

AZ CORPORATION COMMISSION
FILED

JAN 15 2010

ARTICLES OF INCORPORATION
of

FILE NO. 15773418 UPPER SANTA CRUZ PROVIDERS AND USERS GROUP

The undersigned, for the purpose of forming a corporation under the laws of the State of Arizona, adopt the following Articles of Incorporation:

ARTICLE 1.
NAME OF THE CORPORATION

The corporation will be named Upper Santa Cruz Providers and Users Group.

ARTICLE 2.
CORPORATE PURPOSE

This corporation is organized exclusively for charitable purposes such as scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, as amended, or the corresponding section of any future federal tax code (the "Code"). To this end, the corporation shall advance education and science by sponsoring studies, educating the public, analyzing policy options and advocating ways to preserve and enhance the quality and quantity of water resources within the USCPUG Area: that portion of the Santa Cruz River valley within Pima County and south of Pima Mine Road.

ARTICLE 3.
INITIAL BUSINESS

The corporation initially intends to provide a proactive forum to discuss and analyze federal, state, regional and local water resource management, policy and planning; consult, coordinate and cooperate in the development of effective water resource policy and planning, including legislation; educate the public and officials on water matters; seek grants and contributions; advocate for appropriate policies and programs to protect the quantity and quality of water resources within and available to southern Pima County; and otherwise act to achieve its purpose.

ARTICLE 4.
KNOWN PLACE OF BUSINESS

The known place of business of the corporation shall be 1501 South La Canada Drive, Green Valley, Arizona 85622. The corporation may conduct its business and maintain offices for such purpose in such other place or places, either within or without the State of Arizona, as it may from time to time determine advisable.

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ARTICLE 5.
COMPENSATION AND PROFITS

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, directors or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No member or director shall have any right, title, or interest in or to any property of the corporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, 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. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.

ARTICLE 6.
MEMBERS AND CAPITAL STOCK

There shall be no shareholders or capital stock and no authority to issue shares of stock. The corporation shall have members, and the membership criteria, if any, and classes thereof, shall be as defined in the corporation's Bylaws.

ARTICLE 7.
DISSOLUTION

The corporation may be dissolved at any time in accordance with the provisions of Arizona law then in effect. The dissolution of the corporation shall be accomplished consistent with the intent that the assets be held and used for the corporation's stated purposes. All assets of the corporation shall be dedicated to the exempt purposes for which the corporation is organized as described in Section 501(c)(3) of the Code. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes. In no event shall the assets be distributed to any director or officer of the corporation or any private individual.

ARTICLE 8.
PRIVATE FOUNDATION

Notwithstanding anything herein to the contrary, if the corporation becomes a private foundation as defined in Section 509 of the Code, while it is a private foundation, the corporation

shall not: (i) engage in any act of self-dealing as defined in Section 4941(d) thereof, (ii) distribute its income in such manner as to become subject to the tax on undistributed income imposed by Section 4942 thereof, (iii) retain any excess business holdings as defined in Section 4943(c) thereof, (iv) make any investment in such manner as to subject it to tax under Section 4944 thereof, or (v) make any taxable expenditures as defined as Section 4945(d) thereof.

**ARTICLE 9.
BOARD OF DIRECTORS**

The initial Board of Directors will consist of four members. The number of persons to serve thereafter on the Board of Directors will be fixed by the Bylaws. The names and addresses of the persons who are to serve as the directors until the first annual meeting of the Board of Directors or until their successors are elected and qualified are:

Les C. Gunderson
861 West Placita De La Colonia
Green Valley, Arizona 85622

Kenneth M. Taylor Jr.
1400 South La Canada Drive
Green Valley, Arizona 85622

Richard S. Walden
1625 East Sahuarita Road
Sahuarita, Arizona 85269

Mark J. Seamans
PO Box 1520
Sahuarita, Arizona 85629

The management and affairs of the corporation shall be at all times under the direction of a Board of Directors, whose operations in governing the corporation shall be defined by statute and by the corporation's Bylaws.

**ARTICLE 10.
INCORPORATOR**

The name and address of the incorporator of the corporation are:

Kenneth M. Taylor Jr.
1400 South La Canada Drive
Green Valley, Arizona 85622

All powers, duties, and responsibilities of the incorporator will cease when these Articles of Incorporation are accepted for filing by the Arizona Corporation Commission.

ARTICLE 11.
BY-LAWS

By-Laws of the corporation may be adopted by the Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles or the Code or the corresponding provision of any future United States Internal Revenue Law.

ARTICLE 12.
LIMITATION OF DIRECTOR LIABILITY

No director of the Corporation shall be personally liable to the Corporation for monetary damages for acts or omissions as a director; provided, however, that this Article shall not eliminate or limit the liability of a director for (i) any breach of the director's duty of loyalty to the Corporation; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Arizona Revised Statutes Sections 10-3830 or 10-3833; and (iv) any transaction from which the director derived an improper personal benefit. If the Arizona Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Arizona Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

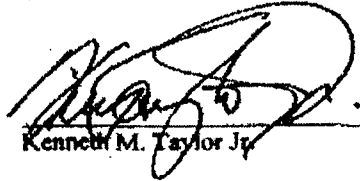
ARTICLE 13.
INDEMNIFICATION

The private property of the incorporators, directors and officers of the corporation shall be forever exempt from and not liable for, the debts and obligations of the corporation of any kind whatsoever. The corporation shall indemnify each person who is or was an incorporator, director, officer or employee of the corporation against all expenses incurred by them, and each of them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of providing services to or on behalf of the corporation. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by applicable law. No repeal, amendment or modification of this Article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the corporation occurring before the repeal, amendment or modification.

**ARTICLE 14.
STATUTORY AGENT**

The name and address of the initial statutory agent of the corporation are KEYTLaw, L.L.C., 3001 East Camelback, Suite 130, Phoenix, Arizona 85016. The Statutory Agent is not responsible for failing to notify the Corporation of any service of process or correspondence received by the Statutory Agent for the Corporation if the Corporation changes its address and fails to notify the Statutory Agent of the change by sending a written notice of address change to the Statutory Agent at its address on file with the Arizona Corporation Commission.

Dated: January 8, 2010.


Kenneth M. Taylor Jr.

"Incorporator"

CONSENT OF STATUTORY AGENT

KEYTLaw, L.L.C., an Arizona limited liability company, having been designated to act as Statutory Agent hereby consents to act in that capacity until removed by the Corporation or resigning in accordance with the Arizona Revised Statutes.

KEYTLaw, L.L.C., an Arizona limited liability company

By: 
Richard Keyt, Manager