ADAMS COMM. CORP.
EXHIBIT 66

Memorandum: Corresp.

BECHTEL & COLE
CHARTERED
ATTORNEYS AT LAW
SUITE 250
1901 L STREET, N.W.
WASHINGTON, D.C. 20036
TELEPHONE (202) 833-4190

HARRY F. COLE

TELECOPIER
(202) 833-3084

July 16, 1993

Howard N. Gilbert, Esquire
Holleb & Coff, Ltd.
55 East Monroe Street
Suite 4100
Chicago, Illinois 60603

Dear Howard:

Per our various conversations, I am enclosing a list of the full-service television stations licensed to the Home Shopping Network. (You should also note that HSN owns a number of low power TV stations. Since these are far less desirable, I have not bothered to list them for you, but will gladly do so if you would like.) The only question mark on this list is the Aurora/Chicago station: Broadcasting Yearbook lists it as a Home Shopping licensee, but at least one list of HSN stations we found at the FCC did not include it. I figure that, since it's in your own backyard, you might have better access to the current status of the station's ownership.

As I think I have mentioned, there are also a number of over-the-air stations which broadcast Home Shopping Network programming but which are independently owned (i.e., they are not owned by HSN itself). I have not tried to generate a list of such stations, as it seems to me that the more attractive target is HSN itself. Again, however, if you would like a supplemental listing of independent HSN-affiliated stations, let me know.

Unfortunately, the text of the Commission's decision on whether home shopping stations are entitled to must-carry status has not yet been released. I did track down the public notice reflecting the action (which included, as attachments, the separate statements of Commissioners Barrett and Duggan). A copy of that is enclosed. I will get you a copy of the full text once it is released. That is likely to provide some guidance as to the Commission's likely approach to home shopping services vis-à-vis the "public interest" standard.

In the meantime, too, I assume that you are following the various non-FCC activities of HSN, including the on-going investigation into the dealings of Messrs. Speer and Paxson and the possibility of a merger with QVC. The overall HSN situation is clearly subject to a number of variables, most of them difficult to predict. We'll just have to keep our eyes on things.

Please give me a call if you have any questions about any of this.

Sincerely,

Harry F. Cole

Federal Communications Commission

Docket No. MM-99-153 Exhibit No. 66

Presented by Adams

Disposition
- Identified ✓
- Received ✓
- Rejected

Reporter Tom Del Pino

Date 6-12-00

The following is a listing of full-power television stations licensed to subsidiaries of HSN Communications, Inc. ("HSN"). This does not include independently-owned stations which retransmit home shopping programming.

Station	*Location*	*Licensee*	*Channel*	*Renewal Due*	*Competing Applications Due*
KHSC	Ontario, CA (L.A.)	HSN Broadcasting of Southern California, Inc.	46	8/1/93	**11/1/93**
WYHS	Hollywood, FL (Miami)	HSN Broadcasting of Hollywood Florida, Inc.	69	10/1/96	**1/1/97**
WBHS	Tampa, FL	HSN Broadcasting of Tampa, Inc.	50	10/1/96	**1/1/97**
WEHS	Aurora, IL (Chicago)	HSN Broadcasting of Illinois, Inc.	60	8/1/97	**11/1/97**
WHSW	Baltimore, MD	HSN Broadcasting of Maryland, Inc.	24	6/1/96	**9/1/96**
WHSH	Marlborough, MA (Boston)	HSN Broadcasting of Massachusetts, Inc.	66	12/1/93	**3/1/94**
WHSE	Newark, NJ	HSN Broadcasting of New Jersey, Inc.	68	2/1/98	**5/1/98**
WHSP	Vineland, NJ (Philadelphia)	HSN Broadcasting of Vineland, Inc.	65	2/1/98	**5/1/98**
WHSI	Smithtown, NY	HSN Broadcasting of New Jersey, Inc.	67	2/1/98	**5/1/98**
WQHS	Cleveland, OH	HSN Broadcasting of Ohio, Inc.	61	6/1/97	**9/1/97**
KHSH	Alvin, TX (Houston)	HSN Broadcasting of Houston, Inc.	67	4/1/93	**7/1/93**
KHSX	Irving, TX (Dallas)	HSN Broadcasting of Dallas, Inc.	49	4/1/93	**7/1/93**

News media information 202 / 632-5050
Recorded listing of releases and texts
202 / 632-0000

NEWS

FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

33840

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Circ. 1974).

