

AGREEMENT AND PLAN OF MERGER

This **AGREEMENT AND PLAN OF MERGER** (this "Agreement") is entered into this _____ day of June, 2006 by and between **MICHIGAN NONPROFIT ASSOCIATION**, a Michigan nonprofit corporation (the "MNA"), and **NPOWER MICHIGAN TECHNOLOGY CENTER**, a Michigan nonprofit corporation ("NPOWER MICHIGAN").

RECITALS

A. The MNA and NPOWER MICHIGAN are each organized and operated for charitable and educational purposes. Each has been determined to be a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code").

B. MNA is organized as a nonprofit membership corporation. NPOWER MICHIGAN is organized as a nonprofit directorship corporation.

C. The Boards of Directors of the MNA and NPOWER MICHIGAN have determined that their common purposes can best be achieved if they merge. This Agreement and Plan of Merger [will be / has been] submitted to MNA's membership for approval as required by Section 703 of the Michigan Nonprofit Corporation Act (the "MNCA").

NOW, THEREFORE, in consideration of the mutual agreements, covenants, representations and warranties set forth in this Agreement, the MNA and NPOWER MICHIGAN agree as follows:

I – THE MERGER.

1.1 The Merger. Subject to the terms and conditions of this Agreement, at the Effective Time (as defined in Section 1.2), NPOWER MICHIGAN shall be merged with and into the MNA and the separate existence of NPOWER MICHIGAN shall thereupon cease (the "Merger"). The MNA shall be the successor or surviving corporation in the Merger (sometimes referred to in this Agreement as the "Surviving Corporation") and shall continue to be governed by the laws of the State of Michigan. The separate existence of the MNA with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger. The Merger shall have the effects specified in the MNCA.

1.2 Effective Time. The MNA and NPOWER MICHIGAN will cause an appropriate Certificate of Merger (the "Certificate of Merger") to be executed and filed on the date of the Closing (as defined in Section 1.3), or on such other date as the MNA and NPOWER MICHIGAN may agree, with the Michigan Department of Labor & Economic Growth as provided in Section 707 of the MNCA. The Merger shall become effective at 12:01 a.m., on July 1, 2006, or on such later date and time as is agreed upon by the parties and specified in the Certificate of Merger. Such date and time is referred to in this Agreement as the "Effective Time."

1.3 Closing. The closing of the Merger (the "Closing") shall take place at MNA's offices at 1048 Pierpont Drive, Suite 3, Lansing, Michigan 48911, at ____ a.m./p.m. on _____, 2006 or at such other place, date or time as the MNA and NPOWER MICHIGAN may agree.

1.4 Articles of Incorporation and Bylaws of the Surviving Corporation.

A. From and after the Effective Date and until amended as provided by law, the articles of incorporation of the Surviving Corporation shall be amended and restated at and as of the Effective Time to read as set forth in Exhibit A attached.

B. The bylaws of the Surviving Corporation shall be amended and restated at and as of the Effective Time to read as set forth in Exhibit B attached.

1.5 Directors and Officers of the Surviving Corporation.

A. The following individuals shall be the directors of the Surviving Corporation from and after the Effective Time, until their successors have been duly elected or appointed and qualified in accordance with the bylaws of the Surviving Corporation attached as Exhibit B or until their earlier death, resignation or removal in accordance with the Restated Articles of Incorporation and Bylaws of the Surviving Corporation:

David Seaman	Karla Hall	Sr. Monica Kostielney
Elyse Rogers	Edward O. Blews, Jr.	Russell Mawby
N. Charles Anderson	Thomas Bailey	Carolyn Bloodworth
Michael Boulus	Delois Caldwell	Ouida Cash
Robert Collier	Suzanne Heath	Susan Herman
Barbara Orr Hill	Justin King	Barbara Kratchman
William Liebold, II	Jane Marshall	Ann Marston
[Representative of Michigan Community Action Agency Association]	William Mayes	Deborah Mikula
Judy Moore	Christopher Nelson	David Price
Anne Rosewarne	Gerald Smith	Ira Strumwasser

B. The following individuals shall, from and after the Effective Time, hold the following offices in the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their death, resignation or removal in accordance with the Restated Articles of Incorporation and Bylaws of the Surviving Corporation:

Chair: David Seaman
 Chair-Elect: Karla Hall
 Secretary: Sr. Monica Kostielney
 Treasurer: Elyse Rogers
 Immediate Past Chair: Edward O. Blews, Jr.
 Chair Emeritus: Russell Mawby

