

**ARTICLES OF INCORPORATION
OF
LAKE HILLS CHURCH**

FILED
In the Office of the
Secretary of State of Texas
JUN 04 1997
Corporations Section

I, the undersigned natural person, over the age of eighteen (18) years, acting as incorporator of the Corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE ONE

NAME

The name of the Corporation is Lake Hills Church (the "Corporation").

ARTICLE TWO

DURATION

The period of the Corporation's duration is perpetual.

ARTICLE THREE

NON-PROFIT CORPORATION

The Corporation is a non-profit corporation organized under the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., of the Texas Revised Civil Statutes and shall have all of the powers, duties, authorizations, and responsibilities as provided therein. Notwithstanding the foregoing, the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity that would invalidate its status as an organization exempt from federal income tax and described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws (the "Internal Revenue Code of 1986").

ARTICLE FOUR**PURPOSES**

SECTION 1. The Corporation is organized and shall be operated exclusively for religious, charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. More particularly, the purposes of this Corporation are:

- (a) To spread the Gospel of Jesus Christ and the worship of God among its members and attendants, and practice the Christian virtues inculcated in the Holy Scriptures.
- (b) To employ and discharge ordained ministers of the Gospel, and others, to conduct and carry on divine services at the place of worship of the members of the Corporation, and elsewhere, and to collect and disburse any and all necessary funds for the maintenance of said Corporation and the accomplishment of its purposes.
- (c) To conduct, accomplish and carry on its objectives, functions and purposes or any part thereof set forth in the Constitution, if any, of the Corporation as amended from time to time, within or without the State of Texas.

SECTION 2. This Corporation is also organized to promote, encourage, and foster any other similar religious, charitable and educational activities; to accept, hold, invest, reinvest and administer any gifts, legacies, bequests, devises, funds and property of any sort or nature, and to use, expend, or donate the income or principal thereof for, and to devote the same to, the foregoing purposes of the Corporation; and to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the purposes of this Corporation. Provided, however, no act may be performed which would violate Section 501(c)(3) of the Internal Revenue Code of 1986, as it now exists or as it may hereafter be amended.

SECTION 3. In order to carry out the above-stated purposes, the Corporation shall have all those powers set forth in Article 1396-2.02 of the Texas Non-Profit Corporation Act, as it now exists or as it may hereafter be amended. The powers of the Corporation to promote the purposes set out above are limited and restricted in the following manner:

- (a) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its incorporators, officers or other private persons, except that the Corporation shall be authorized and empowered to make payments and distributions (including reasonable compensation for services rendered to or for the Corporation) in furtherance of its purposes as set forth in these Articles. 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 publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by (i) a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, or (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

(b) In the event this Corporation is in any one year a "private foundation" as defined by Section 509(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, it shall be required to distribute its income for such taxable year at such time and in such manner as not to subject the foundation to taxation under Section 4942 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; and further shall be prohibited from: (i) any act of "self dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; (ii) retaining any "excess business holdings" as defined by Section 4943(c) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; (iii) making any investments in such manner as to subject the foundation to taxation under Section 4944 of the Internal Revenue Code of 1986, as amended, or corresponding provisions any subsequent federal tax laws; or (iv) making a taxable expenditures as defined in Section 4945(d) of the internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

(c) The Corporation shall not accept any gift or grant if the gift or grant contains major conditions which would restrict or violate any of the Corporation's religious, charitable or educational purposes or if the gift or grant would require serving a private as opposed to a public interest.

(d) Upon the dissolution of the Corporation, the Corporation shall, after paying or making provision for payment of all the liabilities of the Corporation, distribute all of the assets of the Corporation to another church or other organization of like faith and order that is a qualified charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding section of any future federal code, which will be determined by church action and shall require at least two-thirds (2/3) of the vote of the members present at a meeting at which a quorum is present, which is duly called and held in accordance with the Corporation's adopted procedures.

ARTICLE FIVE

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Corporation shall be located at 600 Ashbrook Court, Euless, Texas 76039 and the name of the initial registered agent at such address shall be Mac Richard.

ARTICLE SIX

MEMBERSHIP

The Corporation shall have one or more classes of members. The number, qualifications, and relative rights of each class shall be as set forth in the Corporation's Bylaws. The Corporation is a church and the management of its affairs shall be vested in its Board of Directors in the absence of an express provision to the contrary in the Bylaws.

ARTICLE SEVEN

BOARD OF DIRECTORS

The qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors (the "Board of Directors") shall be provided in the Bylaws. The initial Board of Directors shall consist of three (3) persons. The number of directors may be increased or decreased by amendment of the Bylaws. The number of directors may not be decreased to less than three. The initial Board of Directors shall consist of the following persons at the following addresses:

<u>Name of Director</u>	<u>Street Address</u>
Mac Richard	600 Ashbrook Court Euless, Texas 76039
Julie Richard	600 Ashbrook Court Euless, Texas 76039
Frank Van Court	200 Winchester Drive Dripping Springs, Texas 78620

ARTICLE EIGHT

LIMITATION ON LIABILITY OF DIRECTORS

A director is not liable to the Corporation or members for monetary damages for an act or omission in the director's capacity as director except to the extent otherwise provided by a statute of the State of Texas.

ARTICLE NINE

INDEMNIFICATION

To the maximum extent permitted or required by Article 1396-2.22A of the Texas Non-Profit Corporation Act, as it now exists or as it may be amended in the future, the Corporation shall indemnify and advance expenses to persons who are officers, directors, employees, agents, or other persons identified in Article 1396-2.22A, for amounts such persons pay directly. The Corporation shall not indemnify or advance expenses to such persons for any amount paid by a third party pursuant to a plan or contract of insurance.

ARTICLE TEN

INCORPORATOR

The name and address of the incorporator of the Corporation is:

<u>Name of Incorporator</u>	<u>Address</u>
David O. Middlebrook	Brewer, Brewer, Anthony & Middlebrook 5215 N. O'Connor, Suite 700 Irving, Texas 75039

ARTICLE ELEVEN

ACTION BY WRITTEN CONSENT

Action may be taken by use of signed written consents by the number of members, directors, or committee members whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must bear the date of signature of each person signing it. A consent signed by less than all of the members, directors, or committee members is not effective to take the intended action unless consents, signed by the required number of persons, are delivered to the Corporation within sixty (60)

days after the date of the earliest dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If the delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the secretary of state, the filed documents will indicate that the written consent procedures have been properly followed.

A telegram, telex, cablegram, or similar transmission by a member, director, or committee member, or photographic, facsimile, or similar reproduction of a signed writing is to be regarded as being signed by the member, director, or committee member.

ARTICLE TWELVE

CONSTRUCTION

All references in these Articles of Incorporation to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

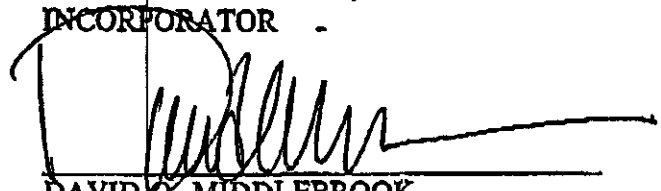
ARTICLE THIRTEEN

AMENDMENT

These Articles may not be amended in any way without the prior written consent of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand, this 4th day of June, 1997.

INCORPORATOR



DAVID O. MIDDLEBROOK

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