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UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

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 :
 In re : Chapter 11
 :
 PINNACLE TOWERS III INC., *et al.*, : Case Nos. 02-12477 and
 : 02-12482 through 02-12484
 :
 : Jointly Administered
 Debtors. :
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**FINAL FEE APPLICATION OF KRAMER LEVIN NAFTALIS & FRANKEL
 LLP, AS ATTORNEYS FOR THE OFFICIAL COMMITTEE OF
 UNSECURED CREDITORS, FOR ALLOWANCE OF
 COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
 FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED**

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

Kramer Levin Naftalis & Frankel LLP (“Kramer Levin,” or the “Applicant”),
 counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Pinnacle Towers
 III Inc., and certain of its direct subsidiaries, as debtors and debtors in possession in these chapter
 11 cases (collectively, the “Debtors”), for its Final Fee Application (the “Final Application”)
 pursuant to Sections 330(a) and 331 of Title 11 of the United States Code (the “Bankruptcy
 Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”),

for the allowance of compensation for professional services performed by Kramer Levin for the period commencing June 13, 2002, through and including November 14, 2002 (the “Fee Period”), and for reimbursement of its actual and necessary expenses incurred during the Fee Period, respectfully represents:

**SUMMARY OF PROFESSIONAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. This Final Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”) and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals entered in these cases (the “Administrative Order” and, collectively with the Local Guidelines and UST Guidelines, the “Guidelines”). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit “A.”

2. During the Fee Period, Kramer Levin attorneys and paraprofessionals expended a total of 657.40 hours for which compensation is requested.

3. There is no agreement or understanding between Kramer Levin and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

4. The fees charged by Kramer Levin in these cases are billed in accordance with its existing billing rates and procedures in effect during the Fee Period. The rates Kramer Levin charges for the services rendered by its professionals and paraprofessionals in these

Chapter 11 cases are the same rates Kramer Levin charges for professional and paraprofessional services rendered in comparable nonbankruptcy related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable nonbankruptcy cases in a competitive national legal market.

5. Annexed hereto as Exhibit “B”, pursuant to the UST Guidelines, is a schedule setting forth all Kramer Levin professionals and paraprofessionals who have performed services in these chapter 11 cases during the Fee Period, the capacities in which each such individual is employed by Kramer Levin, the hourly billing rate charged by Kramer Levin for services performed by such individual, the aggregate number of hours expended in this matter and fees billed therefore.

6. Annexed hereto as Exhibit “C” is a schedule specifying the categories of expenses for which Kramer Levin is seeking reimbursement and the total amount for each such expense category.

7. Pursuant to Section II.D. of the UST Guidelines, annexed hereto as Exhibit “D” is a summary of Kramer Levin’s time billed during the Fee Period, broken down by project categories as hereinafter described.

8. Kramer Levin maintains computerized records of the time spent by all Kramer Levin attorneys and paraprofessionals in connection with the representation of the Committee. Subject to redaction for the attorney-client privilege, copies of these computerized records will be furnished to the Court, the Debtors and the United States Trustee for the Southern District of New York (the “United States Trustee”) in the format specified by the UST Guidelines.

9. Since the commencement of these cases, pursuant to the Administrative Order, Kramer Levin has provided the appropriate notice parties with a monthly fee statement following each month for which compensation was sought. During the Fee Period, Kramer Levin has provided the appropriate notice parties with four monthly fee statements for the months of June 2002, July 2002, August 2002, and September 2002 respectively. With respect to the fee statement submitted for the month of June 2002, Kramer Levin has received a payment of \$42,727.52 representing one hundred percent (100%) of fees (\$40,865.50) and one hundred percent (100%) of expenses (\$1,862.02) requested. With respect to the fee statement submitted for July 2002, Kramer Levin received a payment of \$51,826.73 representing one hundred percent (100%) of fees (\$50,309.50) and one hundred percent (100%) of expenses (\$1,517.23) requested. With respect to the fee statement submitted for August 2002, Kramer Levin received payment in the amount of \$54,078.69 representing one hundred percent (100%) of fees (\$49,999.50) and one hundred (100%) of expenses (\$4,079.19). With respect to the fee statement submitted for September 2002, Kramer Levin received payment in the amount of \$33,328.92 representing one hundred percent (100%) of fees (\$32,830.00) and one hundred (100%) of expenses (\$498.92). Therefore, Kramer Levin directs payment in the amount of \$52,931.97 representing the total remaining unpaid fees and expenses.

10. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Final Fee Period, but were not processed prior to the preparation of this Final Application, Kramer Levin reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

BACKGROUND

11. On April 25, 2002 Kramer Levin entered into an Agreement with Pinnacle Holdings Inc., and Pinnacle Towers III, under the Agreement Kramer Levin received a

\$125,000.00 retainer. Kramer Levin applied such retainer against the unpaid balance of its invoices in respect of pre-petition services, which aggregated approximately \$149,408.59. Kramer Levin's charges for the post-petition services from the period May 22 through June 13 totaled approximately \$62,353.49.

12. On May 21, 2002 (the "Petition Date"), the Debtor filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to manage and operate its business as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

13. No trustee or examiner has been appointed in the Debtors' Chapter 11 cases.

14. On May 22, 2002, the Debtor, along with its affiliated debtors, filed a prenegotiated joint Plan of Reorganization (the "Plan"). The Debtor filed its Disclosure Statement jointly with its affiliated debtors on May 30, 2002.

15. On July 30, 2002, the Plan was confirmed, however, the Plan could not be consummated due to Bank of America and Deutsche Banks' failure to syndicate the exit financing.

16. On September 23, 2002 the Debtor, along with its affiliated debtors, filed the Second Amended Disclosure Statement and the Second Amended Joint Plan of Reorganization (the "Second Plan"), which was confirmed on October 9, 2002.

17. Pursuant to the Agreement, the Debtors on November 25, 2002 paid an amount of \$55,973.48 (being charges for work prior to Kramer Levin's retention as Committee Counsel.)

SUMMARY OF LEGAL SERVICES RENDERED

18. The legal services rendered by the Applicant during the Fee Period are summarized below:

A. Bankruptcy Motions
(Kramer Levin Billing Code: 00003)
(Fees: \$14,638.50 / Hours Billed: 53.80)

19. Throughout the Fee Period, the Applicant has reviewed, analyzed, summarized and provided recommendations to the Committee with respect to legal, financial and business aspects of motions filed by the Debtors and other parties in these cases. To adequately protect unsecured creditors' rights and assert the Committee's positions, the Applicant, when directed to do so by the Committee, prepared and filed responses to motions. During the Fee Period, motions summarized and analyzed by the Applicant included but are not limited to:

- i. Motion relating to Cash Collateral;
- ii. Motion relating to Implementing Settlement of Securities Action;
- iii. Motion relating to Corban's Objection to the Debtors Motion pertaining to the authorization of the sale of estate property in San Antonio, Texas and directing the assignment to buyer of certain unexpired leases and executory contracts;
- iv. Motion to Approve Debtor in Possession financing Motion for Authority to Enter into Post-Petition Financing Agreement and to Obtain Post-Petition Financing Pursuant to Sections 363 and 364 of the Bankruptcy Code and to Provide Adequate Protection and Granting Liens, Security Interests and Superpriority Claim;
- v. Motion to Make Payments to Title Associates, Inc., Outside of the Ordinary Course of Business;
- vi. Motion to Reject Certain Executory Unexpired Leases and Abandon Estate Property Located on the Leased Premises;
- vii. Motion seeking authorization of the Sale of Certain Estate Property, Directing the Assumption and Assignment to buyer of Certain Executory Contracts and Unexpired Leases and Authorizing the Payment of a Commission;

- viii. Motion relating to Insurance Financing Agreement;
- ix. Motion to approve an order establishing Bar Dates for Filing Proofs of Claim by Holders of Securities Claim and Approving Form and Manner of Notice.

**B. General, Case Administration, Committee Meetings and Unsecured Claims
(Kramer Levin Billing Code: 00001)
(Fees: \$47,100.00 / Hours Billed: 160.50)**

20. During the Fee Period, the Applicant devoted a significant amount of time to performing its administrative duties in these cases. As general bankruptcy counsel for the Committee, the Applicant has undertaken to coordinate and ensure the efficiency of the efforts of the Committee's other retained professionals, as well as to foster an efficient and productive working relationship between the Committee's and the Debtors' professionals. In this regard, the Applicant has communicated regularly with Debtors' counsel regarding administrative and information sharing matters.

21. Throughout the Fee Period, the Applicant prepared for and conducted on a regular basis, as required, telephonic meetings with Committee professionals to ensure the efficient coordination of the various professionals' efforts and to discuss recent developments and key ongoing issues in the Debtors' bankruptcy cases. Preparation for these meetings has included internal discussions, drafting agendas, review of the docket and case calendar, and review of pending motions. At these meetings, Committee professionals engaged in substantive discussions regarding a wide range of issues, including case strategy, assignment and allocation of work, operational issues at the Debtors' facilities, industry developments – including other telecommunication industry bankruptcies.

