

BYLAWS
OF
CASTLE HIGHLANDS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is CASTLE HIGHLANDS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be c/o Pulte Corporation, 7475 South Joliet Street, Englewood, Colorado 80112, but meetings of members and directors may be held at such places within the State of Colorado as may from time to time be designated by the Board of Directors of the Association ("Board of Directors" or "Board").

ARTICLE II
PURPOSE

The purpose for which the Association is formed is to govern the Lots, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in that certain Community Declaration for Castle Highlands, and any amendments and supplements thereto, recorded or to be recorded in the office of the Clerk and Recorder of Douglas County, Colorado ("Declaration") (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined), and those certain Articles of Incorporation of Castle Highlands Homeowners Association, Inc., and any amendments thereto, filed in the office of the Secretary of State of the State of Colorado, as amended ("Articles of Incorporation"). All present and future Owners, tenants, occupants, and any other Person who may use the Lots, the Common Elements, or any portion thereof, or any facilities or appurtenances thereto or thereon, in any manner, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the Declaration, Articles of Incorporation and these Bylaws. The mere acquisition, rental or occupancy of any Lot, or any portion thereof, shall signify that all terms and provisions of the Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

ARTICLE III
MEETINGS OF MEMBERS

1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of incorporation of the Association, and thereafter each subsequent regular annual meeting of the Members shall be held in the last quarter of the calendar year, the specific date and time thereof to be designated by the Board of Directors from time to time. At each annual meeting, the Members shall elect directors to fill vacancies and conduct such other business as may properly come before the meeting.

2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors or by Owners having at least twenty percent (20%) of the votes of the Association.

3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Association or Person authorized to call the meeting. Not less than ten (10) nor more than fifty (50) days in advance of such meeting, the Person giving such notice, as aforesaid, shall cause notice of the meeting to be hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors.

4. Quorum

(a) A quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board of Directors are present, in person or by proxy, at the beginning of the meeting.

(b) Unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

5. Proxies

(a) If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Lot.

(b) The vote allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one Person, any Owner of such Lot may register protest to the casting of a vote by any other Owner of such Lot through a duly executed proxy; but each Lot shall only have one vote allocated to it, as provided in the Declaration. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date unless it provides otherwise.

6. Security Interest Holders of First Security Interests. Each Security Interest Holder of a First Security Interest shall have the right to designate a representative to attend all meetings of Members.

7. Voting by Mail. The Board may decide that voting of the Owners on any matter required or permitted by the statutes of the State of Colorado, the Declaration, the Articles of Incorporation or these Bylaws shall be by mail. In case of a vote by mail, the Secretary shall mail written notice to all Owners at the Owner's address as it appears in the records of the Association. The notice shall include: (a) a proposed written resolution or other action setting forth a description of the proposed action; (b) a statement that Owners are entitled to vote by mail for or against such proposal; and (c) a date at least thirty (30) days after the date such notice has been given on or before which all votes must be received at the office of the Association at the address designated in the notice. Voting by mail shall be acceptable in all instances in which the Declaration, the Articles of Incorporation or these Bylaws requiring the vote of Owners at a meeting.

ARTICLE IV
BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

1. Number. The affairs of this Association shall be managed by a Board of Directors of three directors. Directors shall be Members which, in the case of Declarant, may include any member of Declarant and any officer, director, employee or authorized agent of Declarant or any member of Declarant and, in the case of corporate Members, may include the officers and directors of each such corporate Member.

2. Term of Office.

(a) No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots That May Be Included to Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots That May Be Included to Owners other than a Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant.

(b) Except as otherwise provided in these Bylaws, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and remove all officers and directors of the Board of Directors appointed by it. Not later than termination of the Period of Declarant Control, the Owners shall elect a Board of Directors, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The members of the Board of Directors so elected shall take office upon election.

(c) Any member of the Board of Directors who is elected by the Members prior to termination of the Period of Declarant Control shall serve for one (1) year or until such director's duly-elected successor takes office on the Board of Directors, whichever occurs later. At the first annual meeting of the Association held subsequent to termination of the Period of Declarant Control, if the Board of Directors is to consist of three (3) directors, the Members shall elect one director for a term of one year and two directors for terms of two years. At each annual meeting thereafter, the Members shall elect the same number of directors as