C. The following individuals shall, from and after the Effective Tim, hold the following positions in the Surviving Corporation until their successors have been duly appointed and qualified or until their death, resignation or removal in accordance with the Restated Articles of Incorporation and Bylaws of the Surviving Corporation:

President: Samir Singh
Executive Director: Andy Wolber

1.6 Membership in the Surviving Corporation. Membership consists of Organizational Members and Affiliate Members.

A. Organizational Members. Organizational Members are any IRS designated nonprofit organization that (i) has a principal or branch office in Michigan; (ii) makes application and receives approval of that application by the MNA Board of Trustees; and (iii) makes an annual contribution to the corporation, the amount of which is in accordance with the criteria established by the Board of Trustees. Each Organizational Member having a representative present at a meeting of the members or who is represented by proxy is entitled to one vote at the meeting.

B. Affiliate Members. Affiliate Members are organizations and individuals that (i) make application and receive approval of that application by the Board of Trustees; and (ii) make an annual contribution to the corporation, the amount of which is in accordance with the criteria established by the Board of Trustees. Affiliate Members have no vote.

II – REPRESENTATIONS AND WARRANTIES OF THE PARTIES

2.1 Representations and Warranties of the MNA. The MNA hereby represents and warrants to NPOWER MICHIGAN as follows:

A. Organization. The MNA is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Michigan.

B. Tax-Exempt Status and Taxes. The MNA is an organization described in Section 501(c)(3) of the Code. The MNA has filed all federal, state and local tax and information returns and has made all filings with the Michigan Department of Attorney General required through the date of this Agreement.

C. Authorization of Transaction. The MNA has full corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. This Agreement constitutes a valid and legally binding obligation of the MNA enforceable in accordance with its terms, except as such enforceability may be subject to the effects of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally and subject to principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealings), regardless of whether considered in a proceeding in equity or at law.

D. Consistency with Laws, Orders, etc. Neither the execution and the delivery of this Agreement, nor the consummation by the MNA of the Merger or other transactions contemplated by this Agreement, will (i) violate any statute, regulation, rule, injunction, judgment, order or decree of any governmental body or court to which the MNA is subject; (ii) violate any provision of the Articles of Incorporation or Bylaws of the MNA; or (iii) conflict with, result in a breach of or constitute a default under, any agreement, contract, lease, license, instrument or other arrangement to which the MNA is a party or by which it is bound or to which any of its assets is subject. The MNA is not required to give any notice to, make any filing with or obtain any authorization, consent, or approval of any government or governmental agency other than the Michigan Department of Attorney General in order for it to consummate the transactions contemplated by this Agreement.

E. Compliance with Laws. The MNA is in substantial compliance with all applicable laws, rules, regulations, orders, judgments and decrees of all governmental authorities, federal, state, local or otherwise. The MNA has not received any notice of violation nor otherwise been made aware of any claim by a federal, state, county or municipal authority pertaining to any violation of a governmental regulation concerning the MNA.

F. Litigation. To the best knowledge of the MNA, there is no action, suit, proceeding at law or in equity, or any arbitration or any administrative or other proceeding by or before, or any investigation by, any governmental or other instrumentality or agency, pending or threatened, against or affecting the MNA. The MNA is not subject to any outstanding judgment, order or decree entered in any lawsuit or proceeding.

G. Promise to NPower. MNA enters into this Agreement and Plan of Merger with the full expectation that the merger will be an unqualified success. MNA recognizes, however, that NPower takes some risk in this merger in that its separate legal existence will cease upon the merger. In the event that the persons making up the former NPower board (those persons serving on the board on the day before the merger) determine that the merger is not furthering the NPower purposes, then MNA will be liable for the reasonable costs of organizing a new corporation that furthers those specific purposes. Such costs would include the cost of incorporating and applying for tax exempt status and would cover associated filing fees and reasonable professional fees. The determination that the merger is not furthering the NPower purposes must be made during the period July 1, 2007 and June 30, 2008.

2.2 Representations and Warranties of NPOWER MICHIGAN. NPOWER MICHIGAN hereby represents and warrants to the MNA as follows:

A. Organization. NPOWER MICHIGAN is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Michigan.

B. Tax-Exempt Status and Taxes. NPOWER MICHIGAN is an organization described in Section 501(c)(3) of the Code. NPOWER MICHIGAN has filed all federal, state and local tax and information returns and has made all filings with the Michigan Department of Attorney General required through the date of this Agreement.

