

J. PATRICK FITZGERALD, P.A.

ATTORNEYS AT LAW
110 MERRICK WAY
SUITE 3-B

CORAL GABLES, FLORIDA 33134

TELEPHONE (305) 443-9162

TELEFAX (305) 443-6613

E-mail address: jpfitz@bellsouth.net

Application # 2002-701H
Case # (legal) 2002-0036

PALM BEACH OFFICE
120 BUTLER STREET
WEST PALM BEACH, FLORIDA 33407
(561) 659-6438

J. PATRICK FITZGERALD
ROBERTO J. DIAZ
THOMAS H. COURTNEY
MICHELLE GARCIA RIVERA

OF COUNSEL:
SUZANNE A. DOCKERTY

Reply To:
Coral Gables

August 12, 2002

Via Federal Express

Corporation Clerk
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

RECEIVED
CORPORATION CLERK
FLORIDA HOUSING
FINANCE CORPORATION
AUG 13 11 51 AM '02

Re: Applicant: Catholic Charities of the Diocese of Palm Beach, Inc.
File Number: 2002-701H
Development: Villa Seton
Application for the 2002 HOME Rental Application Cycle

Dear Sir or Madam:

We are general counsel for the Diocese of Palm Beach and its entities Catholic Charities of the Diocese of Palm Beach, Inc. and Villa Seton, Inc., both Florida not for profit corporations. Please accept this correspondence as a petition to contest the decision relative to the Applicant's HOME Rental Application and for a review of that decision. Set forth herein are the scores sought to be reviewed.

Affected Agency: Florida Housing Finance Corporation
HOME Rental Application

Petitioner: Catholic Charities of the Diocese of Palm Beach, Inc.
Pastoral Center
9995 North Military Trail
PO Box 109650
Palm Beach Gardens, Florida 33410-9650
Attn: Ms. Robin M. Lunn
Phone: (561) 775-9571

Representative: J. Patrick Fitzgerald, P.A.
110 Merrick Way, Suite 3B
Coral Gables, Florida 33134
Attn: J. Patrick Fitzgerald
Phone: (305) 443-9162

Statement of Facts Warranting Reversal:

1. Item 1T, Part II, Section A.2.d.(v): All entities of the Diocese of Palm Beach operate under the supervision and control of the Bishop of the Diocese. The Diocese's real estate is held in fee simple under the Bishop as a corporation sole. Catholic Charities of the Diocese of Palm Beach, Inc., is a Florida not for profit corporation and operates under the supervision and control of the Bishop. This entity acts to facilitate a host of services including fostering low-income housing. In fact, Catholic Charities has currently, and for the past ten years, continuing experience in operating almost 300 low-income rental housing units, with funding approval for two additional developments. The Applicant did try to satisfy the language requirement by amending its ByLaws, which have been previously provided. Although perhaps stated more broadly in its Articles of Incorporation one of its stated purposes includes operating for the advancement of charitable, welfare and social work, and to engage in family and child welfare service throughout the Diocese. We believe the language in the Articles and ByLaws taken together, along with its actual on-going operation of such low-income rental units, is sufficient to meet this requirement. The Applicant is however, willing to amend its Articles if so required.

What we feel should be deemed more controlling for this language requirement is the purpose of Villa Seton, Inc. Once the funding is approved for Villa Seton the fee ownership of the property will be conveyed by the Bishop to Villa Seton, Inc., a Florida not for profit corporation, which will also operate under the supervision and control of the Bishop. Enclosed is a copy of the Option Agreement for the transfer of title to Villa Seton, Inc. The Articles of Incorporation of Villa Seton do include its purpose to provide elderly persons and handicapped persons with housing facilities and services specially designed to meet their physical, social and psychological needs.

