members, partners, officers, directors, employees, controlling persons, representatives and agents of Gordian or its affiliates have any fiduciary obligations to the Company or any other person in respect hereof. The Company acknowledges and agrees that its engagement of Gordian hereunder does not and is not intended to confer rights upon any person not a party hereto, including any security holders or creditors of, or holders of beneficial interests in, the Company, as against Gordian, its affiliates, or the respective members, partners, officers, directors, employees, controlling persons, representatives and agents of Gordian or its affiliates. Gordian's obligations are solely partnership obligations and no affiliate, member, partner, officer, director, employee, controlling person, representative or agent of Gordian shall be subjected to any personal liability whatsoever to any person with respect to this Agreement.

Any advice, written or oral, provided by Gordian pursuant to this Agreement shall be solely for the information and assistance of the Company and its Board of Directors in connection with a Financial Transaction. Except as required by law or court order, such advice is not to be used, circulated, quoted or otherwise referred to, in whole or in part, for any other purpose. Such advice shall not be filed with, included in or referred to, in

PK 6/07

whole or in part, in any registration statement, proxy statement, tender offer or any other document, nor are references to Gordian or its engagement hereunder to be made therein, except in each case in accordance with Gordian's prior written consent, which shall not be unreasonably withheld. Notwithstanding the previous sentence, any written advice provided by Gordian may be included in a disclosure statement or exchange offer used in connection with a bankruptcy proceeding, but any oral advice provided by Gordian may be included in such disclosure statement in each case only with Gordian's prior written consent, which shall not be unreasonably withheld. Except to the extent legally required or as modified by the preceding sentences none of: (i) any advice rendered by Gordian to the Company; or (ii) any communication from Gordian to the Company or from the Company to Gordian in connection with the services performed by Gordian pursuant to this Agreement shall be quoted or referred to orally or in writing in any public form or forum or document by the Company, or its agents, without Gordian's prior written authorization, which shall not be unreasonably withheld. Except to the extent expressly set forth in writing by Gordian, no third party shall be entitled to rely upon Gordian's advice for any purpose whatsoever. Gordian shall bear no responsibility whatsoever for the accuracy or completeness of the Company's disclosure of Gordian's advice to any third parties.

The Company understands that Gordian does not represent that any particular Gordian professional will be solely responsible for Gordian's work product completed pursuant to Gordian's engagement and that junior Gordian professionals likely will be working on this engagement together with senior Gordian professionals. Notwithstanding the foregoing, Peter S. Kaufman and Victor G. Caruso shall be primarily responsible for the senior-level services that Gordian shall provide hereunder (subject to circumstances beyond Gordian's reasonable control) and shall devote such time and effort as is required, consistent with Gordian's usual practices, to enable Gordian to fully perform all material obligations of Gordian hereunder.

The Company agrees to indemnify and hold harmless Gordian and its affiliates and their respective members, partners, officers, directors, employees, controlling persons, representatives and agents (each an "Indemnified Party") to the full extent lawful from and against, and agrees that each Indemnified Party shall have no liability to the Company or its affiliates, successors, assigns, creditors or security holders for, any losses, claims, expenses, damages or liabilities (or actions or proceedings in respect thereof), including without limitation reasonable counsel fees and expenses, related to or arising out of Gordian's engagement under this Agreement, or any transaction or conduct in connection therewith, except to the extent that any such loss, claim, expense, damage or liability has resulted solely from the gross negligence or willful misconduct of Gordian in performing the services that are the subject of this Agreement. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, expense, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the

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Company and/or its equity holders or creditors on the one hand and the Indemnified Party on the other hand, but also the relative fault of the Company and the Indemnified Party, as well as any other relevant equitable considerations. No less than ten days before the Company's settlement of any claim, litigation or proceeding as to which any Indemnified Party may be entitled to indemnification hereunder, the Company shall give written notice to Gordian if it intends to assert that any Indemnified Party is not entitled to indemnification therefor. In the absence of such notice, the Company shall be deemed to have waived any right to assert that any Indemnified Party is not entitled to indemnification in connection with such claim, litigation, proceeding or settlement. Prior to Gordian's settlement of any claim, litigation or proceeding as to which any Indemnified Party may be entitled to indemnification hereunder, Gordian may request in writing that the Company give written notice to Gordian if it intends to assert that any Indemnified Party is not entitled to indemnification therefor. If such notice from the Company is not received by Gordian within ten days of Gordian's written request, the Company shall be deemed to have waived any right to assert that any Indemnified Party is not entitled to indemnification in connection with such claim, litigation, proceeding or settlement. In no event shall Gordian and the Indemnified Parties collectively have liability hereunder in the aggregate in excess of any cash fees actually received by Gordian hereunder, exclusive of reimbursement of expenses as provided in this Agreement and compensation as referred to below in this paragraph. Without the prior written consent of Gordian (which shall not unreasonably be withheld), the Company shall not settle any claim, litigation or other proceeding against any Indemnified Party relating to Gordian's engagement hereunder unless such settlement requires on the part of the Indemnified Party nothing more than a cash payment that the Company actually makes, and unless such settlement includes an express release of such Indemnified Party from all claims asserted against such Indemnified Party by all parties to such settlement, such release to be set forth in an instrument or instruments signed by or otherwise binding upon all parties to such settlement. The Company agrees to reimburse each Indemnified Party periodically for its reasonable legal and other out-of-pocket expenses (including the cost of any investigation, preparation or provision of evidence) incurred in connection with any pending or threatened action, claim, investigation or proceeding (regardless of whether Gordian is a party thereto) in respect of which indemnification or contribution may be sought hereunder or in enforcing this Agreement; provided however, that the Company may take over the defense of such action, claim, investigation or proceeding, at its own expense, with counsel reasonably acceptable to Gordian (which shall not be counsel to the Company if there is an actual or potential conflict between the Company and any indemnified party) in which case it will owe no reimbursement to any Indemnified Party for its legal fees and other legal expenses in connection therewith. If Gordian, any affiliate of Gordian, or any member, partner, officer, director, employee, controlling person, representative or agent of Gordian or any affiliate of Gordian is required to participate in connection with the threat or assertion of a claim, litigation or investigation with respect to this engagement, where Gordian or any other Indemnified Party is not included as a defendant thereto, then Gordian shall be compensated, separately from the fees provided for herein, for the time expended by such person, whether at or in

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preparation for meetings, depositions or trial, at the hourly rates then in effect for such person or, if no such rate is then in effect, the hourly rate that Gordian shall reasonably determine to be appropriate. The reimbursement, indemnity and contribution agreements of the Company under this paragraph shall be in addition to any liability which the Company otherwise may have and to any rights that Gordian may otherwise have, and shall extend upon the same terms and conditions to, and may be independently enforced by, any affiliate of Gordian and the members, partners, officers, directors, employees, controlling persons, representatives and agents (if any) of Gordian or any affiliate of Gordian and shall be binding upon any successors and assigns of the Company and inure to the benefit of any successors, assigns, heirs and personal representatives of Gordian, any such affiliate and any such person. The provisions of this and the following four paragraphs shall survive the completion or termination of Gordian's services pursuant to this Agreement or any termination of this Agreement. In no event will the Company be required to pay the legal fees and other expenses of more than one counsel with respect to all Indemnified Parties collectively, unless there is a conflict which prevents one counsel from representing all such parties.

THIS LETTER AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO ITS PRINCIPLES OF CONFLICT OF LAW). THE PARTIES HERETO HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY DISPUTES ARISING HEREUNDER. The Company hereby consents to venue and jurisdiction in any court in which (i) Gordian (or other Indemnified Party) is sued or otherwise found or brought and (ii) in which venue and jurisdiction are proper as to Gordian or other Indemnified Party. Any dispute arising under this Agreement or in connection with this engagement shall be finally settled by arbitration conducted in New York, New York by one arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration award entered in accordance with this Agreement shall be in writing and shall be final and binding on the parties, except to the extent it may be appealed to a court of competent jurisdiction in accordance with applicable laws governing appealability of arbitration awards. The award may include an award of costs, including reasonable attorneys' fees and disbursements. Judgment upon the award may be entered by any court having jurisdiction over the parties or their assets. The parties hereto consent to the non-exclusive jurisdiction of the federal and state courts sitting in New York City for the purpose of entering judgment upon and enforcing such an award.

This engagement may be terminated by the Company or Gordian at any time with or without cause, effective upon receipt of written notice to that effect by the other party, but in such circumstance the Company shall remain liable for any Monthly Fees payable and expenses incurred prior to termination. In the event of termination of this engagement by the Company, the Company shall also remain liable for the Transaction Fee if within twelve months after such termination definitive documentation is entered

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into with respect to a Financial Transaction and such Financial Transaction is subsequently consummated.

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between Gordian and the Company with respect thereto. This Agreement shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the parties. This Agreement may not be amended or modified except in writing, executed by the parties hereto. No party hereto may assign this Agreement.

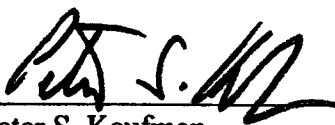
The Company's obligations hereunder shall be joint and several obligations of each of Pinnacle Holdings Inc., Pinnacle Towers Inc. and its undersigned subsidiaries; provided, however, that no such subsidiary shall be required to pay any amount that would cause it to become insolvent and any such amount not so paid shall be reallocated among the remaining such subsidiaries.

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[Signature]

Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the duplicate of this letter attached hereto, which shall thereupon constitute a binding agreement.

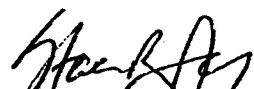
Sincerely yours,

GORDIAN GROUP, L.P.

By: 
Peter S. Kaufman
Managing Director of the
General Partner

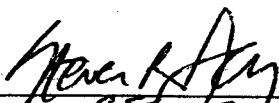
AGREED TO AND ACCEPTED:

PINNACLE HOLDINGS INC.

By: 
Name: Stephen R. Day
Title: CEO

Date: January 17, 2001

PINNACLE TOWERS INC.

By: 
Name: CEO Stephen R. Day
Title: CEO

Date: January 17, 2001

EXHIBIT B

Sandra E. Mayerson (SEM-8119)
Barbra R. Parlin (BP-4914)
Peter A. Zisser (PZ-9634)
HOLLAND & KNIGHT LLP
195 Broadway
New York, New York 10007-3189
Telephone: (212) 513-3200
Facsimile: (212) 385-9010
Counsel for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

PINNACLE TOWERS III INC., *et al.*,

Debtors.