C. Authorization of Transaction. NPOWER MICHIGAN has full corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. This Agreement constitutes a valid and legally binding obligation of NPOWER MICHIGAN enforceable in accordance with its terms, except as such enforceability may be subject to the effects of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally and subject to principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealings), regardless of whether considered in a proceeding in equity or at law.

D. Consistency with Laws, Orders, etc. Neither the execution and the delivery of this Agreement, nor the consummation by NPOWER MICHIGAN of the Merger or other transactions contemplated by this Agreement, will (i) violate any statute, regulation, rule, injunction, judgment, order or decree of any governmental body or court to which NPOWER MICHIGAN is subject; (ii) violate any provision of the Articles of Incorporation or Bylaws of NPOWER MICHIGAN; or (iii) conflict with, result in a breach of or constitute a default under, any agreement, contract, lease, license, instrument or other arrangement to which NPOWER MICHIGAN is a party or by which it is bound or to which any of its assets is subject. NPOWER MICHIGAN is not required to give any notice to, make any filing with or obtain any authorization, consent, or approval of any government or governmental agency other than the Michigan Department of Attorney General in order for it to consummate the transactions contemplated by this Agreement.

E. Compliance with Laws. NPOWER MICHIGAN is in substantial compliance with all applicable laws, rules, regulations, orders, judgments and decrees of all governmental authorities, federal, state, local or otherwise. NPOWER MICHIGAN has not received any notice of violation nor otherwise been made aware of any claim by a federal, state, county or municipal authority pertaining to any violation of a governmental regulation concerning NPOWER MICHIGAN.

F. Litigation. To the best knowledge of NPOWER MICHIGAN, there is no action, suit, proceeding at law or in equity, or any arbitration or any administrative or other proceeding by or before, or any investigation by, any governmental or other instrumentality or agency, pending or threatened, against or affecting NPOWER MICHIGAN. NPOWER MICHIGAN is not subject to any outstanding judgment, order or decree entered in any lawsuit or proceeding.

III – COVENANTS OF THE PARTIES

3.1 Conduct of Business. The MNA and NPOWER MICHIGAN each covenant and agree that, during the period from the date of this Agreement to the Effective Time, it will conduct its operations according to its ordinary and usual course of business consistent with past practice and, to the extent consistent therewith, with no less diligence and effort than would be applied in the absence of this Agreement.

3.2 Best Efforts. Each of the parties will take all actions and will do all things reasonably necessary in order to consummate and make effective Merger and the other

transactions contemplated by this Agreement, including, but not limited to, providing the other party, and the other's respective authorized representatives, access to the employees, properties, books and records of the party in order that the other party may have the opportunity to make such investigations as it shall reasonably request of the affairs of the other.

3.3 Indemnification of NPOWER MICHIGAN Directors, Officers and Committee Members.

A. The MNA agrees that all rights to indemnification, including provisions relating to advances of expenses incurred in defense of any action or suit, existing in favor of the present or former directors, officers and committee members of NPOWER MICHIGAN as provided in the Articles of Incorporation and Bylaws of NPOWER MICHIGAN, in the MNCA or pursuant to other agreements as in effect as of the date of this Agreement, with respect to matters occurring through the Effective Time, shall survive the merger and shall continue in full force and effect until two (2) years after the Effective Time; provided, however, that all rights to indemnification in respect of any claim asserted or made within such period shall continue until the disposition of such claim.

B. The MNA shall cause to be maintained in effect for not less than two (2) years after the Effective Time the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by NPOWER MICHIGAN (if any) with respect to matters occurring prior to the Effective Time; provided, however, that the MNA may substitute for any such policies of substantially the same coverage containing terms and conditions which are no less favorable than any such insurance in effect immediately prior to the Effective Time.

3.4 NPOWER MICHIGAN Logo and Products. The parties desire to utilize NPOWER MICHIGAN logo and products after the merger. Both parties will cooperate in transferring the rights and obligations for use of the logo and products to MNA for use by the Surviving Corporation upon the Effective Time. The parties recognize that certain governmental filings and contracts may need to be made or updated in order to effectuate the transfers.

3.5 Affiliation With NPower National. The parties desire to remain affiliated to the NPower National Network and will seek to continue that affiliation through reasonable means and efforts. The parties recognize that certain contracts may need to be made or updated to continue the affiliation and the parties will cooperate and use their best efforts in that regard.