2. Item 3T, Part V, Section B: The Applicant included the Kresge Foundation grant of \$500,000 as a possible source of additional funds because it is the Applicant's preferred funding source. It is not the only source available.
3. Item 4T, Part V, Section B: The Applicant did include in its application a letter from the U.S. Department of Housing and Urban Development from the Jacksonville office confirming approval of the \$619,840.00 amendment to its loan. The amendment is currently going through final processing in the Washington office.
4. Item 5T, Part V, Section B: The Application does not have a financial funding shortfall of \$1,168,689.
5. Item 6T, Part III, Section C.2: Please refer to response number 1 above. While the fee ownership of the real property is currently in the Bishop, an Option Agreement has been

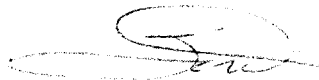
Corporation Clerk
Florida Housing Finance Corporation
August 12, 2002
Page Three

provided indicating that the fee title will be conveyed to Villa Seton, Inc. The conveyance will take place simultaneously with the loan closing.

Relief Sought: Review of the enclosed information and reconsideration of the loan funding decision. The Applicant requests a hearing to further state its case.

On behalf of the Applicant, we thank you for your consideration of this petition.

Very truly yours,



Suzanne A. Dockerty

w/enc.

cc: Ms. Robin M. Lunn

OPTION TO PURCHASE REAL PROPERTY

Option given on this 21st day of March, 2002, by REVEREND JAMES MURTAGH, AS APOSTOLIC ADMINISTRATOR OF THE DIOCESE OF PALM BEACH, HIS SUCCESSORS IN OFFICE, A CORPORATION SOLE, of 9995 N. Military Trail, City of Palm Beach Gardens, County of Palm Beach, State of Florida, (hereinafter "Optionor"), to VILLA SETON, INC., of 9995 N. Military Trail, City of Palm Beach Gardens, County of Palm Beach, State of Florida (hereinafter "Optionee").

Section 1. Grant of option. Optionor, in consideration of \$10.00 paid by optionee to Optionor, receipt of which is acknowledged by Optionor, grant to optionee the exclusive right and option to purchase, on the following terms and conditions, that real property in the City of Port St. Lucie, St. Lucie County, State of Florida, described as follows:

[SEE EXHIBIT "A"].

Section 2. Option period. The term of the option commence on March 21, 2002, and continuing until September 21, 2002.

Section 3. Purchase price of property. The full purchase price of the property is \$535,000.00, which amount shall be payable as herein provided if optionee elects to exercise this option.

Section 4. Application of consideration to purchase price. If optionee purchases the property described in this option, and under the terms and conditions hereof, the consideration paid for this option shall be applied to the purchase price.

Section 5. Exercise of option. Optionee may exercise this option by giving Optionor written notice thereof, signed by optionee, before the time herein set for expiration. Within 10 days after receipt of such notice, Optionor shall deliver to optionee, against payment of the purchase price, a Quit Claim deed to the property. Tender of optionee's valid check for the purchase price \$535,000.00 [less any amount already paid by optionee and to be credited to optionee], shall constitute a sufficient tender.

Section 6. Proof of title. The real property taxes on the property, whether a lien or not, assessed or to be assessed for the year in which this transaction is finally consummated shall be prorated between the parties to the date of delivery of the deed of conveyance; if such taxes are not ascertainable at the time of delivery of the deed of conveyance, the amount of the prior year's taxes shall then be used as a basis of proration. All special assessments and special ad valorem levies, if any, shall be paid by Optionor whether the same be payable in a lump sum, in installments, or otherwise.

If at any time before the consummation of the purchase and sale under this option it appears from laws, regulations, and/or ordinances, either national, state, or local, or for any other reason, that optionee is unable to obtain necessary consents and permits to construct, install, and maintain buildings, driveways, approaches, and equipment in accordance with optionee's plans and to operate and carry on its business on or at the property, or that the property cannot for any reason be used for optionee's business, then optionee may terminate this option and be under no obligation to complete the purchase.