Report No. DC-2455 ACTION IN DOCKET CASE July 2, 199

HOME SHOPPING STATIONS QUALIFIED AS LOCAL COMMERCIAL STATIONS FOR CABLE CARRIAGE (MM DOCKET 93-8)

As part of its implementation of the Cable Television Consumer Protection and Competition Act of 1992 (1992 Cable Act), the Commission has determined that stations that are predominantly used for the transmission of sales presentations or program length commercials ("home shopping stations") are operating in the public interest and are qualified as local commercial television stations for the purposes of cable carriage.

The Commission based its public interest finding on three criteria specified in the 1992 Cable Act. It said the success of the home shopping format, as manifested by the increasing number of stations affiliated with the Home Shopping Network, demonstrated that such stations have significant viewership; the existing renewal system adequately takes into account competing demands for the spectrum now used by home shopping stations; and, home shopping broadcast stations play an important role in providing competition to nonbroadcast services supplying similar programming.

Home shopping stations must make their initial must-carry/retransmission consent elections within 30 days of the publication of this Report and Order in the Federal Register. Those that elect mandatory carriage must also notify cable operators of their preferred channel positions by the same date. The Commission said it would allow until 90 days after publication in the Federal Register for the initial election to take effect.

The Commission also denied the request of Silver King Communications, Inc. (Silver King), for a waiver of Section 76.58(a) of the Commission's Rules, which directs cable system operators to provide 30 days notice to a broadcast station before deleting or repositioning that station. The Commission found that Silver King had failed to demonstrate that it would be unfairly harmed by application of the notice requirement, or that the public interest reasons supporting the notice requirement would not be impaired by grant of the waiver request.

Action by the Commission July 2, 1993, by Report and Order (FCC 93-345). Chairman Quello and Commissioner Barrett, with Commissioner Duggan dissenting. Chairman Quello will issue a separate statement at a later date, Commissioners Barrett and Duggan issued separate statements.

-FCC-

News Media contact: Rosemary Kimball at (202) 632-5050.
Mass Media Bureau contact: Paul Gordon at (202) 632-6357.

July 2, 1993

SEPARATE STATEMENT

OF

COMMISSIONER ANDREW C. BARRETT

RE: Implementation of the Cable Television Consumer Protection and Competition Act of 1992 -- Home Shopping Stations

This Report and Order finds that broadcast stations that are predominantly utilized for the transmission of sales presentations or program length commercials serve the public interest, based on factors enumerated in the 1992 Cable Act, including: (a) evidence of significant public viewership and the lack of quantifiable data demonstrating otherwise; (b) competing demands of other television broadcasters; and (c) competition with nonbroadcast home shopping services. As a result of the public interest finding on these statutory factors, as well as other considerations, such stations will qualify as "local commercial television stations" for the purposes of cable carriage.

I write separately to emphasize that factors other than those explicitly stated in the 1992 Cable Act must be considered in most directly determining the public interest standing of any broadcast station, including home shopping stations. These public interest considerations broadly include a broadcast station's compliance with the Commission's standards on political and emergency broadcasting, children's programming, and indecency standards, as well as the extent of the station's public affairs programming responsive to issues confronting the local community. In this regard, despite the concerns regarding "commercialism" raised in this proceeding, I believe that the record indicates that home shopping stations have met the Commission's general public interest standards, and that the chosen format for home shopping stations does not preclude them from adequately addressing the needs and interests of their communities of license.

