

ARTICLES OF INCORPORATION
OF
UPPER COLORADO RIVER ALLIANCE

The adult natural person listed at the end of these articles of incorporation, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following articles of incorporation:

ARTICLE I.

NAME

The name of the corporation is Upper Colorado River Alliance (the “Corporation”).

ARTICLE II.

DURATION

The Corporation shall have perpetual existence.

ARTICLE III.

PURPOSES AND POWERS

Section 3.1 Purposes. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code. Subject to the foregoing, the specific purposes and objectives of the Corporation shall include but not be limited to the following:

- (a) protecting the aquatic health, riparian health, water resources, and environment in the Upper Colorado River Basin (as used herein, “Upper Colorado” refers to the Colorado River and its tributaries in Colorado above the confluence with the Blue River);
- (b) enhancing and restoring damaged or degraded sections of the Upper Colorado River;

- (c) enhancing public fishing and recreation opportunities in the Upper Colorado River;
- (d) educating the public on matters relating to the aquatic and riparian health of the Upper Colorado River;
- (e) conducting scientific research and data collection pertaining to hydrology, water use, water management, and the aquatic and riparian health of the Colorado River, both under current conditions and as projected against possible future climate conditions;
- (f) acquiring, enforcing, and protecting water rights, conservation easements, and other real property and personal property interests that further the preservation of aquatic and riparian health, fishing access, water resources, and open spaces in the Upper Colorado River Basin;
- (g) working to create cooperation, understanding and coordination in the Upper Colorado Basin and throughout the Western United States among different groups interested in water issues, including fisherman, riparian landowners, and those using water for agricultural, municipal, industrial, recreational, wildlife and environmental purposes;
- (h) participating in local, state and federal permitting processes, public hearings, agency proceedings, and court actions in furtherance of any of the other stated purposes.

Section 3.2 Powers. In furtherance of the foregoing purposes and objectives (but not otherwise) and subject to the restrictions set forth in Section 3.3, the Corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of the State of Colorado and may do everything necessary or convenient for the accomplishment of any of the corporate purposes, either alone or in connection with other organizations, entities or individuals, and either as principal or agent, subject to such limitations as are or may be prescribed by law.

Section 3.3 Restrictions On Powers.

(a) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any director or officer of the Corporation or any other individual (except that reasonable compensation may be paid for services rendered to or for the benefit of the Corporation affecting one or more of its purposes), and no director or officer of the Corporation or any other individual shall be entitled to share in any distribution of any of the corporate assets on dissolution of the Corporation or otherwise.

(b) No substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. However, if the Corporation is an organization to which section 501(h) of the Internal Revenue Code applies and the Corporation has effectively elected to have such section apply, the Corporation shall have power to carry on the activities permitted by such section, but only to the extent such activities shall not result in the denial of exemption under such section. The Corporation shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(c) Upon dissolution of the Corporation, all of the Corporation's assets remaining after payment of or provision for all of its liabilities shall be paid over or transferred to and among one or more exempt organizations described in section 501(c)(3) of the Internal Revenue Code, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code. The organizations to receive the Corporation's property upon dissolution shall be designated by the board of directors in accordance with the preceding sentence, and each organization so designated by the board of directors shall receive such shares or amounts as shall be determined by the board of directors.

(d) Notwithstanding any other provision of these articles of incorporation, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code, or by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, and, during any period of time in which the Corporation is a "private foundation" as defined in section 509(a) of the Internal Revenue Code:

(1) The Corporation shall not engage in any act of "self-dealing," as defined in section 4941(d) of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4941 of the Internal Revenue Code;

(2) The Corporation shall make distributions for each taxable year at such time and in such manner so as not to become subject to the tax imposed by section 4942 of the Internal Revenue Code;

(3) The Corporation shall not retain any "excess business holdings," as defined in section 4943(c) of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4943 of the Internal Revenue Code;

(4) The Corporation shall not make any investments that would jeopardize the carrying out of any of the exempt purposes of the Corporation, within the meaning of section 4944 of

the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4944 of the Internal Revenue Code; and

(5) The Corporation shall not make any “taxable expenditure,” as defined in section 4945(d) of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4945 of the Internal Revenue Code.

(e) All references in these articles of incorporation to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

ARTICLE IV.

OFFICES

Section 4.1 Principal Office. The address of the initial principal office of the Corporation is 929 Pearl Street, Suite 300, Boulder, Colorado 80302.

Section 4.2 Registered Office and Agent. The street address of the initial registered office of the Corporation is 929 Pearl Street, Suite 300, Boulder, Colorado 80302. The name of the Corporation’s initial registered agent at the initial registered office is P. Fritz Holleman.

ARTICLE V.

MEMBERS

The Corporation shall have no voting members. However, the Corporation may have such classes of nonvoting members as may from time to time be prescribed by its bylaws or by the board of directors. The designation of each class of members and their respective manner of election or appointment, qualifications, tenure, terms of membership, rights, limitations and obligations shall be as provided from time to time in the bylaws of the Corporation or by the board of directors. Members shall have no voting rights or other management powers. The Corporation shall have no capital stock.

ARTICLE VI.

BOARD OF DIRECTORS

Section 6.1 General. The management of the affairs of the Corporation shall be vested in a board of directors, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act, these articles of incorporation or the bylaws of the Corporation. The number of directors, their classifications, if any, their terms

of office and the manner of their election or appointment shall be determined according to the bylaws of the Corporation from time to time in force.

Section 6.2 Liability of Directors. No director shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except that the foregoing shall not eliminate or limit liability of a director to the Corporation for monetary damages for the following: (a) any breach of the director's duty of loyalty to the Corporation, (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) acts specified in C.R.S. Section 7-128-403 and C.R.S. Section 7-128-501(2), as they now exist or hereafter may be amended, or (d) any transaction from which the director directly or indirectly derived an improper personal benefit. If the Colorado Revised Nonprofit Corporation Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be further eliminated or limited to the fullest extent permitted by the Colorado Revised Nonprofit Corporation Act. Any repeal or modification of this Section 6.2 shall be prospective only and shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Section 6.3 Initial Board. The initial board of directors shall be elected by the incorporator. Until the initial board of directors has been elected and shall qualify, the incorporator shall serve as the sole director of the Corporation and shall have all of the powers and authority and shall perform all of the duties of the board of directors.

ARTICLE VII.

BYLAWS

The initial bylaws of the Corporation shall be as adopted by the incorporator or the board of directors. Except to the extent limited by the Colorado Revised Nonprofit Corporation Act, the board of directors shall have power to alter, amend or repeal the bylaws from time to time in force and adopt new bylaws. The bylaws of the Corporation may contain any provisions for the regulation or management of the affairs of the Corporation that are not inconsistent with law or these articles of incorporation, as these articles may from time to time be amended. However, no bylaw at any time in effect, and no amendment to these articles of incorporation, shall have the effect of giving any director or officer of the Corporation or any other individual any proprietary interest in the

Corporation's property or assets, whether during the term of the Corporation's existence or as an incident to its dissolution.

ARTICLE VIII.

AMENDMENTS

The board of directors shall have the exclusive power and authority at any time and from time to time to amend these articles of incorporation by the vote of a majority of the directors then in office.

The name and mailing address of the incorporator who causes this document to be delivered for filing is: P. Fritz Holleman, 929 Pearl Street, Suite 300, Boulder, CO 80302.