Section 7. Failure to exercise option. If optionee does not

exercise this option in accordance with its terms and within the option period, this option and the rights of optionee shall automatically and immediately terminate without notice. In the event optionee fails to exercise this option, Optionor shall retain the sum paid as consideration for this option.

Section 8. Notices. All notices provided for herein shall be deemed to have been duly given if and when deposited in the United States mail with proper and sufficient postage affixed, properly addressed to the party for whom intended at the party's above listed address, or when delivered personally to such party.

Section 9. Time of essence. Time is of the essence of this option.

Section 10. Binding effect. This option shall be binding upon and shall inure to the benefit of the parties to it, and to their respective heirs, successors, or assigns.

In witness whereof, the Optionor have executed this option at Palm Beach Gardens Florida, on this 21st day March, 2002, the day and year first above written.

Antoinette M. Russell
Witness Signature
Antoinette M. Russell
Witness Printed Name

James Murtagh
REVEREND JAMES MURTAGH, AS
APOSTOLIC ADMINISTRATOR OF THE
DIOCESE OF PALM BEACH, HIS
SUCCESSORS IN OFFICE, A
CORPORATION SOLE

Lorraine Sabatella
Witness Signature
Lorraine Sabatella
Witness Printed Name

STATE OF FLORIDA)
) SS
COUNTY OF PALM BEACH)

The foregoing instrument was executed before me this 21st day March, 2002, by Reverend James Murtagh, as Apostolic Administrator of the Diocese of Palm Beach, his successors in office, a corporation sole. [Check One] [] He is personally known to me or [] he produced _____ as identification.

Mary M. Baroni
NOTARY PUBLIC-STATE OF FLORIDA
At Large
(Print, Type or Stamp Notary Name)

My Commission Expires:



Exhibit "A"
Legal Description

PHASE I:

The South 687.00 feet of Tract "C" of THE FIRST REPLAT IN PORT ST. LUCIE SECTION 42, according to the Plat thereof, as recorded in Plat Book 18, at Pages 18, 18A thru 18J, of the Public Records of St. Lucie County, Florida, LESS the North 337.00 feet of the West 459.00 feet thereof.

AND LESS AND EXCEPT:

COMMENCE at the Southwest corner of said Tract "C" of said Plat; thence N 00° 00' 00" W (along the West line of said Tract "C") for 350.00 feet; thence N 90° 00' 00" E for 459.00 feet to the POINT OF BEGINNING of the land herein described; thence N 00° 00' 00" W for 337.00 feet; thence S 00° 00' 00" E for 350.00 feet (to the East line of said Tract "C"); thence S 00° 00' 00" E (along said East line) for 407.71 feet; thence S 90° 00' 00" W for 249.29 feet; thence N 45° 00' 00" W for 100.00 feet; thence S 90° 00' 00" W for 30.00 feet to the POINT OF BEGINNING.

Tax Folio Number 3420-711-0003-000/3

00 DEC 26 PM 5:03

**ARTICLES OF INCORPORATION
OF
VILLA SETON, INC.
(A not-for-profit corporation)**

The undersigned, for the purpose of forming a corporation not for profit under Chapter 617 of the Florida Statutes, hereby makes, subscribes, acknowledges and files the following Articles of Incorporation:

**ARTICLE I
NAME AND REGISTERED AGENT**

- (A) The name of the corporation is Villa Seton, Inc., a Florida not for profit corporation.
- (B) The existence of the corporation shall be perpetual and shall commence its existence on the date of filing and assignment of charter number.
- (C) The principal office of the corporation will be located at 9995 N. Military Trail, Palm Beach Gardens, Florida, 33410.
- (D) The resident agent of the corporation is J. Patrick Fitzgerald, Esquire, whose post office address is J. Patrick Fitzgerald, P.A., 110 Merrick Way, Suite 3-B, Coral Gables, Florida 33134.