: Chapter 11

: Case Nos.: 02-_____ through 02-_____

: Joint Administration Pending

**APPLICATION PURSUANT TO FED. R. BANKR. P. 2014(a) FOR
ORDER UNDER SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE
AUTHORIZING THE EMPLOYMENT AND RETENTION OF
GORDIAN GROUP, L.P. AS FINANCIAL ADVISOR
FOR DEBTORS AND DEBTORS-IN-POSSESSION**

Pinnacle Towers III Inc., Pinnacle Holdings Inc., Pinnacle Towers Inc.

and Pinnacle San Antonio LLC, debtors and debtors-in-possession (collectively

“Debtors”) in the above-captioned cases, submit this application (the “Application”) for

authorization to employ Gordian Group, L.P. (“Gordian”), as their financial advisor

pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C.

§§ 101 *et seq.* (the “Bankruptcy Code”) and Federal Rule of Bankruptcy Procedure 2014,

and in support thereof, represent the following:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The statutory predicates for the relief sought herein are sections 327(a) and 328(a), as supplemented by Bankruptcy Rule 2014.

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3. On May 21, 2002 (the "Petition Date"), Debtors commenced these cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Debtors continue to operate their business and manage their properties and assets as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. Debtors' motion pursuant to Rule 1015 of the Federal Rules of Bankruptcy Procedure for joint administration of these cases for procedural purposes only has been filed concurrently herewith and is pending.

4. No trustee or examiner has been appointed in Debtors' chapter 11 cases, and no committees have been appointed or designated.

5. Debtors are leading independent providers of wireless communications site space in the United States. Debtors' business primarily focuses on renting space on communications sites to providers of wireless communications services, such as personal communications services, cellular, paging, specialized mobile radio, enhanced specialized mobile radio, wireless data transmissions and radio and television broadcasting.

RELIEF REQUESTED

6. By this Application and pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Debtors seek to employ and retain Gordian as their financial advisor and investment banker in these chapter 11 cases, under a general retainer to perform certain investment banking services, *nunc pro tunc* to the Petition Date. Gordian has served as financial advisor to Debtors pursuant to a retention agreement dated December 13, 2001 (the "Retention Agreement"), and attached hereto as Exhibit A.

7. Debtors seek to retain Gordian as their financial advisor because of Gordian's extensive experience, expertise and knowledge in advising troubled companies in connection with chapter 11, and out-of-court restructurings and distressed merger and acquisition transactions. Gordian has served previously as a financial advisor in a variety of chapter 11 cases, including many complex cases.

8. Debtors also selected Gordian because Gordian is well-qualified to serve as financial advisor and investment banker and to provide financial advisory services required by Debtors in these cases. Gordian represented Debtors pre-petition in connection with their efforts to obtain investors to restructure their business, and know the Debtors' financial structure. As a result, continued retention of Gordian post-petition will be most expedient and cost efficient.

9. In connection with its retention, Gordian will provide the following financial advice and investment banking services relating to a capital restructuring, upon the request of Debtors, including and without limitation:

- a. as needed and appropriate, evaluating and developing a strategy (or strategies) for Debtors in connection with a Financial Transaction, including assisting Debtors in identifying and evaluating a prospective party for a Financial Transaction;

- b. as needed and appropriate, representing Debtors in discussions and negotiations with various third parties, including creditors, potential investors, acquirors and acquisition targets;
- c. as needed and appropriate, negotiating and structuring of financial aspects of a proposed Financial Transaction;
- d. reviewing and evaluating Debtors' business plan, debt capacity and liquidation analysis;
- e. providing general restructuring advice;
- f. advising the Board of Directors of Debtors with respect to a Financial Transaction; and
- g. testifying in connection with any bankruptcy proceeding.

10. As set forth in the Retention Agreement annexed hereto, Debtors and Gordian have agreed, subject to approval by this Court, to the following compensation structure (the "Fee Structure"): Debtors shall pay or cause to be paid to Gordian, in cash in U.S. dollars, nonrefundable fees as follows: (a) monthly fees of \$150,000 per month, payable in advance on the first day of each month for each month of this engagement or portion thereof (the "Monthly Fees"); plus (b) \$4,000,000 minus the sum of the Monthly Fees previously paid by Debtors to Gordian pursuant to (a) above, payable upon the consummation of a Financial Transaction (the "Transaction Fee"); provided that the sum of the Monthly Fees paid to Gordian pursuant to (a) above and the Transaction Fee paid to Gordian pursuant to (b) above shall not exceed \$4,000,000. The Transaction Fee shall be paid in full simultaneously with the closing of a Financial Transaction.

11. In addition to the fees described above, Debtors upon invoice shall reimburse Gordian for all of its reasonable out-of-pocket expenses (including reasonable legal fees, if Debtors have approved Gordian's retention of counsel, such approval not to

be unreasonably withheld) incurred in connection with Gordian's engagement hereunder. The obligations of Debtors pursuant to this paragraph shall survive the completion or termination of this engagement with respect to expenses incurred before it is completed or terminated.

12. The parties have established the compensation provided for in the Retention Agreement with the express understanding that the hours worked, results achieved and ultimate benefit of work performed to Debtors' estates may be variable and have taken this into account in setting the monthly and contingent compensation payable thereunder. Gordian believes that the Fee Structure reflects the fee structures typically utilized by Gordian and other leading financial advisors and investment banking firms which do not bill clients on an hourly basis. In addition, Gordian's fees and expenses will remain subject to final Court approval.

13. All amounts due Gordian under the Retention Agreement are to be paid from Debtors' estates upon approval by the Bankruptcy Court.

14. As limited by the Affidavit of Peter S. Kaufman annexed hereto as Exhibit B (the "Kaufman Affidavit"), Debtors agree to indemnify and hold harmless Gordian and its affiliates and their respective members, partners, officers, directors, employees and controlling persons, representatives and agents (each an "Indemnified Party") to the full extent lawful from and against, and agrees that each Indemnified Party shall have no liability to Debtors, or its affiliates, successors, assigns, creditors or security holders for, any losses, claims, expenses, damages or liabilities (or actions or proceedings in respect thereof), including without limitation reasonable counsel fees and expenses, related to or arising out of Gordian's engagement under this Application, or any

transaction or conduct in connection therewith, except to the extent that any such loss, claim, expense, damage or liability has resulted solely from the gross negligence or willful misconduct of Gordian in performing the services that are the subject of this Application.

15. Debtors submit that the retention of Gordian under the terms described herein is appropriate under sections 327 and 328 of the Bankruptcy Code.

16. To the best of Debtors' knowledge, and based on the representations in the Kaufman Affidavit, the employees of Gordian do not have any connection with Debtors, their creditors or any other party in interest, or their respective attorneys, except to the extent set forth in the Kaufman Affidavit. Debtors believe Gordian is "disinterested" as defined in section 101(14) of the Bankruptcy Code and does not hold or represent an interest adverse to Debtors' estates.

17. Debtors believe that Gordian is eminently qualified to serve them in these chapter 11 cases and that the retention of Gordian is in the best interest of Debtors, their estates and creditors.

18. Since December 31, 2001, Gordian has received \$900,000 in fees and \$44,782,76 in reimbursement for expenses incurred in connection with its pre-petition services.

NOTICE

19. Notice of this Motion has been served by hand delivery, facsimile, electronic mail or overnight mail on: (a) the Office of the United States Trustee for the Southern District of New York; (b) counsel for the Agent for the Lender group; (c) counsel for the Investors; (d) the Indenture Trustee for the Convertible Notes; (e)

counsel for the unofficial committee of Senior Note holders; (f) counsel to the Securities Action plaintiffs; and (g) each Debtor's twenty (20) largest unsecured creditors. In light of the nature of the relief requested herein, Debtors submit that no other or further notice is required.

20. Debtors submit that this Application does not present any novel issues of law, and the authorities relied upon by Debtors are set forth herein therefore, Debtors hereby respectfully request that the Court waive the filing of a memorandum in support of this Application pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), except that Debtors reserve the right to file a brief in reply to any objection to the Application.

NO PRIOR REQUEST

21. No prior request for the relief requested herein has been made to this or any other Court.

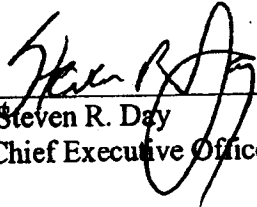
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WHEREFORE, Debtors request entry of an order substantially in the form annexed hereto, authorizing the employment and retention of Gordian Group, L.P. as their financial advisor, and granting such further relief as this Court deems necessary and appropriate.

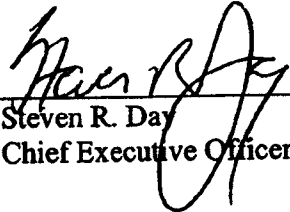
Dated: New York, New York
May 24, 2002

Respectfully submitted,

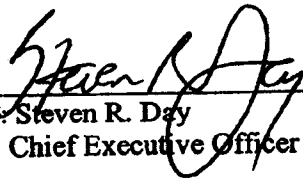
PINNACLE TOWERS III INC.

By: 
Name: Steven R. Day
Title: Chief Executive Officer

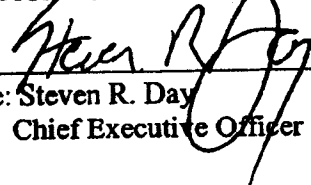
PINNACLE HOLDINGS INC.

By: 
Name: Steven R. Day
Title: Chief Executive Officer

PINNACLE TOWERS INC.

By: 
Name: Steven R. Day
Title: Chief Executive Officer

PINNACLE SAN ANTONIO LLC

By: 
Name: Steven R. Day
Title: Chief Executive Officer

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

PINNACLE TOWERS III INC., *et al.*,

Debtors.

