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NAVAJO NATION CORPORATION CODE

INFORMATION ON INCORPORATING A CLOSE CORPORATION (NNCC, CHAPTER 19)

A Corporation is formed in the Navajo Nation by filing Articles of Incorporation in duplicate originals, with this office, together with the appropriate filing fee. The following information may be of assistance to you.

YOU SHOULD NOT RELY SOLELY ON THIS INFORMATION SHEET. YOU SHOULD CONSULT LEGAL COUNSEL. SPECIAL REQUIREMENTS MAY APPLY TO THE TYPE OF CORPORATION YOU WISH TO ORGANIZE. FORMING A CORPORATION WILL HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES FOR YOU, WHICH SHOULD BE CAREFULLY CONSIDERED. THE INFORMATION PROVIDED HERE DOES NOT COVER THE COMPLEX LEGAL CONSEQUENCES OF OPERATING YOUR BUSINESS AS A CORPORATION. ONLY AFTER CONSULTATION WITH A KNOWLEDGEABLE ATTORNEY, ADVOCATE AND/OR ACCOUNTANT, WILL YOU BE ABLE TO DETERMINE IF A CORPORATION IS APPROPRIATE FOR YOU.

Upon filing of the Articles of Incorporation and are considered in compliance with applicable rules and regulations, the Department will issue a Certificate of Incorporation.

1. The Articles of Incorporation of a close corporation must include the information contained in the sample Articles of the next page.
2. Pursuant to Section 3204 of the Corporation Code, the Articles of Incorporation may include a variety of optional provisions.
3. Duplicate originals must be filed - one typed original and one photocopy will suffice, so long as both contain original signatures.
4. In addition to the duplicate Articles of Incorporation, a filing fee of \$10.00 by money order or business check payable to Navajo Nation Business Regulatory Department must be submitted with the Articles.

Other types of corporations allowed under the code (domestic profit corporations, foreign corporations, nonprofit corporations, and agricultural cooperatives) have different requirements. Separate information sheets are available for these types of corporations.

THIS INFORMATION SHEET IS SUPERSEDED BY THE CORPORATION CODE AND ITS IMPLEMENTING REGULATIONS TO THE EXTENT THEY ARE INCONSISTENT HEREWITH. AGAIN, IT IS ESSENTIAL THAT YOU CONSULT LEGAL COUNSEL.

The following format is generally used for Articles of Incorporation. The information in brackets indicates what should be included in each Article. The Articles need not appear in the order in which they appear here. The Articles should be drafted in complete sentences, for example:

ARTICLE I

The name of the Corporation is XYZ Corporation.

The Corporation Code sections referred to in this form contain relevant information in each of the Articles of Incorporation.

ARTICLES OF INCORPORATION

OF

_____ Close Corporation

The undersigned natural person(s), acting as incorporator(s) of a corporation under the Navajo Nation Corporation Code, hereby adopt(s) the following Articles of Incorporation for such Corporation.

ARTICLE I

[The name of the corporation, which must contain the words "Close Corporation" or an abbreviation therefor. (Chapter 19, Section 3203(a)(1), Chapter 19, Section 3105)]; and [Federal Employer ID Number (FEIN)]

ARTICLE II

[The name and address of the manager or managers of the corporation. (Chapter 19, Section 3203 (a)(2), 3205)]

ARTICLE III

[The names, addresses and amount of initial contribution of capital units of each of the original investors. The number of original investors may not exceed thirty (30). (Chapter 19, Sections 3203(a)(3), 3209, 3210)]

ARTICLE IV

[The aggregate amount in dollars of the initial capital units is paid to the corporation. (Chapter 19, Section 3203(a)(4))]

ARTICLE V

[The name and address of the corporation's initial registered agent. (Chapter 19, Section 3203(a)(5)). By regulation, the address must be an exact street address, or if none is available, a map must be included.]

"Attachment A"

SELECTED PROVISIONS OF NNCC FOR CLOSE CORPORATIONS

3203. MANDATORY PROVISIONS OF ARTICLES OF INCORPORATION

- (a) The Articles of Incorporation of a close corporation shall set forth:
- (1) The name of the corporation which shall contain the words "close corporation" or an abbreviation therefor;
 - (2) The name and address of the manager or managers of the corporation;
 - (3) The names, addresses and amount of initial contribution of capital units of each of the original investors. The number of original investors shall not exceed thirty (30);
 - (4) The aggregate amount in dollars of the initial capital units to be paid to the corporation; and
 - (5) The name and address of the corporation's initial registered agent.
- (b) It shall not be necessary to set forth in the Articles of Incorporation any corporate powers or any corporate purposes.

3219. APPLICATION OF GENERAL CORPORATION LAW

Close corporations organized pursuant to this chapter are subject to the provisions of Chapter 1 except insofar as this chapter modifies or differs from such provisions, in which case this chapter prevails. This chapter shall be applicable to all close corporations except as otherwise provided. This chapter shall be construed to simplify the management, structure and operations of close corporations.