**ARTICLE II
PURPOSE**

The purposes for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

- (A) This Corporation is organized exclusively for charitable and/or educational purposes, including, for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or to the Secretary of Housing and Urban Development for the time being exclusively for a public purpose. In pursuance of the foregoing purposes, the Corporation shall have the power to provide elderly persons and handicapped persons with housing facilities and services specially designed to meet their physical, social and psychological needs, and to promote their health, security, happiness and usefulness in longer living, the charges for such facilities and services to be predicated upon the provision, maintenance, and operation thereof on a nonprofit basis.

(B) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law.

ARTICLE III POWER

The Corporation is empowered:

(A) To buy, own, sell, assign, mortgage, or lease any interest in real estate and personal property and to construct, maintain, and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article II hereof, but solely in connection with the project assisted under Section 202 of the housing act of 1959, as amended, or Section 811 of the National Affordable Housing Act.

(B) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge, or other lien on the Corporation's property.

(C) To do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of capital advances or project rental assistance under Section 202 or Section 811. Such Regulatory Agreement and other instruments and undertaking shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is held by the Secretary of Housing and Urban Development.

(D) Upon the dissolution of the Corporation, all of the remaining assets of the Corporation shall be distributed only to one or more organizations created and operated for one or more exempt purposes within the meaning of Article II (a) hereof, other than for religious purposes, all of the foregoing within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or shall

be distributed to the Secretary of Housing and Urban Development exclusively for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine which are organized and operated exclusively for such purposes.

ARTICLE IV
BOARD OF DIRECTORS

The number of directors of the corporation shall be no less than seven (7) nor more than twenty-five (25) and shall be elected by the members of the corporation from the membership. Only members of the corporation may sit as a director. The initial members and directors are set forth below:

Rev. Msgr. John R. McMahon
370 S.W. Third Street
Boca Raton, FL 33432

Reverend Richard Murphy
P.O. Box 3758
Vero Beach, FL 32964

Madeleine Schutz
P.O. Box 109650
Palm Beach Gardens, FL 33410-9850

Basil J. Zaloom
P.O. Box 109650
Palm Beach Gardens, FL 33410-9650

Kevin McGinley
1300 N. Congress Ave, Suite C
West Palm Beach, FL 33409

Rev. Edmund Szpieg
St. Elizabeth Ann Seton
930 S.W. Tunis Avenue
Port St. Lucie, FL 34953

Dennis J. Murphy
350 S.W. Panther Trace
Port St. Lucie, Florida 34952

The directors shall serve without compensation.

Membership in the corporation shall, at all times, be limited to individuals who subscribe to the purposes of this corporation as contained herein and are approved by the Bishop of the Diocese of Palm Beach, or his successor in office. In the event he or his successor in office withdraw said approval, then such withdrawal of approval shall be construed as resignation as a member and director of this corporation.

The officers of this corporation as provided by the Bylaws of the corporation, shall be elected by the directors of the corporation, in the manner therein set out, and shall serve until their successors are elected and have qualified. The directors shall elect the regular officers of the corporation at the annual meeting for terms of one (1) year.

Where the term "Director" or "Directors" is used in connection with the governing Board of this corporation, it shall be interchangeable with the term "Trustee" or "Trustees" in connection with the governing Board of this corporation.

ARTICLE V OFFICERS OF THE CORPORATION

The officers of the Corporation, as provided by the Bylaws of the Corporation, shall be elected by the directors (trustees) of the Corporation, in the manner therein set out, and shall serve until their successors are elected and have qualified. The directors (trustees) shall elect the regular officers of the Corporation at the annual meeting, for terms of one year. The secretary and treasurer may be one and the same person. The names of the officers and the offices they shall hold until the first election hereinafter provided for shall be:

Rev. Msgr. John R. McMahon	President
Rev. Richard Murphy	Vice President
Madeleine Schutz	Secretary
Basil Zaloom	Treasurer
Kevin McGinley	Assistant Secretary/Treasurer

ARTICLE VI
MEETINGS

The annual meeting of the Board governing this corporation shall be held in accordance with the Bylaws.