: Chapter 11

: Case Nos.: 02-_____ through 02-_____

: Joint Administration Pending

**AFFIDAVIT OF PETER S. KAUFMAN IN SUPPORT OF DEBTORS'
APPLICATION PURSUANT TO FED. R. BANKR. P. 2014(a) FOR
ORDER UNDER SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE
AUTHORIZING THE EMPLOYMENT AND RETENTION OF
GORDIAN GROUP, L.P. AS FINANCIAL ADVISOR
FOR DEBTORS AND DEBTORS-IN-POSSESSION**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

PETER S. KAUFMAN, being duly sworn, deposes and says:

1. I am Managing Director of the General Partner of Gordian Group, L.P. ("Gordian"), located at 499 Park Avenue, New York, New York 10022. I submit this affidavit in support of Debtors' Application Pursuant to Fed. R. Bankr. P. 2014(a) for Order Under Sections 327(a) and 328(a) of the Bankruptcy Code Authorizing the Employment and Retention of Gordian Group, L.P. as Financial Advisor for Debtors and Debtors in Possession (the "Application") filed by Pinnacle Towers III Inc., Pinnacle Holdings Inc, Pinnacle Towers Inc. and Pinnacle San Antonio LLC, debtors and debtors-in-possession in the above-captioned cases (collectively "Debtors").

2. I have actual knowledge of the facts stated herein and if called upon as a witness I could and would testify competently thereto. My partner, Victor G. Caruso, and I have led and continue to lead the Gordian team on this engagement.

3. Except as otherwise stated herein, to the best of my knowledge and information, neither I, Gordian, nor any of its partners or employees has any connection with Debtors, their creditors, any other party in interest herein, their current respective attorneys or professionals. To the best of my knowledge, neither I, Gordian, nor any of its partners or employees is a creditor of Debtors or holds or represents any interest adverse to Debtors' estates, creditors, or equity security holders with respect to Debtors.

Specifically, Gordian:

- (a) is not a creditor, a holder of PHI's equity securities or debt instruments, or an insider of any debtor;
- (b) is not and was not an investment banker for any outstanding security of any Debtor;
- (c) has not been, within three years before the date of the filing of the petition, an investment banker for a security of any Debtors, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of any Debtors;
- (d) is not and was not, within two years before the date of the filing of the petition, a director, officer or employee of any Debtors or an investment banker specified in subparagraph (b) or (c) of this paragraph; and
- (e) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, any Debtors or an investment banker specified in subparagraph (b) or (c) of this paragraph, or for any other reason.

4. Gordian is a "disinterested person" in accordance with sections 101(14), 327, and 1107(b) of the Bankruptcy Code.

5. In making the determinations set forth in the preceding paragraph, Gordian performed a review of connections and relationships between Gordian and significant creditors and stockholders of Debtors as well as with other parties in interest

with respect to these chapter 11 cases, including, but not limited to (i) certain of Debtors' bondholders, (ii) Debtors' pre-petition bank group lenders (the "Pre-Petition Lenders") and (iii) Debtors' twenty (20) largest unsecured creditors.

6. Gordian has the following disclosures it wishes to make in this regard:

- (a) Bank of America - Gordian is or has been involved on behalf of debtors in certain restructuring and/or bankruptcy matters where Bank of America was also involved as a lender. None of these matters were or are related to Debtors or their estates.
- (b) Farallon – Upon information and belief, the former lead limited partner at Gordian is an affiliate of Farallon; the relationship between said former lead limited partner and Gordian ended in 1993.
- (c) Fleet – Gordian has been involved on behalf of debtors in certain restructurings and/or bankruptcy matters in which Fleet was a lender. None of these transactions were or are related to Debtors or their estates.
- (d) Bankers Trust Company - Gordian is or has been involved on behalf of debtors in certain restructuring and/or bankruptcy matters where Bankers Trust Company was also involved as a lender. None of these matters were or are related to Debtors or their estates.
- (e) The CIT Group/Equipment Financing, Inc. – Gordian is or has been involved on behalf of debtors in certain restructuring and/or bankruptcy matters where The CIT Group/Equipment Financing, Inc. was also involved as a lender. None of these matters were or are related to Debtors or their estates.
- (f) Toronto Dominion (New York), Inc. - Gordian is or has been involved on behalf of debtors in certain restructuring and/or bankruptcy matters where Toronto Dominion (New York), Inc. was also involved as a lender. None of these matters were or are related to Debtors or their estates.

- (g) Salomon Brothers - Gordian is or has been involved on behalf of debtors in certain restructuring and/or bankruptcy matters where Salomon Brothers was also involved as a lender or advisor. None of these matters were or are related to Debtors or their estates.
- (h) Winstead Sechrist & Minick PC – Gordian has worked on other matters with Winstead Sechrist & Minick PC, counsel to the Pre-Petition Lenders. None of these matters were or are related to Debtors or their estates.
- (i) Holland & Knight LLP – One of Gordian's partners (who is not on this engagement) uses Holland & Knight LLP for *de minimis* personal trust and estates legal work. None of these matters are related to Debtors or their estates.
- (j) White & Case – One of Gordian's partners utilizes White & Case as personal counsel on various matters. None of these matters are related to Debtors or their estates.

7. The foregoing statements are subject to the possible exception that Gordian may represent or may have represented, in matters unrelated to this case, certain of Debtors' creditors or other parties in interest herein, or may be engaged as a professional in other bankruptcy matters in this district. Gordian has and has had numerous clients, past and present, which are located throughout this country in a wide variety of industries. It is possible that some of these past or present clients may have some connection to, or may be creditors or shareholders of, Debtors. However, Gordian has not and will not represent the interests of any of its other clients in this matter. Based thereon it is a fair statement that Gordian has no interest adverse to Debtors or any other party-in-interest on the matters for which Gordian is to be employed; and Gordian has no interest which would in any way interfere with its performance of the services to be provided hereby.

8. Gordian has not reviewed the relationship that its employees may have with the Office of the United States Trustee or any person employed in such office, but Gordian will do so if requested by the United States Trustee and upon being provided with a list of such persons by the Office of the United States Trustee.

9. The professional services that Gordian expects to render to Debtors are set forth in the Retention Agreement attached to the Application as Exhibit A, and include but shall not be limited to the following:

- (a) as needed and appropriate, evaluating and developing a strategy (or strategies) for Debtors in connection with a Financial Transaction, including assisting Debtors in identifying and evaluating a prospective party for a Financial Transaction;
- (b) as needed and appropriate, representing Debtors in discussions and negotiations with various third parties, including creditors, potential investors, acquirors and acquisition targets;
- (c) as needed and appropriate, negotiating and structuring of financial aspects of a proposed Financial Transaction;
- (d) reviewing and evaluating Debtors' business plan, debt capacity and liquidation analysis;
- (e) providing general restructuring advice;
- (f) advising the Board of Directors of Debtors with respect to a Financial Transaction; and
- (g) testifying in connection with any bankruptcy proceeding.

10. The parties have established the compensation provided for in the Retention Agreement (the "Fee Structure") with the express understanding that the hours worked, results achieved and ultimate benefit of work performed to Debtors' estates may be variable and have taken this into account in setting the monthly and contingent compensation payable thereunder. Gordian believes that the Fee Structure reflects the fee

structures typically utilized by Gordian and other leading financial advisors and investment banking firms which do not bill clients on an hourly basis.

11. Gordian shall keep approximate time records in hourly increments of the tasks performed and time spent performing services for Debtors hereunder. In addition, Gordian's fees and expenses will remain subject to final Court approval pursuant to Sections 330 and 331 of the Bankruptcy Code.

12. Notwithstanding anything to the contrary in the Retention Agreement, all requests of Gordian for payment of indemnity pursuant to the Retention Agreement shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Retention Agreement and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall Gordian be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty, gross negligence, reckless or willful misconduct, or malpractice arising from the foregoing (other than ordinary negligence).

13. In addition, notwithstanding anything to the contrary in the Retention Agreement, in no event shall Gordian be indemnified if Debtors, the estate, or the official committee of unsecured creditors asserts a claim for, and a court determines by final order that such claim arose out of, Gordian's own bad-faith, self-dealing, breach of fiduciary duty, gross negligence, reckless or willful misconduct, or malpractice arising from the foregoing (other than ordinary negligence).

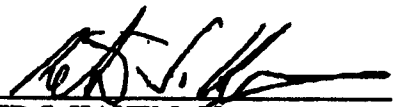
14. In the event that Gordian seeks reimbursement for attorneys' fees from Debtors pursuant to the Retention Agreement, the invoices and supporting time

records from such attorneys shall be included in Gordian's own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of Sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under Section 327 of the Bankruptcy Code.

15. Except as otherwise stated herein, there is no proposed arrangement to compensate Gordian. Gordian has not shared, nor agreed to share (a) any compensation it has received or may receive with any other party or person, other than with partners and employees of Gordian, or (b) any compensation another person or party has received or may receive.

16. Although neither Gordian nor any of its partners or employees is or will be an employee of Debtors, Gordian acknowledges that it owes a fiduciary obligation to Debtors and Debtors' estates.

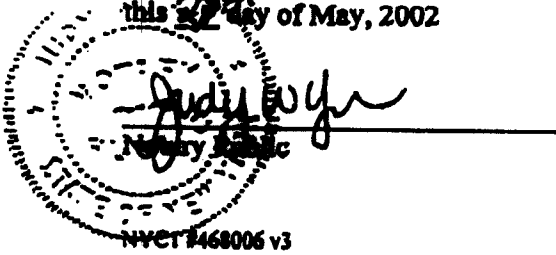
17. Gordian may in the past have represented, may currently represent, and may in the future represent other entities not currently known to Gordian who may be creditors or equity holders of Debtors and persons or entities providing services to Debtors or any appointed creditors' committee in matters wholly unrelated to the chapter 11 cases of Debtors. To the extent that Gordian discovers any such information, Gordian will disclose such information to this Court on notice to creditors and the United States Trustee for this district.



PETER S. KAUFMAN
 Managing Director of the General Partner of
 Gordian Group, L.P.