As an additional important consideration, I support this Report and Order because the record demonstrates a public interest value of home shopping stations due to their role in generating financing for small and marginal stations. To the extent that these home shopping stations have demonstrated an ability to meet the Commission's standards for all broadcasters, I believe that the public interest finding and the resulting must carry status are warranted.

Dissenting Statement
of
Commissioner Ervin S. Duggan

In Re: Home Shopping Network

I must dissent to today's action on the question of Home Shopping stations and the public interest. I will have a fuller statement later, but will make these brief observations as I vote:

When I requested ten days ago that the Commission postpone its vote on this issue for further deliberation, I raised two questions: Do home shopping stations serve the public interest? And has our concept of the public interest become so denatured, so attenuated, that virtually anything goes?

Today the Commission answers "yes" to the first question. And I fear, although my colleagues disagree, that this Report and Order also answers "yes" to the second--- by blurring the distinction between programming and commercial content.

The view being pressed upon the Commission is that home shopping pitches are not commercials; that home shopping messages, instead, constitute education and entertainment.

In fact the Supreme Court some time ago was presented with this piece of casuistry and soundly rejected it. Students at the State University of New York attempted to defeat the college's regulation of Tupperware parties on similar grounds: that Tupperware demonstrations educated their participants in financial responsibility and home economics. The Court responded skeptically--- as the Federal Communications Commission, in my judgment, should respond today: "Including these... elements no more converted [the Tupperware] presentations into educational speech than opening sales presentations with a prayer or the Pledge of Allegiance would convert them into religious or political speech." Board of Trustees v. Fox, 492 U.oS. 469, 474 (1989).

Today, sadly, the Commission deliberately and explicitly puts forward a minimalist definition of the public interest standard, at precisely the moment when we should be mending and refurbishing that tattered banner and lifting it high over a broadcast culture that is, to borrow Gerard Manley Hopkins' poignant phrase, "all... seared with trade." I sympathize with the difficulties my colleagues face, given the implications of this vote for the must-carry provisions of the 1992 Cable Act. I sympathize with those home shopping licensees who, as minority members, have embraced

this format as an entry path into the broadcast industry; I know several of them and admire their entrepreneurial efforts. This question, nevertheless, presents deep questions of public policy and principle that, in the end, prevent me from voting with my colleagues. My quarrel, in the end, is not with these licensees, who after all have been operating under the Commission's rules since home shopping was introduced nearly a decade ago; it is with a regulatory philosophy that seems no longer to care about quality.

In 1929, the old Radio Commission, predecessor of today's FCC, set forth its definition of the public interest standard in words that required broadcasters to present diverse programming including "entertainment, music of both classical and lighter grades, religion, education and instruction, important public events, discussions of public questions, weather, market reports and...news." Are Congress and the Commission ready now to abandon this ideal? I hope not, and I cast my dissent in the hope that some day Congress and the Commission will find it possible to visit this question again.

Until we do, I will think of the public interest standard as a sort of once-handsome thoroughbred so abused and neglected that it has finally broken down in the middle of the track. Perhaps we can take it back to the paddock in the hope that, with care and love, it can produce offspring to recall and renew the beauty of the original. If not, let us simply put the poor beast out of its misery once and for all.

# # # # #

ADAMS COMM. CORP.
EXHIBIT 67

DISSENTING STATEMENT
OF
COMMISSIONER ERVIN S. DUGGAN

In the Matter of Implementation of Section 4(g) of the Cable Television Consumer Protection and Competition Act of 1992: Home Shopping Station Issues

Today, unfortunately, the Commission deliberately and explicitly puts forward a minimalist definition of the public interest standard. It does so at precisely the moment when we should be mending and refurbishing that tattered banner and lifting it high over a broadcast culture that is, to borrow Gerard Manley Hopkins's poignant phrase, "all... seared with trade."

I sympathize with the difficulties my colleagues face, given the implications of this vote for the must-carry provisions of the 1992 Cable Act. I sympathize also with those home shopping licensees who, as minority members, have made this format their entry path into the broadcast industry; I know several of them and admire their entrepreneurial efforts. This question, nevertheless, presents deep questions of principle that, in the end, prevent me from voting with my colleagues. My quarrel is not with home shopping licensees, who after all have been operating under the Commission's rules since home shopping was introduced nearly a decade ago; it is with a regulatory philosophy that seems no longer to care about quality.