ARTICLE VII
BYLAWS

Bylaws of the Corporation may be adopted by the directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles or of the Regulatory Agreement between the Corporation and the Secretary of Housing and Urban Development pursuant to Article II hereof.

ARTICLE VIII
AMENDMENT

Section 1. So long as a mortgage on the Corporation's property is held by the Secretary of Housing and Urban Development or the Use Agreement remains in effect, these Articles may not be amended without the prior written approval of the said Secretary.

Section 2. These Articles of Incorporation may be amended by a majority vote of the membership at any regular meeting, or any special meeting called for that purpose, after first giving at least ten (10) days notice to the membership, subject to the provision of Article VII herein.

ARTICLE IX
INCORPORATOR

The name and address of the initial incorporator is as follows:

Reverend Richard Murphy
Diocese of Palm Beach
P.O. Box 109650
Palm Beach Gardens, FL 33410-9650

IN WITNESS WHEREOF, the incorporator, have hereunto set my hand and seal as incorporator, this 19th day of Dec., 2000.

Richard Murphy

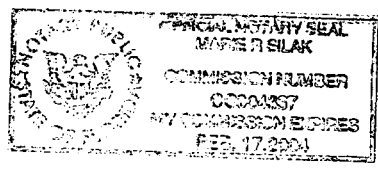
STATE OF FLORIDA)
COUNTY OF PALM BEACH)

SS:

The foregoing instrument was acknowledged before me this 19 day of December 2000, by Reverend Richard Murphy, as Vice President of Villa Seton, Inc., a Florida not for profit corporation, on behalf of the corporation, and who is personally known to me or [] who has produced _____ as identification.

Marie R. Silak
NOTARY PUBLIC - STATE OF FLORIDA
At Large

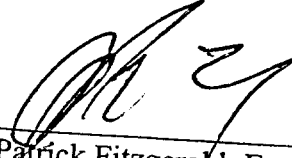
My Commission Expires:



00 DEC 26 PM 5: 03

ACCEPTANCE BY REGISTERED AGENT

The undersigned hereby accepts the responsibilities and agrees to serve as Registered Agent of Villa Seton, Inc., a Florida not for profit corporation.



J. Patrick Fitzgerald, Esquire
Registered Agent

**BYLAWS OF VILLA SETON, INC.
A FLORIDA NOT FOR PROFIT CORPORATION**

**ARTICLE ONE
INTRODUCTION**

Definition of Bylaws

1.01. These Bylaws constitute the code of rules adopted by the Board of Directors for the regulation and management of its affairs.

Purposes and Powers

1.02. This Corporation will have the purposes or powers as may be stated in its Articles of Incorporation, and such powers as are now or may be granted hereafter by law. The primary purpose of this Corporation is to engage in any lawful purposes not for pecuniary profit.

**ARTICLE TWO
OFFICES AND AGENCY**

Principal and Branch Offices

The location of the registered office of this Corporation is 110 Merrick Way, Suite 3-B, Coral Gables, Florida 33134. Such office will be continuously maintained in the State of Florida for the duration of this Corporation. The registered agent for this Corporation is J. Patrick Fitzgerald. The Board of Directors may from time to time change the address of its registered office and its registered agent by duly adopted resolution and filing the appropriate statement with the State.

**ARTICLE THREE
MEMBERSHIP**

Definition of Membership

3.01. The Members of this Corporation are those persons having membership rights in accordance with the provisions of these Bylaws.

3.02. This Corporation will have one class of Members which is designated as general.

Qualifications of Members

3.03. The qualifications and rights of the Members of the membership class of this corporation are as follows:

Membership shall be available to those whose interests are in furtherance of those contained in the Articles of Incorporation and as approved by a majority of the Members.

Place of Members' Meetings

3.04. Meetings of Members will be held at 9995 N. Military Trail, Palm Beach Gardens, Florida 33410, or at such other place as designated in the notice of meeting.

3.05. The annual meeting of the members will be held in November or at such other time as designated in the notice of meeting.

Special Members' Meetings

3.06. Special meetings of the Members may be called by either of the following:

- (1) The Board of Directors (at least three [3])
- (2) The Chairman of the Board
- (3) Vice Chairman of the Board and Secretary
- (4) Members having at least three votes.

Notice of Members' Meetings

3.07. Written or printed notice, stating the place, day and hour of the meeting and (in the case of a special meeting) the purpose or purposes for which the meeting is called, must be delivered not less than three (3) nor more than forty (40) days before the date of the Members' meeting, either personally, by (registered or certified) first class mail, or by telegram or at the direction of the President, the Secretary, or the officers or other persons or Members calling the meeting, to each Member entitled to vote at such a meeting. If mailed, the notice will be deemed to be delivered when deposited in the United States mail addressed to the Member at this address as it appears on the records of the Corporation, with postage prepaid.

Voting Rights of Members

3.08. Each Member will be entitled to one vote on each matter submitted to a vote of the Members.

Members' Proxy Voting

3.09. A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy will be recognized as valid after eleven (11) months from the date of its execution unless expressly provided otherwise in the proxy.

Quorum of Members

3.10. The number of Members which constitutes a quorum at a meeting of Members will be a majority of these present but in no instance less than 3 Members. The vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present is necessary for the adoption of any matter voted on by Members, unless a greater proportion is required by law, the Articles of Incorporation of this Corporation, or any provisions of these Bylaws.

Transferability of Membership

3.11. Membership in this Corporation is non-transferable and non-assignable.

Termination of Membership

3.12. Membership in this Corporation will terminate on either of the following events, and for no other reason:

(1) Receipt by the Board of Directors of the written resignation of a Member, executed by such Member or his duly authorized attorney-in-fact.

(2) The death of Member.

(3) For cause, inconsistent with Membership, after notice, hearing and conviction.

(4) Any Member who is absent from two consecutive regular (including annual) Member's meetings without approval from a majority of the Members, may have their Membership terminated by a majority vote of the Members at any regular (including annual) or specially called meeting.

(5) Withdrawal by the Bishop of the Diocese of Palm Beach of the approval to serve as a Member.

Before a Membership terminates for any reason other than (1), (2) or (5), the Member will be given an opportunity to be heard before the Members, unless he is absent from the county in which the Corporation is located. A Member terminating membership status for reasons other than death may be completely and automatically reinstated if he corrects the cause of termination before formal adoption by the Members of a resolution acknowledging such termination.

ARTICLE FOUR DIRECTORS

Definition of Board of Directors

4.01. The Board of Directors is that group of persons vested with the management of the business and affairs of this Corporation subject to the law, the Articles of Incorporation, and these Bylaws.

Structure of Board

4.02. The Board of Directors of this Corporation will constitute one class.

Qualifications of Directors

4.03. The qualifications for becoming and remaining a Director of this Corporation are as follows:

- (1) Directors need not be residents of the State of Florida.
- (2) Directors must be Members of the Corporation.

Number of Directors

4.04. The number of Directors of this Corporation will not at any time be less than seven (7) nor more than twenty-five (25).

Term of Directors

4.05. Each Director will hold office for the term of one (1) year, and until a successor has been selected and qualified.

Vacancies on the Board

4.06. Resignation of Directors will become effective immediately or on the date specified therein and vacancies will be deemed to exist as of such effective date. Any vacancy occurring in the Board of Directors, and any Directorship to be filled by reason of an increase in the number of directors, will be filled by appointment by a majority of the remaining Board of Directors. The new Director appointed to fill the vacancy will serve for the unexpired term of the predecessor in office.

Place of Directors' Meetings

4.07. Meetings of the Board of Directors, regular or special, will be held at the registered office of this Corporation or at any other place within or without the State of Florida, as provided or such place or places as the Board of Directors designates by resolution duly adopted.