IV – CONDITIONS

4.1 Conditions to the Obligations of the MNA. The obligations of the MNA to consummate the Merger are subject to the fulfillment at or prior to the Effective Time of the following conditions, any or all of which may be waived in whole or in part by the MNA to the extent permitted by applicable law:

A. **Representations, Warranties and Covenants of NPOWER MICHIGAN.** All of the representations and warranties of NPOWER MICHIGAN set forth in this Agreement shall be true and correct in all material respects on and as of the Effective Time and NPOWER MICHIGAN shall have performed in all material respects all of its covenants under this Agreement through the Effective Time.

B. Approvals and Consents. The Merger and the other transactions under this Agreement shall have received all approvals of the Michigan Department of Attorney General necessary to file a Certificate of Merger.

C. No Injunctions. There shall not be in effect any preliminary or permanent injunction or other order of a court or other governmental or regulatory body directing that the Merger or other transactions contemplated under this Agreement not be consummated.

4.2 Conditions to the Obligations of NPOWER MICHIGAN. The obligations of NPOWER MICHIGAN to consummate the Merger are subject to the fulfillment at or prior to the Effective Time of the following conditions, any or all of which may be waived in whole or in part by NPOWER MICHIGAN to the extent permitted by applicable law:

A. Representations, Warranties and Covenants of the MNA. All of the representations and warranties of the MNA set forth in this Agreement shall be true and correct in all material respects on and as of the Effective Time and the MNA shall have performed in all material respects all of its covenants under this Agreement through the Effective Time.

B. Approvals and Consents. The Merger and the other transactions under this Agreement shall have received all approvals of the Michigan Department of Attorney General necessary to file a Certificate of Merger.

C. No Injunctions. There shall not be in effect any preliminary or permanent injunction or other order of a court or other governmental or regulatory body directing that the Merger or other transactions contemplated under this Agreement not be consummated.

V – TERMINATION

5.1 Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by the mutual written consent of the MNA and NPOWER MICHIGAN. Further, either the MNA or NPOWER MICHIGAN may terminate this Agreement by written notice to the other if the Merger is not consummated by July 1, 2006.

VI – MISCELLANEOUS

6.1 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or mailed by first class mail to the following addresses:

To the MNA:

MICHIGAN NONPROFIT ASSOCIATION
Attn: Samir Singh
1048 Pierpont, Suite 3
Lansing, MI 48911

To NPOWER MICHIGAN:

NPOWER MICHIGAN TECHNOLOGY CENTER
Attn: Andy Wolber, President

The MNA or NPOWER MICHIGAN may change the address or individuals to whom notice is to be given under this Agreement by a notice to the other in accordance with this Section 6.1.

6.2 Assignment. Neither party may assign its duties, rights and obligations under this Agreement without the prior written consent of the other party.

6.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the MNA and NPOWER MICHIGAN and their respective successors and assigns.

6.4 Entire Agreement. This Agreement, as it may be amended or supplemented from time to time, constitutes the complete agreement between the MNA and NPOWER MICHIGAN and supersedes all prior agreements, oral and written, and may be modified only by a written instrument executed by the MNA and NPOWER MICHIGAN.

6.5 Choice of Law. This Agreement will be governed by, construed and enforced in accordance with the laws of the State of Michigan.

6.6 Waivers. No part of this Agreement may be waived except by the written agreement of the MNA or NPOWER MICHIGAN. Forbearance in any form from demanding performance hereunder is not a waiver of performance. Until complete performance under this Agreement, the party owed performance may invoke any remedy under this Agreement or under law, despite its past forbearance.

6.7 Limited Enforcement. This Agreement is enforceable only by the MNA and NPOWER MICHIGAN and their respective successors and assigns. No other person, including any employee or former employee of the MNA or NPOWER MICHIGAN, has the right to enforce any of the provisions contained in this Agreement; [provided, however, that the provisions of Section 3.3 shall inure to the benefit of and shall be enforceable by the NPOWER MICHIGAN directors, officers and committee members described in Section 3.3.]

6.8 Captions. The section and paragraph headings in this Agreement are inserted for convenience only and do not describe, interpret or limit the scope, extent or intent of this Agreement of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

MICHIGAN NONPROFIT ASSOCIATION

By: _____
Name:
Its:

**NPOWER MICHIGAN TECHNOLOGY
CENTER**

By: _____
Name:
Its: