



## Organization of California Common Interest Development Associations

Most common interest development associations are formed as nonprofit mutual benefit corporations. For that reason, the attached sample was prepared pursuant to the Mutual Benefit Corporation Law (California Corporations Code section [7110, et seq.](#)) with the additional language required by Civil Code section [1363.5](#).

The attached sample has been drafted to meet minimum statutory requirements. The sample may be used as a guide in preparing documents to be filed with the Secretary of State. It is suggested that you seek private counsel for advice regarding the proposed corporation's specific needs, which may require the inclusion of special article provisions. The Secretary of State does not provide a standardized form due to the many possible drafting variations.

### Where to File

Documents can be delivered in person (drop off) to any office location between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (excluding holidays) or mailed to the Sacramento office. The mailing address and office locations are as follows:

#### Sacramento Office

Business Entities Section  
1500 11th Street, 3rd Floor  
Sacramento, CA 95814  
(916) 657-5448

#### Mailing Address

Document Filing Support Unit  
P.O. Box 944260  
Sacramento, CA 94244-2600

#### Los Angeles Regional Office

300 South Spring Street, Room 12513  
Los Angeles, CA 90013  
(213) 897-3062

#### San Diego Regional Office

1350 Front Street, Suite 2060  
San Diego, CA 92101  
(619) 525-4113

To facilitate the processing of documents mailed to our Sacramento office, a self-addressed envelope and a letter referencing the corporate name as well as your own name, return address and telephone number should also be submitted. Please refer to our Mail Processing Times webpage at [www.sos.ca.gov/business/be/mail-processing-times.htm](http://www.sos.ca.gov/business/be/mail-processing-times.htm) for current mail processing times.

**Note:** The regional offices are only able to process organizational documents delivered in person. Please refer to our Regional Offices webpage at [www.sos.ca.gov/business/regional.htm](http://www.sos.ca.gov/business/regional.htm) for detailed information regarding the submission of documents to the regional offices.

### Fees

The fee for filing Articles of Incorporation for a nonprofit corporation is \$30.00. A \$15.00 special handling fee is applicable for processing documents delivered in person (drop off) to the Sacramento office or to any of the regional offices. The special handling fee is in addition to the filing fee, should be included in a separate check, and will be retained whether the document is filed or rejected. The preclearance and/or expedited filing of a document *within a guaranteed time frame* can be requested in the Sacramento office for an additional fee in lieu of the special handling fee.

## Fees (continued)

Please refer to the Secretary of State's website at [www.sos.ca.gov/business/be/preclearance-expedited-services.htm](http://www.sos.ca.gov/business/be/preclearance-expedited-services.htm) for detailed information regarding preclearance and expedited filing services. The special handling fee or preclearance and expedited filings services are not applicable to documents submitted by mail.

Payments for documents submitted:

- by mail to Sacramento can be made by check or money order.
- in person (drop off) at the Sacramento office can be made by check, money order, cash, or credit card (Visa or MasterCard).
- in person (drop off) at a regional office can be made by check, money order, or credit card (Visa or MasterCard). Regional offices are not able to accept cash.

Checks or money orders should be made payable to the Secretary of State.

## Copies

The Secretary of State will certify up to two copies of the filed document without charge, **provided that the copies are submitted to the Secretary of State with the document to be filed.** Any additional copies submitted will be certified with payment of \$8.00 per copy.

## Franchise Tax Requirements

A nonprofit corporation is a taxable entity and subject each year to an **\$800** minimum California franchise tax **unless** the corporation has applied for tax-exempt status and the Franchise Tax Board determines the corporation qualifies for tax-exempt status. Therefore, until such a determination is made, the corporation must file a return and pay the associated tax every year until the corporation is formally dissolved.

**After** filing its Articles of Incorporation with the Secretary of State, the nonprofit corporation may apply for tax-exempt status in California by mailing an Exemption Application (FTB Form 3500), along with an endorsed copy of the Articles of Incorporation and all other required supporting documentation, to the Franchise Tax Board, P.O. Box 942857, Sacramento, California 94257-4041. Form 3500 can be accessed from the Franchise Tax Board's website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or can be requested by calling the Franchise Tax Board at (800) 338-0505. For further information regarding franchise tax exemption, refer to the Franchise Tax Board's website or call the Franchise Tax Board at (916) 845-4171. Questions regarding franchise tax requirements must be directed to the Franchise Tax Board.

## Additional Resources

All corporations are subject to state and federal tax laws and may be subject to additional requirements depending on the type of corporation and/or the type of business conducted. Please refer to our Business Resources webpage at [www.sos.ca.gov/business/be/resources.htm](http://www.sos.ca.gov/business/be/resources.htm) for a list of other agencies you may need to contact to ensure proper compliance. Note: The Secretary of State does not license corporations. For licensing requirements, please contact the city and/or county where the principal place of business is located and/or the state agency with jurisdiction over the activities of the corporation.