Regular Directors' Meetings

4.08. Regular meetings of the Board of Directors will be held in November or at such other time as designated in the notice of meeting.

Notice of Special Directors' Meetings

4.09. Written or printed notice stating the place, day and hour of any special meeting of the Board of Directors will be delivered to each Director not less than two (2) nor more than five (5) days before the date of the meeting, either personally or by first class mail, by or at the direction of the President, or the Secretary, or the Directors calling the meeting. If mailed, such notice will be delivered when deposited in the United States mail (by registered or certified mail) addressed to the Director at his address as it appears on the records of this Corporation, with postage prepaid. Such notice need not state the business to be transacted at, nor the purpose of, such meeting.

Call of Special Board Meetings

4.10. A special meeting of the Board of Directors may be called by either:

- (1) The President

(2) Any Two (2) Officers

(3) Three (3) Directors

Waiver of Notice

4.11. Attendance of a Director at any meeting of the Board of Directors will constitute a waiver of notice of such meeting except where such Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Quorum of Directors

4.12. The number of Directors which constitute a quorum at a meeting of Directors will be a majority of those present, but in no instance less than three (3) Directors. The act of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors unless a greater number is required under the provisions of the Articles of Incorporation or any provision of these Bylaws.

Termination of Directorship

4.13. Any Director who is absent from two (2) consecutive regular (including annual) board meetings without approval from majority of the Directors, may have their directorship terminated by a majority vote of the Directors at any regular or specially called meeting.

Voting Rights

4.14. Each Director will be entitled to one vote on each matter submitted to a vote of Directors. No one Director shall act for or on behalf of the Board of Directors or on any matter necessitating Board action without the prior approval of the Board by a duly adopted resolution.

ARTICLE FIVE OFFICERS

Roster of Officers

5.01. The Officers of this Corporation will consist of the following personnel:

(1) President

- (2) Vice President
- (3) A Secretary
- (4) Assistant Secretary/Treasurer
- (5) A Treasurer

Selection of Officers

5.02. Each of the Officers of this Corporation will be elected annually by the Board of Directors. Each Officer will remain in office until a successor for such office has been selected and qualified. Such election will take place at the annual meeting of the Board of Directors.

Multiple Officeholders

5.03. In any election of Officers, the Board of Directors may elect and appoint a single person to any two or more offices simultaneously, except that the offices of President and Secretary must be held by separate individuals. Officers of this Corporation need not be Directors of this Corporation.

President

5.04. The President will be the Chief Executive Officer of this Corporation and will, subject to the control of the Board of Directors or Director Committees, supervise and control the affairs of the Corporation. The President will perform all duties incident to such office and such other duties as may be provided in these Bylaws or as may be prescribed from time to time by the Board of Directors.

Vice President

5.05. The Vice President will perform all duties and exercise all powers of the President when the President is absent or is otherwise unable to act. The Vice President will perform such other duties as may be prescribed from time to time by the Board of Directors.

Secretary

5.06. The Secretary will keep minutes of all meetings of Members and of the Board of Directors, will be the custodian of the corporate records, will give all notices as are required by law

or by these Bylaws, and, generally, will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors. The Secretary may designate one of the staff to give notice of all meetings and be the custodian of corporate records whenever necessary.

Assistant Secretary/Treasurer

5.07. The Assistant Secretary/Treasurer will perform all duties and exercise all powers of the Secretary when the Secretary is absent or is otherwise unable to act. The Assistant Secretary/Treasurer will perform such other duties as may be prescribed from time to time by the Board of Directors.

Treasurer

5.08. The Treasurer will have charge and custody of all funds of this Corporation, will deposit the funds as required by the Board of Directors, will keep and maintain adequate and correct accounts of the corporation's properties and business transactions, will render reports and accountings to the Directors and to the Members or by law, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

Removal of Officers

5.09. Any Officer elected or appointed to office may be removed by the persons authorized under these Bylaws to elect or appoint such Officers whenever in their judgment the best interests of this Corporation will be served. However, such removal will be without prejudice to any contract rights of the Officer so removed.

