

VII. HOA Management Structure

Silo Ridge Resort Community Home Owners Association -- the HOA -- will be a master home owners association responsible for managing and governing the Project on an overall basis. The master association will work with a Property Manager to maintain the common areas and facilities.

This master association will have responsibility for maintaining the common areas and facilities of the Silo Ridge Resort Community. These common areas include roads, infrastructure, landscaping, irrigation, signage, wetlands, watercourses, trails, open space and other common facilities of the Property. The individual component associations or boards (see attached chart) will be responsible for building and common elements within that particular board or association.

The HOA will collect assessments from owners, pay bills, regulate the use and enjoyment of the Property in accordance with all governmental approvals, address infra-structure repairs, maintain the Property and establish a governing entity (i.e. HOA Board of Directors) to accomplish these tasks. The HOA's Board of Directors will be elected by the HOA's Members (all Owners and future Owners comprise the Members of the HOA) after an initial control period during which the Sponsor will have the right to designate a majority of the HOA Board. At least one member of each component of the Property will be a member of the HOA Board.

The Project Sponsor will retain a majority ownership of the Project but will be engaged in selling houses and condominium interests. Following the Initial Control Period (as such term will be defined in the respective governing documents), control will then be in the hands of the respective home owners/condominium unit owners. It is anticipated that the homeowner association documents will provide that control is retained by the Project Sponsor until 95% of all homes and condominium interests of the Project have been conveyed to purchasers.

The Project will include different components that will all be part of the HOA. Different components will be governed by the owners thereof following the expiration of the respective Initial Control Periods. Each such component will be governed by representatives of the respective owners thereof who will, subject to the provisions of the master homeowners association, make decisions solely effecting that particular component. All components will have to be maintained and operated pursuant to a general standard to be set forth in the master home owners association documents and otherwise in accordance with all governmental approvals.

It is anticipated that each component will include its own Common Elements. These Common Elements would include areas such as common entrances and hallways in a building for example. The club will maintain the golf course.

VIII. HOA Management Structure Chart