22. During the Fee Period, the Applicant also prepared for and participated in several meetings with the Debtors – both with and without Committee members – during which a wide variety of case issues were discussed. Topics of these discussions included by-laws,

election, settlement negotiations with Corban Communications, Inc, financing, pending and potential asset sales, contract negotiations and professional fee issues.

23. The Applicant also prepared for and conducted several Committee meetings during the Fee Period. The Applicant provided the Committee with detailed updates on key legal issues, and facilitated Committee discussion on all matters.

24. Finally, during the Fee Period, the Applicant responded, both in writing and via telephone, to numerous creditor inquiries regarding the Debtors' bankruptcy cases. Calls by creditors numbered approximately in excess of 200 during the Fee Period. Inquiries included questions on election issues, bar dates and general case information.

C. Plan

(Kramer Levin Billing Code: 00004)

(Fees: \$130,899.00 / Hours Billed: 306.70)

25. During the Fee Period, the Applicant analyzed several motions concerning sales of the Debtors' assets.

26. The bulk of the Applicant's time in this area was devoted to analysis of the proposed exit financing, the Securities Purchase Agreement, election mechanics; distribution/receipt of ballot and election forms from various holders of claim; indenture trustee fees, drafting appropriate language into the Plan, and discussions pertaining to support letter to the Plan. The Applicant investigated, inter alia, the legal issues and reasonableness of this transaction. The Applicant prepared a summary for the Committee of this proposed transaction and discussed the transaction with the Committee members. Based upon input from various parties in interest, the Applicant engaged in additional discussions with the Debtors' counsel concerning the transaction.

27. The Applicant spent an enormous amount of time preparing for the confirmation hearing, including review of the confirmation order and revisions of a paragraph addressing defective elections pertaining to the Plan. The Applicant devoted the bulk of its time in relation to the Second Plan which involved meetings with the bank's steering committee and representative counsel, investors and/or their counsel. The Applicant spent many hours in strategy meetings pertaining to new financing and spent time negotiating and obtaining extension of time on behalf of the Committee for objecting to the bank liens.

28. The Applicant also spent the bulk of its time on SilverPoint's objection to the Second Plan which included numerous conference calls, responses to the discovery and deposition processes, and attendance's in Court.

D. Retention and Fee Applications
(Kramer Levin Billing Code: 00002)
(Fees: \$32,069.50/ Hours Billed: 136.40)

29. The Applicant spent time drafting its own retention application and disclosure affidavit which included enormous amount of time on conflict checks.

30. During the Fee Period, the Applicant devoted time to preparation of monthly fee statements, monthly budgets and a Final Fee Application, all in accordance with orders of this Court. The Applicant also devoted time to assisting other Committee professionals with the preparation, filing and service of their monthly fee statements, monthly budgets and Final Fee Application.

STATEMENT OF THE APPLICANT

31. The foregoing professional services performed by Kramer Levin were appropriate and necessary. They were in the best interests of the Committee, the Debtors and other parties in interest. Compensation for the foregoing services as requested is commensurate

with the complexity, importance and nature of the problems, issues or tasks involved. The professional services were performed in an appropriately expeditious and efficient manner.

32. The professional services performed by Kramer Levin on behalf of the Committee during the Fee Period required an aggregate expenditure of 657.40 recorded hours by Kramer Levin's members, counsel, associates and paraprofessionals. Of the aggregate time expended, 148.40 recorded hours were expended by partners and counsel of Kramer Levin, 346.20 recorded hours were expended by associates and 162.80 recorded hours were expended by paraprofessionals of Kramer Levin.

33. During the Fee Period, Kramer Levin's hourly billing rates for attorneys ranged from \$210.00 to \$590.00 per hour. Allowance of compensation in the amount requested would result in a blended hourly billing rate for attorneys of approximately \$325.00 (based upon 494.60 recorded hours for attorneys at Kramer Levin's regular billing rates in effect at the time of the performance of services). Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy cases in a competitive national legal market. As noted, attached hereto is a schedule listing each Kramer Levin professional and paraprofessional who performed services in these cases during the Fee Period, the hourly rate charged by Kramer Levin for services performed by each such individual and the aggregate number of hours and charges by each individual.