ARTICLE SIX INFORMAL ACTION

6.01. Whenever any notice whatever is required to be given under the provisions of the law, the Articles of Incorporation of this Corporation, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, will be deemed equivalent to the giving of such notice. Such waiver must, in the case of a special meeting of Members, specify the general nature of the business to be transacted.

Action by Consent

6.02. Any action required by law or under the Articles of Incorporation of this Corporation or these Bylaws, or any action which otherwise may be taken at a meeting of either the Members or Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the persons entitled to vote with respect to the subject matter of such consent, or all Directors in office, and filed with the Secretary of the Corporation.

ARTICLE SEVEN OPERATIONS

Fiscal Year

7.01. The fiscal year of this corporation will end June 30th of each year.

Execution of Documents

7.02. Except as otherwise provided by law or board resolution, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of this Corporation will be signed by the Treasurer and countersigned by the President. Contracts, leases, or other instruments executed in the name of and on behalf of the Corporation will be signed by the President and countersigned by the Secretary, and will have attached copies of the resolutions of the Board of Directors certified by the Secretary authorizing their execution.

Books and Records

7.03. This Corporation will keep correct and complete books and records of account, and will also keep minutes of the proceedings of its Members, Board of Directors, and Directorial Committees. The Corporation will keep at its principal place of business a membership register giving the names, addresses, and showing classes and other details of the Membership of each, and the original or a copy of its Bylaws including amendments to date certified by the Secretary of the Corporation.

Inspection of Books and Records

7.04. All books and records of this Corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating such purpose.

Nonprofit Operation - Compensation

7.05. This Corporation will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Corporation will be distributed to its Members, Directors, or Officers. However, the Corporation may pay compensation in a reasonable amount to Members, Officers, or Directors for Services rendered.

Loans to Management

7.06. This Corporation will make no loans to any of its Directors or Officers (or to any of its key management or other personnel).

Miscellaneous

7.07. (1) No members of this Corporation may have any vested right, interest, or privilege of, in or to the assets, functions, affairs, or franchises of the Corporation, or any right, interest, or privilege which may be transferable or inheritable, or which will continue if his Membership ceases, or while he is not in good standing.

(2) Expelled Members shall have no property rights to assets of the Corporation.

(3) On dissolution, assets of this Corporation remaining after the payment or discharge of all liabilities of the Corporation; the return, transfer, or conveyances of assets held on conditions requiring the same; and the transfer or conveyance of assets received and held subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes shall be distributed to another 501(c) (3) organization in accordance with the Articles of Incorporation.

(4) The Directors of this Corporation may not authorize secured transactions or other dispositions of corporate assets without approval by the Members.

ARTICLE EIGHT AMENDMENTS

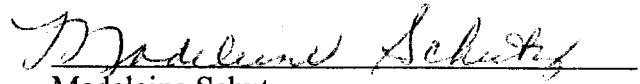
Amendment of Articles of Incorporation

8.01. Subject to the provisions contained in the Articles of Incorporation, the power to alter, amend, or repeal the Articles of Incorporation of this Corporation is vested in the Members.

8.02. Subject to the provisions contained in the Articles of Incorporation, the power to alter, amend, or repeal these Bylaws, or to adopt new Bylaws, insofar as is allowed by law, is vested in the Members.

SECRETARY'S CERTIFICATE

This is to certify that I am the Secretary of Villa Seton, Inc., and the foregoing Bylaws of Villa Seton, Inc., were adopted by unanimous vote of the Board of Directors of said Corporation, to be effective for all purposes from and after December 19, 2000.



Madeleine Schutz
Secretary
Villa Seton, Inc.

THC/mim/THC13/VILLA-SETON.BYLS
FINAL:12/5/2000