JUDY W. YU
 Notary Public, State of New York
 No. 41-495647A
 Qualified in Queens County
 Commission Expires September 25, 17 2006

Sworn to me before me
 this 22nd day of May, 2002



NYCT 468006 v3

SECRET

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
	:	
PINNACLE TOWERS III INC., <i>et al.</i> ,	:	Case Nos. 02-12477 and
	:	02-12482 through 02-12484
Debtors.	:	
	:	Joint Administration Pending

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY
CODE AUTHORIZING THE EMPLOYMENT AND RETENTION OF
GORDIAN GROUP L.P. AS FINANCIAL ADVISOR
FOR DEBTORS AND DEBTORS-IN-POSSESSION**

UPON the Application of Pinnacle Towers III Inc., Pinnacle Holdings Inc., Pinnacle Towers Inc. and Pinnacle San Antonio LLC, debtors and debtors-in-possession in the above-captioned cases (collectively "Debtors"), for entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") and Federal Rule of Bankruptcy Procedure 2014 authorizing the retention of Gordian Group, L.P. ("Gordian"), as Debtors' financial advisor; and upon the Affidavit of Peter S. Kaufman, sworn to on May 20, 2002 (the "Kaufman Affidavit"); and the Court being satisfied based on the representations made in the Application and the Kaufman Affidavit that the partners, counsel and associates of Gordian who will be engaged in these cases represent no interest adverse to Debtors' estates with respect to the matters upon which they are to be engaged, that Gordian is a disinterested person as that term is defined under sections 101(14) and 1107(b) of the Bankruptcy Code, and that Gordian's engagement is necessary and would be in the best interest of Debtors' estates; and it appearing that notice of the Application was good and sufficient under the circumstances and that no further notice need be given; and after due deliberation and sufficient cause appearing therefore; it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED in all respects.

2. In accordance with section 327(a) of the Bankruptcy Code,

Debtors are authorized to employ and retain Gordian as their financial advisor on the terms set forth in the Application and the Kaufman Affidavit and in accordance with the Retention Agreement, effective as of the Petition Date.

3. Gordian shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules, and such procedures as may be fixed by order of this Court.

4. Gordian shall submit monthly statements for its services and expenses to Debtors.

5. Gordian shall keep approximate time in hourly increments of the tasks performed and time spent performing services for Debtors hereunder. In addition, Gordian's fees and expenses will remain subject to final Court approval pursuant to Sections 330 and 331 of the Bankruptcy Code.

6. Notwithstanding anything to the contrary in the Retention Agreement, all requests of Gordian for payment of indemnity pursuant to the Retention Agreement shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Retention Agreement and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall Gordian be indemnified in the case of its own

bad-faith, self-dealing, breach of fiduciary duty, gross negligence, reckless or willful misconduct, or malpractice arising from the foregoing (other than ordinary negligence).

7. In addition, notwithstanding anything to the contrary in the Retention Agreement, in no event shall Gordian be indemnified if Debtors, the estate, or the official committee of unsecured creditors asserts a claim for, and a court determines by final order that such claim arose out of, Gordian's own bad-faith, self-dealing, breach of fiduciary duty, gross negligence, reckless or willful misconduct, or malpractice arising from the foregoing (other than ordinary negligence).

8. In the event that Gordian seeks reimbursement for attorneys' fees from Debtors pursuant to the Retention Agreement, the invoices and supporting time records from such attorneys shall be included in Gordian's own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of Sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under Section 327 of the Bankruptcy Code

9. This Court shall retain jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

Dated: New York, New York
May 22, 2002

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE

No Objection:

/s/ Greg M. Zipes 5/22/2002
Greg M. Zipes (GMZ-4539)
Office of the United States Trustee

EXHIBIT D

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Professional	Total Hours for First and Final Period
Victor G. Caruso	354.0
Peter S. Kaufman	358.0
Dennis M. McGettigan	391.5
Poppy J. Keller	366.5
Robert A. Rupe	104.0
Katherine G. Polson	108.0
Judy W. Yu	33.0
Total	1715.0

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Victor G. Caruso

<u>Date</u>	<u>Hours</u>	<u>Description</u>
22-May	2.0	Pinnacle - background information in regards to first day orders
23-May	1.0	Pinnacle conference call; update; status of plan and disclosure statement materials; summary of First Day Orders; H&K, Gordian
28-May	4.0	Discussion regarding potential bidders
28-May	0.5	Pinnacle conference call; update status of disclosure statement filing, other key data re: scheduling order - VGC/CB/SD/BF
30-May	0.5	Pinnacle conference call/HK/VGC/PSK/SD/BF
3-Jun	5.0	Review information and potential alternative party proposal
4-Jun	0.5	Pinnacle Conference call; BF/SD/VGC/PSK/DMM/HK(4)
		F/G update; lease rejection issues; Motorola leases;
	1.0	Pinnacle conference call: 1) motion for E&Y tax advisor, 2) SEC to contact HK (10Q filing status), 3) motion on seller notes, 4) other Bill Freeman issues
6-Jun	9.5	Conference call and review Deutsch Bank due diligence materials
10-Jun	10.0	Review Pinnacle financial information
11-Jun	0.5	Conference call: HK/Gordian/Pinnacle: DTC conference call on Weds/Interim trading/ E&Y affidavit as tax advisor still pending Payment issues on seller notes Final hearing on DIP hearing Info on other "buyers" (re. Funding) End of week - final comments on plan/disclosure to revise Syndicate process/rating agency presentation on the new loan (communication equity) "Creditors Committee" (including Corbin Communication) status FCC -- status of discussions SEC status discussion - need to follow-up (filing of 10Q) BONY to "resign" as trustee (still under discussion)
12-Jun	10.0	Review materials re: Syndication/Rating agency and related
17-Jun	8.0	Review materials for PSK testimony in re: breakup fees
18-Jun	1.0	Weekly conference call: H&K, Gordian; court hearing fees; bondholder issues; new interested parties; Motorola issues
	3.0	Telephone conference, Chet Bachellor (HK) in re: competing bidder investment proposal; subsequent discussion with PSK

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Victor G. Caruso

<u>Date</u>	<u>Hours</u>	<u>Description</u>
19-Jun	0.5	Setup and confirm conference calls
	0.5	Conference call in re: competing bidder
	0.5	Call competing bidder - left message, discussions
20-Jun	1.0	Conference call: HK/Gordian/Pinnacle
		Competing Bidder - Status of discussions
		Rating agency - presentation
		IRS issues; "check-the-box" issues
		Motorola - Wilmington counsel issue; Gordian Authorized to discuss strategy
24-Jun	5.0	Review misc. pinnacle materials
25-Jun	1.0	Conference call: HK/Gordian/Pinnacle
		Disclosure statement; T. Mayer (committee) comments to disclosure statement; DTC/trading issues; Rating Agency presentation;
		GM presentation; competing bidder discussions
27-Jun	8.0	Final review of materials for disclosure statement hearing
27-Jun	2.0	Review financial information in re: DS hearing; Fortress/Greenhill; discussion with PSK
2-Jul	0.5	Pinnacle Call: HK/Gordian
9-Jul	1.0	Conference call: HK/Gordian/Pinnacle; use of special purpose entities for financing; status of bank facility and collateral; bank meeting on 17th; 234 objections and votes due; confirmation hearing 30th
15-Jul	8.0	Review Arch/Web Link emails; various
16-Jul	0.5	Review Arch/Web Link emails
	0.5	Conference call: HK/GG/Pinnacle
		Woolsey contract, confirm prep schedule, Arch/Weblink matter, lease rejection date
17-Jul	8.0	Bank Meeting
18-Jul	0.5	Conference call: HK, Gordian re: status of voting/objection to confirmation has been withdrawn/E&Y update on retention/SEC with PWC
23-Jul	0.5	Conference call with HK, Gordian re: status update
25-Jul	0.5	HK/Gordian/Pinnacle Bank Financing \$340 (DB/BOA)
29-Jul	10.0	Confirmation hearing prep.

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Victor G. Caruso**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
30-Jul	7.0	Confirmation hearing prep.
14-Aug	6.0	Review of comparable company analyses
15-Aug	10.0	Meeting with Banks/Fortress/Greenhill (including deposition)
17-Aug	5.0	Review of comparable company analyses (follow-up)
19-Aug	1.5	Pinnacle: various telephone conferences
20-Aug	1.5	HK/Gordian/Pinnacle: status of financing and holdings 70% Banks, 30% Funds
21-Aug	15.0	Trip to Dallas; meeting with Bank & Advisors
22-Aug	0.5	Conference Call
26-Aug	1.0	TC with Pinnacle (Freeman/Guard)
27-Aug	10.0	Meeting at GG/Meeting at Skadden/FG Bank Investor Meeting
28-Aug	3.5	Conference call: Term Sheet/Investor; follow-up conference call
28-Aug	0.5	Review emails/various topics
28-Aug	0.5	Conference call: Term Sheet/Bank and Inv.
29-Aug	0.5	Conference call: HP/Pinnacle/GG
30-Aug	0.5	Conference call: HK/GG/Pinnacle; status update, bank discussion
3-Sep	0.5	Tuesday status conference calls: HK/GG/Pinnacle; discussion of Corbin proposal, Bank Term Sheet 8/29/03, Bank Meeting Schedule
4-Sep	2.0	Pinnacle Board Meeting
5-Sep	0.5	Pinnacle Call; Pinnacle/HK/Gordian
6-Sep	2.0	Pinnacle bank call
9-Sep	0.5	Call Steve Day/Chet Bacheilor re: possible Investor misc.
9-Sep	0.5	Call to potential investor
10-Sep	0.5	Conference call HK/GG/Pinnacle
12-Sep	3.0	Bankruptcy Court Chambers Conference
17-Sep	0.5	Conference Call: bank financing
22-Sep	0.5	Conference call: Status of bank financing
22-Sep	9.0	Review Gold Sheets; summary materials on bank financing market