I am not unmindful of the role that these stations play in their communities. Friends and supporters of home shopping stations have inundated the Commission with letters by fax and mail in recent days; a stack of perhaps 1,000 pages of correspondence supporting individual home shopping stations was delivered to my office after I deferred the Report and Order from our regular agenda. Their message? That local home shopping stations support blood drives, voter registration campaigns, efforts to locate missing children, environmental clean-up drives and a host of other projects.

I do not for a minute underestimate the value of having home shopping stations involved in these efforts, and no Commissioner would want to silence their voices. Reaching a different outcome in today's proceeding would not silence them. Home shopping is thriving financially, and I have seen nothing

Federal Communications Commission

Docket No. MM-99-193 Exhibit No. 62

Presented by Adams

Disposition

Identified ✓

Received ✓

Rejected

Reporter John Del Pino

Date 6-21-00

in the record proving that home shopping broadcast stations would cease to do well in the future.

The overriding question to me is one of fundamental policy: Do television stations that fill 23 hours a day with satellite-delivered, non-stop sales pitches serve the public interest by salting each hour of commercials with four minutes an hour of public service announcements? The answer seems obvious to me: They do not. No matter how well-intentioned and effective their sound bites for blood drives and voter registration campaigns may be, the Commission cannot gainsay that those announcements are tiny islands in a sea of commercial content. Home shopping stations devote substantially all their time, practically every day, to distributing one long, remotely prepared commercial message--- and they use the public's scarce and precious spectrum to do it.

The Commission's decision today says simply: That kind of broadcasting does not offend the public interest. Yet we cannot sidestep the ominous implications of such a statement. If home shopping stations serve the public interest, then this Commission is saying, by extension, that it would be content to have <u>every</u> television station in <u>every</u> market become a home shopping affiliate. My colleagues may protest that that is an unlikely situation, and one that they would never accept. And surely wall-to-wall home shopping over the public airwaves is a condition that Congress and the public at large would not tolerate. Yet today's action points in that direction. It raises the possibility that other broadcast stations, given the nod by the federal government, will decide to boost their revenues by devoting program time to home shopping. I am unwilling, therefore, to give this decision my approval.

The view being pressed upon us is that a home shopping presentation is not a commercial. In support of that view, we are told that home shopping is simply the sort of broadcast programming that the Commission has long blessed. We are told that it is educational, that home shopping informs consumers about complicated products--- what it means to have a certain kind of microprocessor in a home computer or the advantages of polyester over cotton. We are told, moreover, that home shopping is entertaining: the hosts are celebrities, the products are organized into "program segments" with clear themes, and viewers enjoy it.

In fact, the Supreme Court some time ago was presented with this sort of casuistry and soundly rejected it. Students at the State University of New York attempted to defeat the college's regulation of Tupperware parties on similar grounds. They argued that the Tupperware demonstrations included discussions of how to be financially responsible, and how to run an efficient home. The Court responded skeptically, as I believe the Commission should

respond today: "Including these. . . elements no more converted [the Tupperware] presentations into educational speech than opening sales presentations with a prayer or a Pledge of Allegiance would convert them into religious or political speech." Board of Trustees of the State University of New York v. Fox, 492 U.S. 469, 474 (1989).

Finally, and most disturbing to me, we are told that the several minutes an hour that home shopping stations devote to local news, information, and public service messages constitutes more in the way of public service than many "regular" commercial broadcast stations provide in their markets; it is, in fact, more than any television station was required to provide in the good old days of rigorous regulation. I see no reason why the Commission should accept such an argument: It merely proves that the minimally adequate is the enemy of something more. Even worse, this argument fails to deal with the central question of this entire debate: What is the level of service--- not yesterday, but today--- that this Commission, and the American public, ought to expect from a local broadcaster in exchange for free use of the public airwaves?

