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ARTICLES OF INCORPORATION
OF
LOCKETT RANCHES OWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

The undersigned persons have this day, pursuant to Arizona Revised Statutes § 10-2301 et seq., as amended, adopted these Articles of Incorporation for the purpose of forming a nonprofit corporation under the laws of the State of Arizona ("the Association"):

ARTICLE I

Name and Known Place of Business

The name of the Association shall be LOCKETT RANCHES OWNERS ASSOCIATION, and its known place of business shall be at 100 Racquet Road, Sedona, Arizona 86336.

ARTICLE II

Duration

The Association's duration shall be perpetual.

ARTICLE III

Purpose

The purpose for which the Association is organized is to conduct the business of the Association which is to be established, organized, managed and operated in compliance with the Declaration of Covenants, Conditions and Restrictions for Lockett Ranches ("said Declaration") and the Bylaws of Lockett Ranches Owners Association ("the Bylaws"). Said Declaration is dated August 19, 1996, and was recorded August 19, 1996 as Docket 1907, page 170, at the office of the County Recorder of Coconino County, Arizona. Said Declaration shall ipso facto and without further action on behalf of the Association, its incorporators or its board of directors be applicable to the Association and the Association shall in all respects be organized, managed and operated in compliance with the covenants, conditions and restrictions of said Declaration and any amendments

thereto. At the organizational meeting of the board of directors of the Association the board of directors of the Association shall adopt the Bylaws and ratify, confirm and approve said Declaration, all of which shall be in that form proposed to the board of directors by Lockett Investors, L.L.C., the Declarant in the Declaration.

ARTICLE IV

Character of Affairs

The character of the affairs which the Association intends to conduct in the State of Arizona is that of a homeowners association (residential real estate management association) for the real property in Coconino County, Arizona which is subjected to said Declaration by the recording of said Declaration at the office of the County Recorder of Coconino County, Arizona. Membership and voting rights shall be as provided in the Declaration.

ARTICLE V

Prohibited Activities

No part of the net earnings of the Association shall inure to the benefit of (other than by acquiring, constructing improvements on, or providing management, maintenance and care of the real property to be used in common by and for the benefit of the members of the Association, or by refunding excess membership dues, fees or assessments) any member, director or officer of the Association or to any other individual. Notwithstanding any other provisions of these Articles of Incorporation, the Association shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income taxation under Section 528 of the Internal Revenue Code of 1986, as amended.

ARTICLE VI

Board of Directors

A. The affairs of the Association shall be conducted by a board of directors consisting of not less than three (3) nor more than seven (7) directors, the exact number to be as set forth, from time to time, in the Bylaws. The directors, except for the initial board, shall be elected by the members at their annual meeting and shall serve until their successors are elected and qualified. The following three (3) persons shall serve as the initial board of directors until the first annual meeting and until their successors are elected and qualified:

Name	Address
Joseph L. Lockett, Sr.	36402 North 51st Avenue Phoenix, Arizona 85027
Henry C. Lockett, III	865 Dry Creek Road Sedona, Arizona 86336
Duane D. Miller	100 Racquet Road Sedona, Arizona 86336

B. The method of election, removal and filling of vacancies on the board of directors shall be as set forth in the Bylaws.

C. The board of directors shall adopt the Bylaws for the Association, and the Bylaws may be amended, supplemented, repealed or suspended and new bylaws may be adopted as provided by said Declaration and the Bylaws.

ARTICLE VII

Officers

The officers of the corporation shall be a president, a secretary, and a treasurer, and such additional officers as the board of directors may deem necessary, who shall be elected annually by the board of directors as prescribed in the Bylaws. The officers elected shall hold office for a period of one year, or until their successors are elected and qualified, but shall be subject to removal by the board of directors at any time. The first officers of the corporation shall be elected by the board of directors at the first meeting of such board of directors, and shall serve at the pleasure of the board. Any two or more offices may be held by the same period except the offices of president and secretary.

ARTICLE VIII

Indemnification

The personal liability of any director of the corporation to the corporation or to other persons for monetary damages for breach of fiduciary duties as a director is hereby eliminated to the fullest extent allowed under the Arizona Revised Statutes, as amended from time to time. The corporation shall indemnify, to the maximum extent from time to time permitted by applicable law, any person who incurs liability or expense by reason of such person acting as an incorporator,

director, officer, employee, or agent of the corporation. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

ARTICLE IX

Limited Liability

The private property of each and every incorporator, officer, director and member of the Association shall at all times be exempt from all obligations, debts and liabilities of the Association.

ARTICLE X

Incorporation

The following named persons constitute the incorporators of the Association:

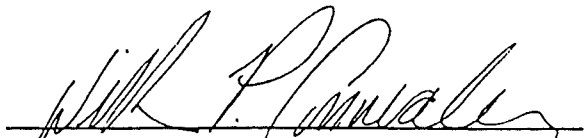
Name	Address
William P. Connealy	101 North First Avenue Suite 2700 Phoenix, Arizona 85003-1973
John A. Hink	101 North First Avenue Suite 2700 Phoenix, Arizona 85003-1973

ARTICLE XI

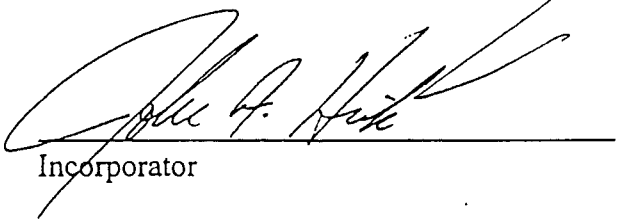
Statutory Agent

The initial statutory agent of the Association shall be David L. Haga, Jr., whose address is Suite 1100, 2800 North Central Avenue, Phoenix, Arizona 85004 and who has been a bona fide resident of the State of Arizona for at least three (3) years. By signing below the undersigned consents to his appointment as agent.

IN WITNESS WHEREOF, the undersigned persons have hereunto set his hand as of the 26th day of August, 1996.



Incorporator



Incorporator

CONSENT TO ACT AS STATUTORY AGENT

I, DAVID L. HAGA, having been designated to act as Statutory Agent of LOCKETT RANCHES OWNERS ASSOCIATION, an Arizona nonprofit corporation, hereby consent to act in that capacity until my removal or resignation is submitted in accordance with the Arizona Revised Statutes.

Dated this 26th day of August, 1996.

David L. Haga

DAVID L. HAGA

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