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Victor G. Caruso

Date	Hours	Description
23-Sep	6.0	Prep for call and tele- conference (banks, investors, pinnacle)
23-Sep	1.0	Conference Call: Pinnacle/BofA/Investor
23-Sep	6.0	Prep for conf: Hearing/review documents
24-Sep	5.5	Court Hearing in re: Revised disclosure statement
24-Sep	2.0	Conference call: HK
25-Sep	0.5	TC with Skadden/Fortress/Greenhill
25-Sep	0.5	TC with potential competing bidder
26-Sep	0.5	Pinnacle conference call
28-Sep	10.0	Review of comparable companies and other confirmation hearing materials
29-Sep	9.0	Prep of materials in re: Silver Point/case makers
30-Sep	8.0	Review materials with DMM
1-Oct	0.5	Pinnacle conference calls
1-Oct	10.5	Review case materials (Skadden/HK); discussions with DMM
2-Oct	4.5	Periodicals research in respect to debt premia
2-Oct	1.0	Conference Call: Gordian/HK; materials for Silver Point/case material
2-Oct	4.0	TC with DMM; motions, status of analyses
3-Oct	5.0	Various Pinnacle calls
3-Oct	8.0	Misc. - Pinnacle calls/discussion with DMM
3-Oct	2.0	Review of faxed materials; analyses; motion liminic
4-Oct	8.0	Review faxed materials/analyses
5-Oct	9.0	Review of cases and Gordian work product
5-Oct	2.5	Review session with HK
6-Oct	3.0	Review next group of faxes
6-Oct	10.0	Review of depositions; Pinnacle/Deutsch Bank/BofA
7-Oct	3.0	Review of depositions
7-Oct	7.0	Review Gordian Depo. Materials
7-Oct	4.0	Prep. For depositions (HK/Gordian)

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Victor G. Caruso**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
8-Oct	13.0	Deposition prep; negotiation with Silver Point
8-Oct	4.0	Prep of VGC Proffer
9-Oct	6.0	Conference Hearing and HK meeting (re: order)
10-Oct	0.5	Pinnacle call
11-Oct	10.0	Gordian: catalog materials
15-Oct	0.5	Pinnacle call: Gordian/HK
17-Oct	0.5	Pinnacle call: HK/Gordian
22-Oct	0.5	Pinnacle call: HK/Gordian
24-Oct	0.5	Pinnacle call: HK/Gordian
29-Oct	1.5	Pinnacle: miscellaneous conference calls
31-Oct	0.5	Pinnacle call: HK/Gordian
Total Hours	<u>354.0</u>	

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Peter S. Kaufman

<u>Date</u>	<u>Hours</u>	<u>Description</u>
22-May	4.0	Attend hearing for first day orders
23-May	1.0	Advisor conference call
24-May	1.5	Discussions with Pinnacle and advisors
27-May	4.0	Discussions with Pinnacle and advisors regarding potential bidders
27-May	2.0	Internal research and discussion on potential bidders
28-May	1.0	Advisor conference call
28-May	2.0	Review of first day orders
28-May	3.0	Discussions with Pinnacle and advisors regarding potential bidders
28-May	1.0	Review of information on potential bidders
28-May	1.0	Review of potential bidders, forwarded information to H&K
30-May	0.5	Advisor conference call
3-Jun	2.0	Discussions with Pinnacle and advisors
4-Jun	1.5	Internal meeting and discussions
4-Jun	1.0	Advisor conference call
5-Jun	1.0	Discussions with Pinnacle and advisors
6-Jun	1.0	Advisor conference call
6-Jun	0.5	Discussions related to Pinnacle
7-Jun	1.0	Internal meeting and discussions
10-Jun	2.0	Updates on Pinnacle, internal discussions
11-Jun	1.0	Advisor conference call
13-Jun	1.0	Advisor conference call
17-Jun	3.0	Review of analysis of break-up fee in response to objection
18-Jun	2.0	Attend hearing in response to objection
18-Jun	1.0	Review of revised analysis of break-up fee
19-Jun	0.5	Conference call with advisors (H&K, Pinnacle)
19-Jun	1.0	Review of legal documents

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Peter S. Kaufman**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
20-Jun	1.0	Advisor conference call
25-Jun	1.0	Advisor conference call
25-Jun	6.0	Review of disclosure stmt
26-Jun	2.0	Review of disclosure stmt
26-Jun	3.0	Meeting with H&K and client
27-Jun	3.0	Hearing on the disclosure statement
9-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
16-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
18-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
25-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
25-Jul	0.5	Support for confirmation hearing
25-Jul	2.0	Deal genesis summary
29-Jul	15.0	Preparation for confirmation hearing
30-Jul	6.0	Confirmation hearing
2-Aug	1.0	Advisor conference call
4-Aug	1.5	Advisor conference call
5-Aug	2.0	Certain analyses
5-Aug	4.0	Meeting with F/G, their advisors, Pinnacle, creditor's council, H&K to discuss strategy
5-Aug	1.0	Discussions with Pinnacle and H&K
5-Aug	1.0	Conference call with steering committee for bank group
5-Aug	1.0	Discussions with Pinnacle and H&K
5-Aug	2.0	Review of certain documents related to SPA
6-Aug	3.5	Bankruptcy court hearing to update Judge on recent events - subsequent meeting with all parties
6-Aug	1.0	Discussions with Pinnacle and advisors
6-Aug	4.0	Analysis of related bank debt deals in market
6-Aug	1.0	Meeting and discussions with F/G, their advisors, Pinnacle and H&K to discuss strategy

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Peter S. Kaufman**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
6-Aug	1.0	Conference call with banks, F/G and its advisors, Pinnacle and its advisors and creditors committee
6-Aug	1.0	Follow-up to conference call with Pinnacle and F/G
6-Aug	1.0	Conference call with steering committee for bank group, Pinnacle, F/G and advisors
7-Aug	2.0	Review and comment of press release regarding credit facility
7-Aug	2.0	Discussions with Pinnacle
7-Aug	1.0	Bank call
7-Aug	1.0	Follow-up to conference call with Pinnacle and H&K
8-Aug	1.0	Advisor conference call
8-Aug	1.5	Discussions with select members of bank group and follow-up with client
8-Aug	8.0	Preparation of a term sheet and background information
9-Aug	10.0	Review of comparable companies to Pinnacle in the current market
10-Aug	2.0	Review of term sheet and bank debt analyses
11-Aug	3.0	Discussions with potential investors and Pinnacle
11-Aug	3.0	Discussions with various parties
12-Aug	1.0	Correspondence with Pinnacle
12-Aug	2.0	Review of due diligence materials forwarded to competing bidder
12-Aug	2.0	Discussions related to competing bidder offer
12-Aug	1.0	Advisor conference call
12-Aug	1.0	Conference call with Pinnacle
12-Aug	2.5	Analyses of various proposals that could decrease the amount of debt necessary for credit facility
12-Aug	5.5	Review of comparable companies to Pinnacle in the current market
12-Aug	0.5	Communication with F/G to induce a proposal for new credit facility
13-Aug	0.5	Review of F/G term sheet
13-Aug	1.5	Advisor conference call
13-Aug	1.0	Preparation for meeting to discuss proposal to banks
13-Aug	6.5	Analysis of comparable companies for Pinnacle

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Peter S. Kaufman**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
13-Aug	1.0	Conference call with F/G
13-Aug	1.0	Follow-up discussion with Pinnacle and advisors
13-Aug	1.0	Review of presentation for banks
13-Aug	0.5	Review of term sheet for proposed credit facility
13-Aug	1.0	Various discussions internally and with Pinnacle
14-Aug	1.5	Review and comment on term sheet and presentation for bank group
14-Aug	0.5	Discussion related to term sheet and presentation for bank group
14-Aug	0.5	Review of confidentiality agreements for interested potential investors
14-Aug	8.0	Comparable company analyses and review of public information and creation of presentation
14-Aug	5.0	Review of public information on bank debt trading levels and analysis of available market deals in telecom
15-Aug	0.5	Preparation of materials for meeting with F/G and banks
15-Aug	1.0	Review of presentation materials for bank meeting
15-Aug	1.0	Meeting with Pinnacle and H&K to prepare for bank meeting
15-Aug	1.0	Meeting with Pinnacle, H&K, F/G and its advisors and creditors' committee representatives
15-Aug	1.0	Meeting with bank group to propose a new credit facility for them and to discuss alternatives
15-Aug	2.0	Internal discussions with Pinnacle and H&K
15-Aug	1.0	Discussion with select members of the bank steering committee to discuss how to proceed
15-Aug	0.5	Discussions with Pinnacle and H&K
15-Aug	1.5	Meeting with Pinnacle, H&K, F/G and its advisors and creditors' committee representatives
15-Aug	2.0	Review of updated valuation work
15-Aug	2.0	Discussions with various parties working on Pinnacle
15-Aug	1.0	Internal discussions on market update
16-Aug	2.0	Discussions with Societe Generale to discuss alternatives to proposed credit facility
16-Aug	1.5	Discussions amongst H&K and Pinnacle regarding feedback
17-Aug	2.5	Conference call with Pinnacle and H&K regarding strategy and response to banks
18-Aug	1.0	Conference call with Pinnacle and H&K regarding strategy and response to banks

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Peter S. Kaufman

<u>Date</u>	<u>Hours</u>	<u>Description</u>
19-Aug	1.0	Review of materials related to Pinnacle
19-Aug	0.5	Internal discussions
19-Aug	2.0	Review of public information on Pinnacle and comparable companies
19-Aug	1.0	Discussions with lenders to discuss potential alternatives for new credit facility
19-Aug	1.0	Strategic planning to advise client
20-Aug	1.0	Advisor conference call
20-Aug	0.5	Updates to various parties
20-Aug	0.5	Review of earnings press release
20-Aug	1.0	Internal discussions
20-Aug	1.0	Research on certain matters related to Pinnacle
20-Aug	2.0	Review of market data on telecom companies
20-Aug	1.5	Conference call with F/G, Pinnacle and advisors
21-Aug	0.5	Internal discussion
21-Aug	1.0	Research on certain matters related to Pinnacle
22-Aug	1.0	Advisor conference call
23-Aug	0.5	Internal discussion
23-Aug	1.0	Review of presentation and review of materials for bank group meeting
23-Aug	0.5	Discussion with Pinnacle
24-Aug	1.5	Review of materials relevant to bank meeting
26-Aug	0.5	Discussion with Pinnacle
26-Aug	1.0	Review of bank presentation
26-Aug	1.0	Preparation for meeting
26-Aug	3.5	Preparation of presentation books for bank meetings
26-Aug	2.0	Review of materials for meeting with bank group
27-Aug	3.5	Preparation for bank group meeting with client
27-Aug	6.0	Bank group meeting

Gordian Group, L.L.C.