For me, therefore, the implications of the Commission's home shopping decision are disturbing. The public interest standard, after a decade of deregulatory erosion, cannot withstand much more pounding--- yet this decision sweeps over the public interest beachhead like a tidal wave. Today's action fails to make crucial distinctions about over-commercialization that the Supreme Court entitles us to make and that the statute asks us to make. And so we drastically diminish our own ability, for the long term, to devise a coherent definition of the public interest and to make the judgments that Congress has been pressing us to make: How much commercial content is too much? If an anything-goes approach to program-length commercials works for the average viewer, then how can the Commission (and Congress) defend the restrictions on program-length commercials directed at all but the youngest children? When are broadcast stations providing so little worthwhile programming to their communities that their licenses are in jeopardy? These questions will stay with us--- but answering them in the future will be much more difficult in light of today's decision.

I want to emphasize that, as a legal matter, I view the obligation that Congress has assigned to the Commission quite narrowly. Under Section 4(g) of the 1992 Cable Act, Congress directed the Commission to take a fresh look at the public-interest aspects of home shopping stations occupying broadcast spectrum. Any ambiguity about the scope of our task under Section 4(g) was removed on the House floor in a colloquy between Congressman Dennis Eckart

and Congressman John Dingell.[1] The public interest examination that we are required to make under the Act is self-contained. It stands entirely apart from judgments about these stations' must-carry rights.

I believe that the Commission, in the context of Section 4(g), could have reasonably concluded that home shopping stations ought to provide some level of service beyond 23 hours of commercial programming per day. And I believe that such a finding would not contaminate the current litigation about must-carry rights of commercial stations generally. My colleague Chairman Quello has fought the must-carry battle valiantly throughout his career at the Commission; I know that he cares deeply about it, and I share his concern that we not damage must-carry's ultimate defense. Nonetheless, I believe we could have reached a different outcome in this proceeding without harming the overall must-carry scheme. I regret that we have not done so.

I have one final regret. When the Commission launched this proceeding months ago, I warned from the bench that our actions here could create a two-tier system of commercial broadcasting. The first tier would be stations that clearly operate in the public interest. The second tier would consist of stations, perhaps like many of these home shopping affiliates, who could not be said to be serving the public interest for purposes of the Cable Act, but who nevertheless did not deserve the death penalty of losing their licenses. I saw danger in such an outcome then, and because this dissent pushes me toward that position, I am not entirely comfortable with it. Ultimately, however, if the Commission ever revisits this question, perhaps it should more closely examine whether creating such a regime might better accomplish what Congress intended.

In 1929, the old Radio Commission, predecessor of today's FCC, set forth its definition of the public interest standard in words that required broadcasters to present diverse programming including "entertainment, music of both classical and lighter grades, religion, education and instruction, important public events, discussions of public questions, weather, market reports and...news." Are Congress and the Commission ready now to abandon

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[1] Mr. Eckart: "First, let me ask my colleague if I am correct that the proceeding mandated under Section 614(g)(2) of the bill reported by the conference requires the Federal Communications Commission to conduct a de novo review of the overall regulatory treatment of stations that are predominantly used for sales presentations or program-length commercials, notwithstanding prior proceedings the FCC has conducted which may have permitted or had the effect of encouraging such stations' practices." 138 Cong. Rec. E2908 (October 2, 1992) (Statement of Mr. Eckart). Mr. Dingell answered in the affirmative. Id. (Statement of Mr. Dingell).

this ideal? I hope not, and I cast my dissent in the hope that some day Congress and the Commission will find it possible to visit this question again.

Until we do, I will think of the public interest standard as a sort of once-handsome thoroughbred, so abused and neglected that it has finally broken down in the middle of the track. Perhaps we can take it back to the paddock in the hope that, with care and love, it can recover— or at least produce offspring that recall the beauty of the original. If not, let us simply put the poor beast out of its misery once and for all.

