

**ARTICLES OF INCORPORATION  
OF  
COLORADO SPRINGS HEALTH FOUNDATION**

I, the undersigned natural person of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Colorado Revised Nonprofit Corporation Act ("Act"), do hereby adopt the following Articles of Incorporation for such corporation ("Corporation"):

**ARTICLE I  
NAME**

The name of the Corporation is Colorado Springs Health Foundation.

**ARTICLE II  
PERIOD OF DURATION**

The period of its duration is perpetual.

**ARTICLE III  
PURPOSES**

The Corporation is organized exclusively (a) for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or the corresponding provisions of any successor or subsequent federal tax law ("Code") and (b) for the benefit of, to perform the functions of, and to carry out the purposes of the City of Colorado Springs ("City") within the meaning of Section 509(a)(3) of the Code. More specifically, the Corporation is organized and shall be operated exclusively to carry out the following purposes ("Corporation's Purposes"):

(1) As provided in City Council Resolutions 92-12 and 121-12 ("City Resolutions"), receive, hold and manage in perpetuity all funds and monies received pursuant to the Memorial Health System Operating Lease Agreement by and among the City and UCH-MHS ("Lease Agreement") and the Integration and Affiliation Agreement by and among the City and University of Colorado Health, UCH-MHS, as approved by the City Council in Resolution No. 89-12 on June 27, 2012, and subsequently approved by City voters at the Special Municipal Election on August 28, 2012, subject to the Corporation's obligations under the Corporation's Guaranty in the form attached as Exhibit H to the Lease Agreement ("Guaranty"); and

(2) As further provided in City Resolutions, and subject to its obligation under the Guaranty, make grants or distributions from income of the corpus of funds and monies received for the purpose of addressing health issues in the City and Memorial Health System service area; and

(3) As further provided in City Resolutions, and unless distributed to satisfy its obligations under the Guaranty, the corpus of the funds and monies received may not be distributed, spent, transferred or otherwise removed from the Corporation without a vote of seven (7) Council members and the Mayor of the City of Colorado Springs ("Mayor"), or eight (8) Council members if the Mayor shall not agree, subject to the restrictions of Article IX below.

**ARTICLE IV**  
**REGISTERED AGENT AND PRINCIPAL OFFICE**

The initial registered office of the Corporation is City Administration Building, 30 S. Nevada Avenue, Suite 501, Colorado Springs, CO 80901-1575. The initial registered agent at such address is the City Attorney for the City of Colorado Springs. The address of the Corporation's initial principal office is City Administration Building, 30 S. Nevada Avenue, Suite 501, Colorado Springs, CO 80901-1575.

**ARTICLE V**  
**NONPROFIT CORPORATION**

5.1 The Corporation is a nonprofit corporation.

5.2 The Corporation has all powers conferred upon nonprofit corporations by the Act (as it now exists and as it may be amended), except that the Corporation may not have or exercise any power, or engage directly or indirectly in any activity, not permitted to be carried on by (a) a corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code, or (b) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or (c) a supporting organization of the City under section 509(a)(3) of the Code. Without limiting the general grant of all powers conferred by law in the prior sentence, the Corporation shall have the specific power to solicit and receive, for corporate purposes only, gifts, grants and contributions of any kind of property or interest herein, whether real, personal or mixed.

5.3 No part of the net earnings or property of the Corporation may inure to the benefit of or be distributable to any private shareholder or individual (within the meaning of Code Section 501(c)3)), including without limitation the Corporation's trustees or officers, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

5.4 No substantial part of the activities of the Corporation may consist of carrying on propaganda or otherwise attempting to influence legislation, provided that such restriction shall not be construed to prohibit the Corporation from interacting with, reporting to, educating, or advising the General Assembly with respect to matters within the purposes and expertise of the Corporation if such conduct is permitted by the Code and regulations and rules promulgated thereunder.

5.5 The Corporation may not, directly or indirectly, participate in, or intervene in (including publication or distribution of any statement), any political campaign on behalf of or in opposition to any candidate for public office.

5.6 The Corporation shall not operate for the purpose of carrying on a trade or business for profit.

**ARTICLE VI**  
**BOARD OF TRUSTEES**

Except as otherwise provided in these Articles of Incorporation, the Bylaws of the Corporation, the Guaranty and the City Resolutions, the direction and management of the affairs of the Corporation and the control and disposition of its assets shall be vested in its Board of

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Trustees ("Board of Trustees"). The Board of Trustees shall be composed of nine (9) Trustees, who shall be nominated by the Mayor and appointed by a majority of the City Council members. All Trustees shall be City residents and shall have such other qualifications as set forth in the Bylaws. Any single Trustee, or the entire Board of Trustees, may be removed at any time by a vote of seven (7) Council members and the Mayor, or by eight (8) Council Members if the Mayor shall not agree.

## **ARTICLE VII MEMBERS**

The Corporation shall have no members.

## **ARTICLE VIII BYLAWS**

The initial Bylaws of the Corporation shall be approved by seven (7) Council members and the Mayor. Any alteration, amendment or repeal of the Bylaws or adoption of new Bylaws shall be approved by seven (7) Council members and the Mayor, or eight (8) Council members if the Mayor shall not agree, provided, however, any such alteration, amendment or repeal that diminishes or enhances the rights and/or obligations of the Mayor shall require the affirmative approval of the Mayor. No amendment shall be made to the Bylaws which will undermine the Corporation's obligations under the Guaranty, or its fulfillment of any obligation under the Guaranty, without the prior written consent of University of Colorado Health, University of Colorado Hospital Authority, prior to the Transition Date as defined in the Lease Agreements, and UCH-MHS on and after the Transition Date.

## **ARTICLE IX DISSOLUTION**

On dissolution of the Corporation, all of the Corporation's assets remaining after payment of or provision for all of its liabilities and fulfillment of its obligations under the Guaranty shall be paid over or transferred to one or more exempt organizations described in Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code. The organizations to receive such property shall be determined in accordance with the process set forth in Article III(3) above.

## **ARTICLE X INDEMNIFICATION OF TRUSTEES AND OFFICERS**

Article 129 of the Act permits the Corporation to indemnify its present and former trustees and officers to the extent and under the circumstances set forth therein and herein. The Corporation hereby elects to and does hereby indemnify all such persons to the fullest extent permitted or required by such Article 129 promptly upon request of any such person making a request for indemnity hereunder. Such obligation to so indemnify and to so make all necessary determinations required by Article 129 of the Act may be specifically enforced by resort to any court of competent jurisdiction. Further, the Corporation shall have the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by applicable law, whether or not the Corporation would have the power to indemnify such person under the foregoing provisions. The Corporation shall also have the power to and shall pay and reimburse the reasonable expenses of such persons covered hereby in advance of the final

disposition of any proceeding to the fullest extent permitted by Article 129 of the Act and subject to the conditions thereof and hereof. Notwithstanding the foregoing, the Corporation shall have no obligation to indemnify and no indemnification shall be made (i) except as permitted or required under the Article 129 of the Act, (ii) in an action or suit involving the alleged professional malpractice of such Trustee or officer in the practice of medicine, or (iii) in any proceeding involving acts or omissions of such Trustee or officer in such person's personal capacity.

**ARTICLE XI  
INCORPORATOR**

The name and business address of the incorporator are:

Name	Address
Christopher J. Melcher	Colorado Springs City Attorney City Administration Building 30 S. Nevada Avenue, Suite 501 Colorado Springs, CO 80901

IN WITNESS WHEREOF, I have hereunto set my hand on this \_\_\_\_ day of September, 2012.

By \_\_\_\_\_  
Christopher J. Melcher, City Attorney