

**AGREEMENT AND PLAN OF REORGANIZATION
AND CORPORATION SEPARATION**

THIS AGREEMENT AND PLAN OF REORGANIZATION AND CORPORATION SEPARATION (the "Agreement"), is made this 1st day of January, 2005 between **MORTENSON BROADCASTING COMPANY** ("Distributing"), an Ohio corporation, and **MORTENSON BROADCASTING CO. OF TEXAS, INC.** ("Controlled"), a Texas corporation, to be effective January 1, 2005.

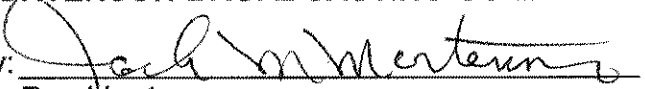
WHEREAS, Distributing owns all the stock of Controlled; and

WHEREAS, it is the desire of Distributing to separate the business of its Texas based radio stations KRVA, KGGR, KTNO, KHAVN and KKGM (the "Controlled Stations") from the business of Distributing;

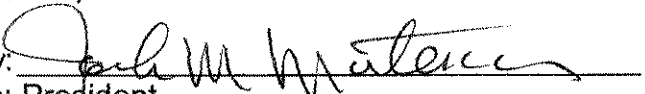
NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

1. Transfer of Properties and Assumption of Liabilities. Distributing will sell, assign, transfer and deliver to Controlled all properties, assets, goodwill and business of every kind and description, both real and personal, tangible and intangible of said Controlled Stations, as set forth in Exhibit "A" hereto. Controlled agrees to pay, perform or discharge all debts, liabilities, contracts and obligations of said Controlled Stations, whether accrued, contingent or otherwise, as set forth in Exhibit "B" hereto.
2. Distribution of Controlled Stock. Immediately after the transfer of assets and liabilities set forth in Section 1 hereto, Distributing will distribute all its stock in Controlled, which shall constitute all such stock outstanding, to the holders of Distributing common stock. Each holder of Distributing common stock will receive one share of Controlled common stock for each share of Distributing common stock held.
3. Intended Tax Treatment. The transactions of Distributing and Controlled set forth in Sections 1 and 2 hereof are intended to constitute a tax-free corporate separation under Sections 368 and 355 of the Internal Revenue Code of 1986, as amended.
4. Closing. The closing shall take place at the offices of the Rigsby Law Group, PLC, on or before February 15, 2005.
5. Contingency. Consummation of the actions provided for herein shall be contingent upon receipt of approval from the Federal Communications Commission ("FCC") concerning the transfer of the FCC license(s) from Distributing to Controlled.
6. Miscellaneous. This Agreement constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related hereto.

MORTENSON BROADCASTING COMPANY

By: 
Its: President

**MORTENSON BROADCASTING CO. OF
TEXAS, INC.**

By: 
Its: President

D:\FirmFiles\Corporate\MBCT\Agreement and Plan of Reorganization.wpd