# # # # #

ADAMS COMM. CORP.
EXHIBIT 68

ADAMS COMMUNICATIONS CORPORATION

Suite 725, 155 North Michigan Avenue Chicago, Illinois 60601 (312) 819-0505 Fax (312) 861-0815

Robert L. Haag
President

June 29, 1994

Conestoga Telephone and Telegraph Company
202 East 1st Street
Birdsboro, Pennsylvania 19508

Attention: Mr. Steve Lubas

Re: Letter of Intent - Gibraltar Hill Property

Dear Mr. Lubas:

This Letter of Intent sets forth the intention of Adams Communications Corporation to execute an option to lease a portion of your Gibraltar Hill, Pennsylvania site, (a) to use the tower for UHF transmission, and (b) to occupy an equipment building near the tower. The Corporation desires to affix communications equipment, including a UHF antenna to your tower at the above-referenced location and to occupy an equipment building near the base of the tower consisting of approximately 500-600 square feet.

We discussed and agreed upon the option price today. The initial option shall be for a period of three (3) years for the price of $3,000.00. The renewal option shall be for a period of three (3) years for a sum of $3,000.00.

We further agreed that the lease of the antenna and the structure will be for a number of years for an annual rate consisting of two components: (1) A reasonable annual rate for the antenna space based upon comparable leases, and (2) A lease for the building returning to Conestoga a 15% annual return on its cost of construction of the building. together, we will make these numbers concrete as soon as we can.

Very truly yours,

Robert L. Haag

RLH:ms

Federal Communications Commission

Docket No MM-91-131 Exhibit No. 68

Presented by Adams

Deposition

Identified ✓

Received ✓

Rejected

Reporter John Del Pino

Date 6-12-00

ADAMS COMM. CORP.
EXHIBIT 69

RESTATED OPTION AGREEMENT

THIS AGREEMENT, made this 23rd day of August, 1996, by and between CONESTOGA TELEPHONE AND TELEGRAPH COMPANY, a Pennsylvania corporation ("Optionor") and ADAMS COMMUNICATIONS CORPORATION, a Massachusetts corporation ("Optionee").

W I T N E S S E T H:

WHEREAS, Optionor owns certain real estate on Gibraltar Hill in Robeson Township, Berks County, Pennsylvania, described in Exhibit "A", attached hereto and made a part hereof, (the "Real Estate") on which is located a tower for transmission purposes (the "Tower");

WHEREAS, Optionee desires to acquire an option to lease and license a building on the Real Estate and antenna space on the Tower (the "Option Property");

WHEREAS, Optionor desires to grant to Optionee an option to license and lease the Option Property, upon the terms and conditions herein set forth; and

WHEREAS, Optionee desires to accept said grant of option, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and undertakings contained herein, the parties hereto do hereby mutually agree as follows:

1. OPTION TO LEASE.

A. Grant of Option. Optionor hereby grants to Optionee the option to lease and license the Option Property upon the terms and conditions set forth in the License Agreement, attached hereto and made a part hereof as Exhibit "B" (such right to lease and

Federal Communications Commission

Docket No. MM-99-153 Exhibit No. 69

Presented by Adams

Disposition

Identified ✓

Received ✓

Rejected

Reporter John Del Pino

Date 6-12-00

license the Option Property is hereinafter called the "Option") in consideration of the payment of the sum of Three Thousand Dollars ($3,000.00) (the "Earnest Money") by the Optionee to the Optionor, which sum shall be paid upon the delivery of this Restated Option Agreement by the Optionee to the Optionor. The term of the Option (the "Option Term") shall commence upon the delivery of this Agreement and said payment to Optionor and shall terminate on the third anniversary of the date of commencement. The Option Property shall consist of a building near the back of the Tower containing 500-600 square feet of leasable area and space on the Tower for a UHF antenna capable of transmitting a UHF television signal.

B. Exercise of Option. Optionee may exercise the Option by giving written notice of the same to the Optionor at any time during the Option Term, in accordance with the manner for giving notices specified in Paragraph J of this Paragraph 1 and paying to Optionor Five Thousand Dollars ($5,000.00).