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Peter S. Kaufman**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
27-Aug	0.5	Internal discussion
28-Aug	1.0	Review of restructuring materials
28-Aug	1.0	Conference call with F/G, Pinnacle and advisors
28-Aug	0.5	Conference call with bank group
29-Aug	0.5	Advisor conference call
29-Aug	1.0	Conference call with bank group
30-Aug	0.5	Advisor conference call
30-Aug	1.0	Conference call with F/G, Pinnacle and advisors
30-Aug	1.0	Bank group conference call
3-Sep	0.5	Advisor conference call
4-Sep	2.0	Pinnacle Board Meeting
5-Sep	1.0	Advisor conference call
5-Sep	0.5	Review of documents related to potential bank deal
6-Sep	0.5	Advisor conference call
6-Sep	2.0	Bank group conference call
9-Sep	0.5	Call Steve Day/Chet Bachellor re: possible Investor misc.
9-Sep	0.5	Call to investor
10-Sep	0.5	Advisor conference call
12-Sep	3.0	Bankruptcy Court Chambers Conference
17-Sep	1.0	Advisor conference call
19-Sep	1.0	Advisor conference call
20-Sep	0.5	Teleconference with Steve Day regarding competing bidder's interest in Pinnacle
21-Sep	0.5	Teleconference with competing bidder
22-Sep	1.0	Discussions with client on competing bidder interest
23-Sep	6.0	Review of materials pertaining to Pinnacle
24-Sep	1.0	Advisor conference call

Gordian Group, L.L.C.

Exhibit D

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Peter S. Kaufman**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
24-Sep	5.5	Court Hearing in re: Revised disclosure statement
24-Sep	1.0	Review of and internal discussion on objection
24-Sep	2.0	Discussions pertaining to objection with various parties
25-Sep	0.5	Review of market update on industry
25-Sep	5.0	Review of relevant case law with respect to objection
25-Sep	1.0	Discussions related to legal aspects of objection
26-Sep	5.0	Review of analyses, case law and other materials
26-Sep	1.0	Advisor conference call
26-Sep	1.0	Internal discussions on strategy
30-Sep	1.0	Advisor, investor and creditors conference call
1-Oct	1.0	Advisor conference call
2-Oct	2.0	Review of case law, internal discussions
2-Oct	1.0	Conference call with legal advisors
3-Oct	4.0	Review of materials for confirmation hearing
3-Oct	1.5	Advisor conference call
4-Oct	7.0	Review of materials and analyses pertaining to confirmation hearing
5-Oct	8.0	Testimony preparation, review of documents, analyses and POR for confirmation hearing
6-Oct	2.0	Discussions with Pinnacle and advisors and review of relevant information for confirmation hearing
6-Oct	7.0	Review of analysis in preparation for confirmation hearing
7-Oct	8.0	Review of materials and analyses pertaining to confirmation hearing
7-Oct	2.0	Discussions with Pinnacle and advisors in preparation for confirmation hearing
8-Oct	8.0	Preparation for confirmation hearing, reviewing analysis, POR and relevant documents and information
9-Oct	4.0	Confirmation hearing and preparation/follow-up
10-Oct	1.0	Advisor conference call
15-Oct	0.5	Advisor conference call
17-Oct	0.5	Advisor conference call

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Peter S. Kaufman

<u>Date</u>	<u>Hours</u>	<u>Description</u>
22-Oct	0.5	Advisor conference call
24-Oct	0.5	Advisor conference call
29-Oct	2.0	Discussions with client
Total Hours	<u>358.0</u>	

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Dennis M. McGettigan

<u>Date</u>	<u>Hours</u>	<u>Description</u>
23-May	1.0	Advisor conference call
28-May	1.0	Advisor conference call
28-May	2.0	Review of first day orders
28-May	1.0	Review of potential bidders, forwarded information to H&K
30-May	0.5	Advisor conference call
4-Jun	1.0	Advisor conference call
6-Jun	1.0	Advisor conference call
11-Jun	1.0	Advisor conference call
13-Jun	1.0	Advisor conference call
17-Jun	2.0	Review of break-up fee analysis
19-Jun	0.5	Conference call with advisors (H&K, Pinnacle)
19-Jun	1.0	Review of legal documents
20-Jun	1.0	Advisor conference call
25-Jun	1.0	Advisor conference call
25-Jun	6.0	Review of disclosure stmt
26-Jun	2.0	Review of disclosure stmt
26-Jun	3.0	Meeting with H&K and client
27-Jun	3.0	Hearing on the disclosure statement
9-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
16-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
18-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
4-Aug	1.5	Advisor conference call
4-Aug	4.0	Market review of bank deals in market
5-Aug	2.0	Certain analyses
5-Aug	4.0	Meeting with F/G, their advisors, Pinnacle, creditor's council, H&K to discuss strategy
5-Aug	3.0	Review of credit market trends

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Dennis M. McGettigan

Date	Hours	Description
5-Aug	1.0	Discussions with Pinnacle and H&K
5-Aug	1.0	Conference call with steering committee for bank group
5-Aug	1.0	Discussions with Pinnacle and H&K
5-Aug	2.0	Review of certain documents related to SPA
6-Aug	3.5	Bankruptcy court hearing to update Judge on recent events - subsequent meeting with all parties
6-Aug	4.0	Analysis of related bank debt deals in market
6-Aug	1.0	Meeting and discussions with F/G, their advisors, Pinnacle and H&K to discuss strategy
6-Aug	1.0	Conference call with banks, F/G and its advisors, Pinnacle and its advisors and creditors committee
6-Aug	1.0	Follow-up to conference call with Pinnacle and F/G
6-Aug	1.0	Conference call with steering committee for bank group, Pinnacle, F/G and advisors
7-Aug	1.0	Review and comment of press release regarding credit facility
7-Aug	2.0	Discussions with Pinnacle
7-Aug	1.0	Bank call
7-Aug	1.0	Follow-up to conference call with Pinnacle and H&K
7-Aug	2.0	Review of market update on bank deals in market
8-Aug	1.0	Advisor conference call
8-Aug	8.0	Preparation of a term sheet and background information
9-Aug	10.0	Review of comparable companies to Pinnacle in the current market
10-Aug	9.0	Term sheet and bank debt analyses
11-Aug	2.0	Discussions with potential investors and Pinnacle
11-Aug	1.5	Discussions with various parties
12-Aug	1.0	Correspondence with Pinnacle
12-Aug	2.0	Review of due diligence materials forwarded to competing bidder
12-Aug	1.0	Advisor conference call
12-Aug	1.0	Conference call with Pinnacle
12-Aug	2.5	Analyses of various proposals that could decrease the amount of debt necessary for credit facility

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Dennis M. McGettigan

<u>Date</u>	<u>Hours</u>	<u>Description</u>
12-Aug	5.5	Review of comparable companies to Pinnacle in the current market
12-Aug	0.5	Communication with F/G to induce a proposal for new credit facility
13-Aug	0.5	Review of F/G term sheet
13-Aug	1.5	Advisor conference call
13-Aug	1.0	Preparation for meeting to discuss proposal to banks
13-Aug	6.5	Analysis of comparable companies for Pinnacle
13-Aug	1.0	Conference call with F/G
13-Aug	1.0	Follow-up discussion with Pinnacle and advisors
13-Aug	1.0	Review of presentation for banks
13-Aug	0.5	Review of term sheet for proposed credit facility
13-Aug	1.0	Various discussions internally and with Pinnacle
14-Aug	1.5	Review and comment on term sheet and presentation for bank group
14-Aug	0.5	Discussion related to term sheet and presentation for bank group
14-Aug	0.5	Review of confidentiality agreements for interested potential investors
14-Aug	8.0	Comparable company analyses and review of public information and creation of presentation
14-Aug	5.0	Review of public information on bank debt trading levels and analysis of available market deals in telecom
15-Aug	0.5	Preparation of materials for meeting with F/G and banks
15-Aug	1.0	Meeting with Pinnacle and H&K to prepare for bank meeting
15-Aug	1.0	Meeting with Pinnacle, H&K, F/G and its advisors and creditors' committee representatives
15-Aug	1.0	Meeting with bank group to propose a new credit facility for them and to discuss alternatives
15-Aug	2.0	Internal discussions with Pinnacle and H&K
15-Aug	1.0	Discussion with select members of the bank steering committee to discuss how to proceed
15-Aug	0.5	Discussions with Pinnacle and H&K
15-Aug	1.5	Meeting with Pinnacle, H&K, F/G and its advisors and creditors' committee representatives
15-Aug	2.0	Certain analyses to update valuation work
15-Aug	2.0	Discussions with various parties working on Pinnacle

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Dennis M. McGettigan

Date	Hours	Description
16-Aug	2.0	Discussions with Societe Generale to discuss alternatives to proposed credit facility
16-Aug	1.5	Discussions amongst H&K and Pinnacle regarding feedback
17-Aug	2.5	Conference call with Pinnacle and H&K regarding strategy and response to banks
17-Aug	6.0	Review of trends in senior credit markets
18-Aug	8.0	Market review of bank deals in market
18-Aug	1.0	Conference call with Pinnacle and H&K regarding strategy and response to banks
19-Aug	1.0	Review of materials related to Pinnacle
19-Aug	0.5	Internal discussions
19-Aug	2.0	Review of public information on Pinnacle and comparable companies
19-Aug	1.0	Discussions with lenders to discuss potential alternatives for new credit facility
20-Aug	1.0	Advisor conference call
20-Aug	0.5	Updates to various parties
20-Aug	0.5	Review of earnings press release
20-Aug	1.0	Internal discussions
20-Aug	1.0	Research on certain matters related to Pinnacle
20-Aug	1.5	Conference call with F/G, Pinnacle and advisors
21-Aug	0.5	Internal discussion
21-Aug	1.0	Research on certain matters related to Pinnacle
22-Aug	1.0	Advisor conference call
23-Aug	0.5	Internal discussion
23-Aug	0.5	Discussion with Pinnacle
26-Aug	0.5	Discussion with Pinnacle
26-Aug	1.0	Review of bank presentation
26-Aug	1.0	Preparation for meeting
26-Aug	3.5	Preparation of presentation books for bank meetings
27-Aug	3.5	Preparation for bank group meeting with client

Gordian Group, L.L.C.