ACTUAL AND NECESSARY DISBURSEMENTS OF KRAMER LEVIN

34. As set forth in Exhibit "C" hereto, Kramer Levin has disbursed \$10,186.83 as expenses incurred in providing professional services during the Fee Period. With respect to photocopying expenses, Kramer Levin charged \$.20 per page, and with respect to facsimile expenses, Kramer Levin does not charge for facsimile transmissions, other than the cost of long distance facsimiles at applicable toll charge rates, which invariably are less than \$1.25 per page

as permitted by the Guidelines. Each of these categories of expenses does not exceed the maximum rate set by the Guidelines¹. These charges are intended to cover Kramer Levin's direct operating costs, which costs are not incorporated into the Kramer Levin's hourly billing rates. Only clients who actually use services of the types set forth in Exhibit "C" are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services. The amount of the standard photocopying charge is intended to allow Kramer Levin to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying, however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

35. The time constraints imposed by the circumstances of these cases have required Kramer Levin's attorneys and other employees to devote time during the evenings and on weekends to the performance of legal services on behalf of the Debtors. These extraordinary services were essential to meet deadlines, timely respond to inquiries on a daily basis from parties in interest, and satisfy the demands of the Committee. Attorneys and other employees of Kramer Levin who worked late into the evenings or on weekends were reimbursed for their reasonable meal costs and their cost for transportation from the office to home. Kramer Levin's regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of services. The reimbursement amounts do not exceed those set forth in the Guidelines.

¹ Kramer Levin voluntarily reduced its disbursements by \$704.30. A summary of these reductions is annexed as Exhibit "C".

36. In addition, due to the location of the Committee members and other professionals in relation to Kramer Levin's offices, frequent long distance telephone calls were required. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These disbursements are not included in Kramer Levin's overhead for the purpose of setting billing rates. Kramer Levin has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Committee.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

37. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of Section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331, Section 330 provides that a court may award a professional employed under Section 328 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses."

11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including --

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

- (e) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

38. In the instant case, Kramer Levin respectfully submits that the services for which it seeks compensation in this Final Application were, at the time rendered, believed to be necessary for, beneficial to, and in the best interests of the Committee. Kramer Levin further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Committee.

39. Whenever possible, Kramer Levin sought to minimize the costs of Kramer Levin's services to the Committee by utilizing junior attorneys and paraprofessionals to handle the more routine aspects of case administration.

40. In sum, the services rendered by Kramer Levin were necessary and beneficial to the Committee, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved, and approval of the compensation sought herein is warranted.

NOTICE

41. Notice of this Final Application has been provided to the United States Trustee, the Debtor, the attorneys for the Debtor, and all parties requesting notice in these cases. Kramer Levin submits that no other or further notice need be provided.

CONCLUSION

WHEREFORE Kramer Levin respectfully requests (i) that the Debtors be authorized and directed to pay Kramer Levin \$52,931.97, representing all unpaid amounts; and (ii) that the Court grant Kramer Levin such other relief as is just.

Dated: New York, New York
December 3, 2002

/s/ Thomas Moers Mayer

Thomas Moers Mayer (TM-9357)
Beatrice T. O'Brien

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In re : Chapter 11
PINNACLE TOWERS III INC., *et al.*, :
Debtors. : Case Nos. 02-12477 and
: 02-12482 through 02-12484
: Joint Administration Pending
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT
OF FINAL FEE APPLICATION OF KRAMER LEVIN
NAFTALIS & FRANKEL LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Thomas Moers Mayer, hereby certify that:

1. I am a member of the applicant firm, Kramer Levin Naftalis & Frankel LLP (“Kramer Levin”), with responsibility for the Official Committee of Unsecured Creditors (the “Committee”) of Chapter 11 cases of Pinnacle Towers III Inc., et al, and certain of its direct subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), in respect of compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the

“Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”) and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the “Administrative Order” and, collectively with the Local Guidelines and UST Guidelines, the “Guidelines”).

2. This certification is made in respect of Kramer Levin’s application, dated December 3, 2002 (the “Application”), for compensation and reimbursement of expenses for the period commencing June 13, 2002 through and including November 14, 2002 (the “Fee Period”) in accordance with the Guidelines.

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

- a. I have read the 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. the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Kramer Levin and generally accepted by Kramer Levin’s clients; and
- d. in providing a reimbursable service, Kramer Levin does not make a profit on that service, whether the service is performed by Kramer Levin in-house or through a third party.

4. In respect of Section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that Kramer Levin has complied with the provision requiring it to provide the appropriate notice parties, on a monthly basis, with a statement of Kramer Levin’s fees and disbursements accrued during the previous month.

5. In respect of Section B.3 of the Local Guidelines, I certify that counsel for the Debtors, the United States Trustee for the Southern District of New York are each being provided with a copy of this Final Application.

Dated: New York, New York
December 3, 2002

/s/ Thomas Moers Mayer
Thomas Moers Mayer