# Organization of California Common Interest Development Associations

## INSTRUCTIONS:

Articles of Incorporation must be drafted to include all the provisions required by the California Corporations Code. Articles of Incorporation may include other provisions as permitted under California law (e.g., the name and address of each initial director). The attached sample meets the minimum statutory requirements and should only be used as a guide in preparing Articles of Incorporation. The document should be typed with letters in dark contrast to the paper. Documents not suitable for reproduction will be returned unfiled. Note: The file date of Articles of Incorporation is generally the date the document complying with applicable law is received in the Secretary of State's office.

**Article I:** The articles must include a statement of the name of the corporation.

Note: The name must be exactly as you want it to appear on the records of the California Secretary of State.

**Article IIA:** This **exact** statement is required by the California Corporations Code and should not be altered.

**Article IIB:** A statement describing the specific purpose may be included.

**Article III:** The articles must include the name of the initial agent for service of process.<sup>1</sup>

- If an individual is designated as agent, include the agent's business or residential **street** address in California (a P.O. Box address is not acceptable). Please do not use "in care of" (c/o) or abbreviate the name of the city.
- If another corporation is designated as agent, do not include the address of the designated corporation.

Note: Before another corporation may be designated as agent, that corporation must have previously filed with the Secretary of State a certificate pursuant to California Corporations Code section [1505](#). **A corporation cannot act as its own agent** and no domestic or foreign corporation may file pursuant to Section 1505 unless the corporation is currently authorized to engage in business in California and is in good standing on the records of the California Secretary of State.

**Article IV:** The Franchise Tax Board requires this language before state tax exemption may be granted.

**(Articles V, VI and VII are required by California Civil Code section [1363.5](#).)**

**Article V:** This statement is required when forming a corporation to manage a common interest development.

**Article VI:** If the association has a business or corporate office and (1) the office is on site of the common interest development, the articles must include the address of the association's business or corporate office, and should include a statement that the office is on the site of the common interest development; **OR** (2) the office is not on site of the common interest development, the articles must include the address of the association's business or corporate office along with the nine-digit zip code, front street and nearest cross street to the common interest development. If the association has no business or corporate office address, no statement is required.

**Article VII:** The articles must include the name and address of the association's managing agent, if any. If the association has no managing agent, no statement is required.

**Execution:** The articles must be signed by each incorporator, or by each initial director named in the articles. If initial directors are named, each director must both sign and acknowledge the articles. Note: If initial directors are not named in the articles, the individual(s) executing the document is the incorporator(s) of the corporation. The name of each incorporator or initial director should be typed beneath their signatures.

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<sup>1</sup> An "agent for service of process" is an individual (director, officer or any other person, whether or not affiliated with the corporation) who resides in California or another corporation designated to accept service of process if the corporation is sued. Note: The agent must agree to accept service of process on behalf of the corporation prior to designation.

**ARTICLES OF INCORPORATION**

I

The name of this corporation is \_\_\_\_\_ ( *NAME OF CORPORATION* ) \_\_\_\_\_.

II

A. This corporation is a nonprofit **Mutual Benefit Corporation** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

B. The specific purpose of this corporation is to \_\_\_\_\_  
\_\_\_\_\_.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State **CALIFORNIA** Zip \_\_\_\_\_

IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

V

This corporation is an association formed to manage a common interest development under the Davis - Stirling Common Interest Development Act.

VI

The address of the business or corporate office of the association is \_\_\_\_\_  
\_\_\_\_\_. This office is on site.

**OR**

The address of the business or corporate office of the association is \_\_\_\_\_  
\_\_\_\_\_. The nine-digit zip code of the common interest development is \_\_\_\_\_. The front street and the nearest cross street to the common interest development are \_\_\_\_\_  
\_\_\_\_\_.

**NOTE**  
Use only one of the two statements, if applicable.  
**DO NOT USE BOTH STATEMENTS**

*If an individual is designated as the initial agent for service of process, include the agent's business or residential street address in California (a P.O. Box address is not acceptable). If another corporation is designated as the initial agent for service of process, do not include the address of the designated corporation.*

*This sample is provided to be used as a guideline ONLY in the preparation of the original document for filing with the Secretary of State.*

NOTE

Use only if  
**applicable.**

VII

The name and address of the association's managing agent is \_\_\_\_\_  
\_\_\_\_\_ .

(Signature of Incorporator)  
(Typed name of Incorporator), Incorporator

*This sample is provided to be used as a guideline ONLY in the preparation of the original document for filing with the Secretary of State.*