Exhibit D

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Dennis M. McGettigan**

Date	Hours	Description
27-Aug	6.0	Bank group meeting
27-Aug	2.0	Review of senior credit market trends
27-Aug	0.5	Internal discussion
28-Aug	1.0	Review of restructuring materials
28-Aug	1.0	Conference call with F/G, Pinnacle and advisors
28-Aug	0.5	Conference call with bank group
29-Aug	0.5	Advisor conference call
29-Aug	1.0	Conference call with bank group
30-Aug	0.5	Advisor conference call
30-Aug	1.0	Conference call with F/G, Pinnacle and advisors
30-Aug	1.0	Bank group conference call
3-Sep	0.5	Advisor conference call
5-Sep	1.0	Advisor conference call
5-Sep	0.5	Review of documents related to potential bank deal
6-Sep	0.5	Advisor conference call
6-Sep	2.0	Bank group conference call
10-Sep	0.5	Advisor conference call
12-Sep	3.0	Bankruptcy Court Chambers Conference
17-Sep	1.0	Advisor conference call
19-Sep	1.0	Advisor conference call
22-Sep	9.5	Analysis and preparation for confirmation hearing
23-Sep	13.0	Analysis and preparation for confirmation hearing
24-Sep	1.0	Advisor conference call
24-Sep	7.0	Review of senior credit market trends
25-Sep	1.0	Discussions related to legal aspects of objection
26-Sep	1.0	Advisor conference call

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Dennis M. McGettigan

<u>Date</u>	<u>Hours</u>	<u>Description</u>
27-Sep	1.0	Market review of telecom deals
27-Sep	3.0	Review of indubitable equivalent analysis
28-Sep	5.0	Development of confirmation hearing analysis
28-Sep	2.0	Strategic discussions related to Pinnacle
29-Sep	4.5	Review of documents and legal cases for confirmation hearing
30-Sep	13.0	Preparation for confirmation hearing and review of documents, discussions with advisors and Pinnacle
1-Oct	10.0	Review of documents and preparation for confirmation hearing, discussions with VGC
2-Oct	12.0	Advisor conference call, analysis for confirmation hearing
3-Oct	12.5	Analysis and preparation for confirmation hearing
4-Oct	10.0	Analysis and preparation for confirmation hearing
5-Oct	10.5	Analysis and preparation for confirmation hearing
6-Oct	13.0	Analysis and preparation for confirmation hearing
7-Oct	17.0	Analysis and preparation for confirmation hearing
8-Oct	17.5	Analysis and preparation for confirmation hearing
10-Oct	1.0	Advisor conference call
15-Oct	0.5	Advisor conference call
17-Oct	0.5	Advisor conference call
22-Oct	0.5	Advisor conference call
24-Oct	0.5	Advisor conference call
29-Oct	0.5	Advisor conference call
Total Hours	391.5	

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Poppy J. Keller**

Date	Hours	Description
22-May	4.0	Attend hearing for first day orders
23-May	1.0	Advisor conference call
28-May	1.0	Advisor conference call
28-May	2.0	Review of first day orders
28-May	1.0	Review of potential bidders, forwarded information to H&K
30-May	0.5	Advisor conference call
4-Jun	1.0	Advisor conference call
6-Jun	1.0	Advisor conference call
11-Jun	1.0	Advisor conference call
13-Jun	1.0	Advisor conference call
17-Jun	10.0	Analysis of break-up fee in response to objection
18-Jun	1.0	continued analysis of break-up fee analysis
19-Jun	0.5	Conference call with advisors (H&K, Pinnacle)
19-Jun	1.0	Review of legal documents
20-Jun	1.0	Advisor conference call
25-Jun	1.0	Advisor conference call
25-Jun	6.0	Review of disclosure stmt
26-Jun	2.0	Review of disclosure stmt
26-Jun	3.0	Meeting with H&K and client
27-Jun	3.0	Hearing on the disclosure statement
9-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
16-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
18-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
25-Jul	0.5	Conference call with advisors (H&K, Pinnacle)
25-Jul	0.5	Support for confirmation hearing
25-Jul	2.0	Deal genesis summary

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Poppy J. Keller**

Date	Hours	Description
29-Jul	15.0	Preparation for confirmation hearing
30-Jul	6.0	Confirmation hearing
2-Aug	1.0	Advisor conference call
4-Aug	1.5	Advisor conference call
5-Aug	2.0	Certain analyses
5-Aug	4.0	Meeting with F/G, their advisors, Pinnacle, creditor's council, H&K to discuss strategy
5-Aug	1.0	Discussions with Pinnacle and H&K
5-Aug	1.0	Conference call with steering committee for bank group
5-Aug	1.0	Discussions with Pinnacle and H&K
5-Aug	2.0	Review of certain documents related to SPA
6-Aug	3.5	Bankruptcy court hearing to update Judge on recent events - subsequent meeting with all parties
6-Aug	4.0	Analysis of related bank debt deals in market
6-Aug	1.0	Meeting and discussions with F/G, their advisors, Pinnacle and H&K to discuss strategy
6-Aug	1.0	Conference call with banks, F/G and its advisors, Pinnacle and its advisors and creditors committee
6-Aug	1.0	Follow-up to conference call with Pinnacle and F/G
6-Aug	1.0	Conference call with steering committee for bank group, Pinnacle, F/G and advisors
7-Aug	1.0	Review and comment of press release regarding credit facility
7-Aug	2.0	Discussions with Pinnacle
7-Aug	1.0	Bank call
7-Aug	1.0	Follow-up to conference call with Pinnacle and H&K
8-Aug	1.0	Advisor conference call
8-Aug	8.0	Preparation of a term sheet and background information
9-Aug	10.0	Review of comparable companies to Pinnacle in the current market
10-Aug	5.0	Term sheet and bank debt analyses
11-Aug	2.0	Discussions with potential investors and Pinnacle
11-Aug	1.5	Discussions with various parties

Gordian Group, L.L.C.

Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period

Poppy J. Keller

<u>Date</u>	<u>Hours</u>	<u>Description</u>
12-Aug	1.0	Correspondence with Pinnacle
12-Aug	2.0	Review of due diligence materials forwarded to competing bidder
12-Aug	1.0	Advisor conference call
12-Aug	1.0	Conference call with Pinnacle
12-Aug	2.5	Analyses of various proposals that could decrease the amount of debt necessary for credit facility
12-Aug	5.5	Review of comparable companies to Pinnacle in the current market
12-Aug	0.5	Communication with F/G to induce a proposal for new credit facility
13-Aug	0.5	Review of F/G term sheet
13-Aug	1.5	Advisor conference call
13-Aug	1.0	Preparation for meeting to discuss proposal to banks
13-Aug	6.5	Analysis of comparable companies for Pinnacle
13-Aug	1.0	Conference call with F/G
13-Aug	1.0	Follow-up discussion with Pinnacle and advisors
13-Aug	1.0	Review of presentation for banks
13-Aug	0.5	Review of term sheet for proposed credit facility
13-Aug	1.0	Various discussions internally and with Pinnacle
14-Aug	1.5	Review and comment on term sheet and presentation for bank group
14-Aug	0.5	Discussion related to term sheet and presentation for bank group
14-Aug	0.5	Review of confidentiality agreements for interested potential investors
14-Aug	8.0	Comparable company analyses and review of public information and creation of presentation
14-Aug	5.0	Review of public information on bank debt trading levels and analysis of available market deals in telecom
15-Aug	0.5	Preparation of materials for meeting with F/G and banks
15-Aug	1.0	Meeting with Pinnacle and H&K to prepare for bank meeting
15-Aug	1.0	Meeting with Pinnacle, H&K, F/G and its advisors and creditors' committee representatives
15-Aug	1.0	Meeting with bank group to propose a new credit facility for them and to discuss alternatives
15-Aug	2.0	Internal discussions with Pinnacle and H&K

Gordian Group, L.L.C.

Exhibit D

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Poppy J. Keller**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
15-Aug	1.0	Discussion with select members of the bank steering committee to discuss how to proceed
15-Aug	0.5	Discussions with Pinnacle and H&K
15-Aug	1.5	Meeting with Pinnacle, H&K, F/G and its advisors and creditors' committee representatives
15-Aug	2.0	Certain analyses to update valuation work
15-Aug	2.0	Discussions with various parties working on Pinnacle
16-Aug	2.0	Discussions with Societe Generale to discuss alternatives to proposed credit facility
16-Aug	1.5	Discussions amongst H&K and Pinnacle regarding feedback
17-Aug	2.5	Conference call with Pinnacle and H&K regarding strategy and response to banks
18-Aug	1.0	Conference call with Pinnacle and H&K regarding strategy and response to banks
19-Aug	1.0	Review of materials related to Pinnacle
19-Aug	0.5	Internal discussions
19-Aug	2.5	Review of public information on Pinnacle and comparable companies
19-Aug	1.0	Discussions with lenders to discuss potential alternatives for new credit facility
20-Aug	1.0	Advisor conference call
20-Aug	0.5	Updates to various parties
20-Aug	0.5	Review of earnings press release
20-Aug	1.0	Internal discussions
20-Aug	1.0	Research on certain matters related to Pinnacle
20-Aug	1.5	Conference call with F/G, Pinnacle and advisors
21-Aug	0.5	Internal discussion
21-Aug	1.5	Research on certain matters related to Pinnacle
22-Aug	1.0	Advisor conference call
23-Aug	0.5	Internal discussion
23-Aug	0.5	Discussion with Pinnacle
26-Aug	0.5	Discussion with Pinnacle
26-Aug	1.0	Review of bank presentation

Gordian Group, L.L.C.

Exhibit D

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Poppy J. Keller**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
26-Aug	1.0	Preparation for meeting
26-Aug	6.0	Preparation of presentation books for bank meetings
27-Aug	3.5	Preparation for bank group meeting with client
27-Aug	6.0	Bank group meeting
27-Aug	0.5	Internal discussion
28-Aug	2.0	Review of restructuring materials
28-Aug	1.0	Conference call with F/G, Pinnacle and advisors
28-Aug	0.5	Conference call with bank group
29-Aug	0.5	Advisor conference call
29-Aug	1.0	Conference call with bank group
30-Aug	0.5	Advisor conference call
30-Aug	1.0	Conference call with F/G, Pinnacle and advisors
30-Aug	1.0	Bank group conference call
3-Sep	0.5	Advisor conference call
5-Sep	1.0	Advisor conference call
5-Sep	0.5	Review of documents related to potential bank deal
6-Sep	0.5	Advisor conference call
6-Sep	2.0	Bank group conference call
10-Sep	0.5	Advisor conference call
17-Sep	1.0	Advisor conference call
19-Sep	1.0	Advisor conference call
30-Sep	1.0	Advisor, investor and creditors conference call
1-Oct	1.0	Advisor conference call
1-Oct	12.0	Review of bank debt deals
2-Oct	2.0	Review of case law
2-Oct	1.0	Conference call with legal advisors

Gordian Group, L.L.C.

