

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger is made and entered into as of January 24, 2002 between KPSI Radio Corporation, a Michigan corporation ("KPSI"), and KDES Radio Corporation, a California corporation ("KDES"). KPSI and KDES are hereinafter sometimes collectively referred to as the "Constituent Corporations".

RECITALS

KPSI is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan. As of the date hereof, the authorized capital stock of KPSI consists of 2,500 shares of Common Stock, par value \$1.00 per share, of which 2,000 shares are issued and outstanding.

KDES is a corporation duly organized and validly existing under the laws of the State of California. As of the date hereof, the authorized capital stock of KDES consists of 100,000 shares of Common Stock, no par value per share of which 17,054 shares are issued and outstanding.

The respective Boards of Directors of KPSI and KDES deem it advisable for the best interests of the Constituent Corporations and for the best interests of the respective shareholders of said corporations that KPSI be merged with and into KDES (the "Merger") on the terms and conditions hereinafter set forth in accordance with the provisions of the Michigan Business Corporation Act (the "Michigan Act") and the California General Corporation Law (the "California Act").

Therefore, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto hereby covenant and agree as follows:

ARTICLE I.

1.1 Merger of KPSI into KDES. The Merger shall be consummated, subject to the terms and conditions of this Agreement as promptly as practicable after the fulfillment of the conditions precedent set forth in Article IV hereof. The Merger shall become effective as of the date and time (the "Effective Date of the Merger") when the following actions are completed: (a) an appropriate certificate of merger is filed in accordance with the Michigan Act and (b) an appropriate certificate of merger is filed in accordance with the California Act. The separate corporate existence of KPSI shall thereupon cease and KDES shall be the surviving corporation and continue its corporate existence under the laws of the State of California. KDES is herein sometimes referred to as the "Surviving Corporation".

1.2 Effect of the Merger. From and after the Effective Date of Merger:

(a) The separate existence of the Constituent Corporations (except the Surviving Corporation) shall cease and be merged into one, the Surviving Corporation, which shall possess all of the rights, privileges, immunities, powers and

franchises of a public as well as of a private nature, and shall be subject to all of the restrictions, disabilities and duties, of each of the Constituent Corporations so merged; and all and singular rights, privileges, immunities, powers and franchises of each of the Constituent Corporations, and all property, real, personal and mixed, and all debts due to either of the Constituent Corporations on whatever account, and all other things in action or belonging to each of the Constituent Corporations shall be vested in the Surviving Corporation resulting from the Merger; and all property, rights, privileges, immunities, powers and franchises, and all and every interest, shall be thereafter as effectually the property of the Surviving Corporation as they were of the Constituent Corporations and the title to any real estate, vested by deed or otherwise, in either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the Merger.

(b) All rights of creditors and all liens upon any property of either of the Constituent Corporations shall be preserved unimpaired and all debts, liabilities and duties of the respective Constituent Corporations shall thenceforth attach to the Surviving Corporation and may be enforced against the Surviving Corporation to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

(c) Any action or proceeding, whether civil, criminal or administrative, pending by or against either Constituent Corporation shall be prosecuted as if the Merger had not taken place, or the Surviving Corporation may be substituted as a party in such action or proceeding in place of the Constituent Corporation.

1.3 Additional Actions. If, at any time after the Effective Date of Merger, the Surviving Corporation shall consider or be advised that any further assignments or assurances in law or any other acts are necessary or desirable to (a) vest, perfect or confirm, of record or otherwise, in the Surviving Corporation its rights, title or interest in, to or under any of the rights, properties or assets of KPSI acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger, or (b) otherwise carry out the purposes of this Merger Agreement, KPSI and its proper officers and directors shall be deemed to have granted to the Surviving Corporation an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in the Surviving Corporation and otherwise to carry out the purposes of this Merger Agreement; and the proper officers and directors of the Surviving Corporation are fully authorized in the name of KPSI or otherwise to take any and all such action.

ARTICLE II.

2.1 Name. The name of the Surviving Corporation shall be R & R Radio Corporation.

2.2 Certificate of Incorporation. From and after the Effective Date of Merger, the Certificate of Incorporation of KDES shall be the Certificate of Incorporation of

the Surviving Corporation; provided, however, the Certificate of Incorporation shall be deemed amended to change the name of the Surviving Corporation to R & R Radio Corporation.

2.3 Bylaws. The Bylaws of KDES, as in effect immediately prior to the Effective Date of Merger, shall be the Bylaws of the Surviving Corporation until duly amended in accordance with law.

2.4 Directors and Officers. The directors and officers of the Surviving Corporation shall be as follows:

Officers:

President Rozene R. Supple
Senior Vice President Frederic E. Supple, Jr.
Secretary/Treasurer R. Scott Crisman

Directors:

Rozene R. Supple
Frederic E. Supple, Jr.
Verne C. Hampton II
R. Scott Crisman
Terry Masters
Mike Keane

ARTICLE III.

3.1 Manner and Basis of Converting Shares. At the Effective Date of Merger:

(a) Each share of KDES Common Stock which is outstanding immediately prior to the Effective Date of Merger shall continue to be outstanding without any change therein.

(b) All shares of KPSI Common Stock which are outstanding immediately prior to the Effective Date of Merger shall be cancelled, and no cash, rights, securities or other property shall be issuable or exchangeable with respect thereto.

3.2 Cessation of Shareholder Status. Holders of certificates which represent shares of KPSI Common Stock outstanding immediately prior to the Effective Date of Merger shall cease to be, and shall have no rights as shareholders of the Surviving Corporation.

ARTICLE IV.

CONDITION PRECEDENT TO OBLIGATIONS

All obligations of the Constituent Corporations under this Agreement are subject to the fulfillment of the following condition:

4.1 Required Approvals. Each of the Constituent Corporations shall have received (i) all such approvals, consents, authorizations and licenses of all regulatory and other governmental authorities having jurisdiction, including but not limited to, the Federal Communications Commission, as may be required to permit the performance by each of the Constituent Corporations of their obligations under this Agreement and consummation of the transactions herein contemplated and all statutory waiting periods have either been waived or have expired; and (ii) evidence of the requisite approval of the shareholders of each of the Constituent Corporations of the Merger and the consummation of the transactions herein contemplated.

ARTICLE V.

TERMINATION

5.1 Termination Provisions. This Agreement may be terminated and the Merger abandoned at any time prior to the Effective Date of Merger as follows:

- (i) Mutual Consent. By mutual consent of each of the Constituent Corporations.
- (ii) Shareholder Approval. By either of the Constituent Corporations if the Merger is not adopted by the shareholders of the Constituent Corporations.
- (iii) Regulatory Approvals. By either of the Constituent Corporations if the Merger is not approved by any regulatory authority whose consent or approval is required for consummation of the Merger.

5.2 Approval by Board of Directors. Any such termination shall be approved by the Board of Directors of the party seeking termination.

ARTICLE VI.

MISCELLANEOUS

6.1 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

6.2 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties in respect of the transactions contemplated hereby and supersede all prior agreements, arrangements and understandings related to the subject matter hereof.

6.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.4 Headings, Etc. The Article headings and Section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement as of the date first above written.

ATTEST:

KPSI Radio Corporation

By _____
R. Scott Crisman, Secretary

By _____
Rozone R. Supple, President

ATTEST:

KDES Radio Corporation

By _____
R. Scott Crisman, Secretary

By _____
Rozone R. Supple, President

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