C. License Agreement Contract Upon Exercise. Upon the exercise of this Option by Optionee, the License Agreement shall become a binding lease and license agreement between Optionor and Optionee; and, upon and subject to the terms, conditions and provisions contained therein, Optionor shall lease and license the Option Property to Optionee, and Optionee shall lease and license the Option Property from Optionor.

D. Obligations of Optionor. Within ten (10) days following Optionee's exercise of the Option, Optionor shall notify Optionee of all leases, contracts, licenses or other agreements affecting

the Option Property and the operation and management thereof.

E. Conditions Precedent/Default by Optionor. In the event Optionor shall willfully default under this Option, Optionee shall be entitled to sue to specifically enforce this Agreement and shall be entitled to all other remedies at law and equity.

F. Default. If Optionor defaults in performing any of Optionor's obligations under this Agreement for any reason other than Optionee's default, Optionee may terminate this Agreement and receive a full and immediate refund of the Earnest Money then on deposit pursuant to the provisions of Paragraph A hereinabove, or Optionee may seek specific performance of this Restated Option Agreement, as Optionee's sole remedies.

G. Condemnation and Casualty. If, during the Option Term, all or any part of the Option Property shall be condemned or be subject to any pending or threatened condemnation by any governmental or other lawful authority, Optionor may, at its election terminate this Agreement, whereupon all Earnest Money and interest earned thereon shall be returned to Optionee.

H. Renewal. In the event Optionee shall not be in default under any of the terms and conditions of this Agreement, Optionee may renew this Option on the same terms and conditions as this Option for an additional consecutive period of three (3) years by signing and delivering to Optionor a notice of renewal and paying Three Thousand Dollars ($3,000.00) to Optionor during the ninety (90) day period preceding the expiration of this Option.

I. Commissions. Optionee and Optionor represent to each

other that no brokers were involved in bringing about this transaction. Optionee and Optionor agree that should any claim be made for broker's commissions or finder's fees or any other fee by any other broker, by, through or on account of any acts of either party or their representatives, each party will hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith.

J. Notices and Payment. All notices and all other communications and things required or permitted to be given hereunder shall be in writing and shall be hand delivered, mailed by certified or registered mail, return receipt requested, postage prepaid and addressed as follows:

If to Optionor:	Conestoga Telephone and Telegraph Company 202 East First Street Birdsboro, Pennsylvania 19508 Attn: John R. Bentz
If to Optionee:	Adams Communications Corporation 4545 West Touhy Avenue Apartment 708 Lincolnwood, Illinois 60646 Attn: Robert L. Haag, President
With a copy to:	Holleb & Coff 55 East Monroe Street Suite 4100 Chicago, Illinois 60603 Attn: Howard N. Gilbert, Esquire

Any notices or other communications delivered by certified or registered mail shall be deemed to have been made or given the day of the certification or registration thereof. Any of the foregoing addresses may be changed at any time upon written notice of such change, hand delivered or sent by United States registered or

certified mail, return receipt requested, postage prepaid to the other party by the party effecting the change.

2. MODIFICATIONS, WAIVERS, ETC.

No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless and until the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought. This Agreement contains the entire agreement between the parties relating to the transactions contemplating hereby, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

3. TIME FOR PERFORMANCE.

Whenever under the terms and provisions of this Option, the time for performance falls upon a Saturday, Sunday, or legal holiday, such time for performance shall be extended to the next business day.

4. HEADINGS.

The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation thereof.

5. GOVERNING LAW.

The terms and provisions of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

6. CONFIDENTIALITY.

Optionor and Optionee agree that neither party shall disclose

to any other party the transactions contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CONESTOGA TELEPHONE AND
TELEGRAPH COMPANY

By: _____

Attest: _____

"Optionor"

ADAMS COMMUNICATIONS CORPORATION

By: _____

Attest: _____

"Optionee"

5116734.01
08/22/96 4:26pm