Exhibit D

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Poppy J. Keller**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
2-Oct	16.0	Interest rate analyses
3-Oct	1.5	Advisor conference call
3-Oct	15.0	Interest rate analyses
4-Oct	12.0	Interest rate analyses
5-Oct	14.0	Analysis for confirmation hearing
6-Oct	16.0	Analysis for confirmation hearing
7-Oct	18.0	Analysis for confirmation hearing
8-Oct	14.0	Analysis for confirmation hearing
9-Oct	4.0	Confirmation hearing and preparation/follow-up
10-Oct	1.0	Advisor conference call
15-Oct	0.5	Advisor conference call
17-Oct	0.5	Advisor conference call
22-Oct	0.5	Advisor conference call
24-Oct	0.5	Advisor conference call
29-Oct	1.0	Advisor conference call, other follow-up
Total Hours	<u>366.5</u>	

**Gordian Group, L.L.C.
Exhibit D**

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Robert A. Rupe**

<u>Date</u>	<u>Hours</u>	<u>Description</u>
2-Oct	15.0	Interest rate analyses
3-Oct	15.0	Interest rate analyses
4-Oct	12.0	Interest rate analyses
5-Oct	14.0	Analysis for confirmation hearing
6-Oct	16.0	Analysis for confirmation hearing
7-Oct	18.0	Analysis for confirmation hearing
8-Oct	14.0	Analysis for confirmation hearing
Total Hours	<u>104.0</u>	

Gordian Group, L.L.C.

Exhibit D

**Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Katherine G. Polson**

Date	Hours	Description
2-Oct	15.0	Gathering documents, printing/copying
3-Oct	15.0	Gathering documents, printing/copying, analysis
4-Oct	12.0	Gathering documents, analysis
5-Oct	14.0	Gathering documents, analysis
6-Oct	16.0	Analysis, preparing documents for copier
7-Oct	18.0	Document preparation, Kinko's
8-Oct	14.0	Document preparation, Kinko's
9-Oct	4.0	Confirmation Hearing
Total Hours	<u>108.0</u>	

Gordian Group, L.L.C.
Exhibit D

Summary Description of Hours Expended and Services Provided for Debtors During First and Final Application Period
Judy W. Yu

Date	Hours	Description
1-Jun	3.0	Administrative functions related to Pinnacle
28-Jun	2.0	Gathering documents, printing/copying
1-Jul	3.0	Administrative functions related to Pinnacle
29-Jul	2.0	Administrative functions related to Pinnacle
1-Aug	3.0	Administrative functions related to Pinnacle
14-Aug	1.0	Preparation for meeting
15-Aug	1.5	Preparation for meeting, assisting with all necessary functions
26-Aug	0.5	Preparation for client meeting
27-Aug	1.5	Preparation for meeting and required functions during meeting
1-Sep	3.0	Administrative functions related to Pinnacle
1-Oct	3.0	Administrative functions related to Pinnacle
6-Oct	2.5	Preparation of documents for printing
7-Oct	5.0	Preparation of documents for copying, copying of documents, other administrative items
8-Oct	2.0	Functions related to Pinnacle hearing
Total Hours	33.0	

EXHIBIT E

Gordian Group, L.P.

June 30, 2002

Mr. Bill Freeman
Pinnacle Holdings Inc.
Pinnacle Towers Inc.
301 North Cattleman Road
Sarasota, Florida 34232

INVOICE

EXPENSES:

Airfare:	\$ 0.00
Lodging:	0.00
Non-airfare Transportation: (includes car rental, taxis, parking)	0.00
Telephone: (includes conference calls)	2,082.03
Copier/Production:	201.25
Meals:	0.00
Federal Express/Messenger:	0.00
Legal Fees and Disbursement:	4,129.83
Facsimile:	<u>80.00</u>
TOTAL OUT-OF-POCKET EXPENSES	\$ 6,493.11
TOTAL EXPENSES TO BE PAID	<u>\$ 6,493.11</u>

Gordian Group, L.P.

July 31, 2002

Mr. Bill Freeman
Pinnacle Holdings Inc.
Pinnacle Towers Inc.
301 North Cattleman Road
Sarasota, Florida 34232

INVOICE

EXPENSES:

Airfare:	\$ 0.00
Lodging:	0.00
Non-airfare Transportation: (includes car rental, taxis, parking)	99.56
Telephone: (includes conference calls)	749.26
Copier/Production:	122.50
Meals:	0.00
Federal Express/Messenger:	0.00
Legal Fees and Disbursement:	0.00
Facsimile:	<u>126.00</u>
TOTAL OUT-OF-POCKET EXPENSES	\$ 1,097.32
TOTAL EXPENSES TO BE PAID	<u>\$ 1,097.32</u>

Gordian Group, L.P.

August 31, 2002

Mr. Bill Freeman
Pinnacle Holdings Inc.
Pinnacle Towers Inc.
301 North Cattleman Road
Sarasota, Florida 34232

INVOICE

EXPENSES:

Airfare: \$ 1,179.46

Aug. 21, 2002 Dallas, Texas VGC

Lodging: 0.00

Non-airfare Transportation: 271.12
(includes car rental, taxis, parking)

Telephone: 246.00
(includes conference calls)

Copier/Production: 2,069.35

Meals: 87.29

Federal Express/Messenger: 0.00

Legal Fees and Disbursement: 0.00

Facsimile: 346.00

TOTAL OUT-OF-POCKET EXPENSES \$ 4,199.22

TOTAL EXPENSES TO BE PAID \$ 4,199.22

September 30, 2002

Mr. Bill Freeman
Pinnacle Holdings Inc.
Pinnacle Towers Inc.
301 North Cattleman Road
Sarasota, Florida 34232

INVOICE

EXPENSES:

Airfare:	\$ 0.00
Lodging:	0.00
Non-airfare Transportation: (includes car rental, taxis, parking)	354.17
Telephone: (includes conference calls)	2,118.18
Copier/Production:	276.60
Meals:	0.00
Federal Express/Messenger:	0.00
Legal Fees and Disbursement:	0.00
Facsimile:	<u>156.00</u>
TOTAL OUT-OF-POCKET EXPENSES	\$ 2,904.95
TOTAL EXPENSES TO BE PAID	<u>\$ 2,904.95</u>

Gordian Group, L.P.

October 31, 2002

Mr. Bill Freeman
Pinnacle Holdings Inc.
Pinnacle Towers Inc.
301 North Cattleman Road
Sarasota, Florida 34232

INVOICE

EXPENSES:

Airfare:	\$ 0.00
Lodging:	0.00
Non-airfare Transportation: (includes car rental, taxis, parking)	1,810.15
Telephone: (includes conference calls)	1,808.15
Copier/Production:	5,794.83
Meals:	67.03
Federal Express/Messenger:	104.39
Legal Fees and Disbursement:	0.00
Facsimile:	<u>426.00</u>
TOTAL OUT-OF-POCKET EXPENSES	\$10,010.55
TOTAL EXPENSES TO BE PAID	<u>\$10,010.55</u>

EXHIBIT F

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
:
PINNACLE TOWERS III INC., *et al.*, : Case Nos. 02-12477 (BRL) and
: 02-12482 through 02-12484 (BRL)
Debtors. : Jointly Administered

**CERTIFICATION UNDER GUIDELINES FOR DISBURSEMENTS FOR
PROFESSIONALS IN RESPECT OF FIRST AND FINAL APPLICATION OF
GORDIAN GROUP, LLC AS FINANCIAL ADVISOR FOR PINNACLE
TOWERS III INC., AND AFFILIATES., UNDER 11 U.S.C. §§ 330 AND 331,
SEEKING APPROVAL AND ALLOWANCE OF FINAL COMPENSATION FOR
ACTUAL AND NECESSARY SERVICES RENDERED AND REIMBURSEMENT
OF ALL ACTUAL AND NECESSARY EXPENSES FOR THE
PERIOD MAY 21, 2002 THROUGH NOVEMBER 1, 2002**

Pursuant to the Amended Guidelines for Fees and Disbursements of Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines"), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under U.S.C. § 330, adopted on January 30, 1996 (the "U.S. Trustee Guidelines") and, together with the Local Guidelines, the ("Guidelines") the undersigned, a managing director with Gordian Group, LLC ("Gordian"), financial advisor for Pinnacle Towers III Inc., *et al*, (collectively, the "Debtors") in the above-captioned cases, hereby certifies with respect to Gordian's First and Final Application of Gordian as Financial Advisor to Debtors for Allowance of Final Compensation for Actual and Necessary Services Rendered and Reimbursement of All Actual and Necessary Expenses Incurred for the Period May 21, 2002 through November 1, 2002 (the "First and Final Compensation Period"), dated December 2, 2002 (the "First and Final Application") as follows:

1. I am the professional designated by Debtors in respect of compliance with the Guidelines.

2. I make this certification in support of the First and Final Application, for final compensation and reimbursement of expenses during the First and Final Compensation Period, in accordance with the Local Guidelines.

3. In respect of section B.1 of the Local Guidelines, I certify that:

a. I have read the First and Final Application.

b. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines.

c. Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Gordian and generally accepted by Gordian's clients.

d. In providing a reimbursable service, Gordian does not make a profit on that service, whether the service is performed by Gordian in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines, I certify that Gordian has provided, on a monthly basis, statements of Gordian's fees and disbursements accrued during the previous month, by servicing monthly statements in accordance with the Administrative Order (as defined in the First and Final Application).

5. In respect of B.3 of the Local Guidelines, I certify that copies of the First and Final Application are being provided to (i) the Debtors; (ii) counsel for the Creditor's Committee; (iii) the United States Trustee; and (iv) Debtors' post-petition lenders.

Dated: New York, New York
December 4, 2002

/s/ 

Peter S. Kaufman
Managing Director
Gordian Group, LLC
499 Park Avenue
New York, NY 10022