

March 14th, 2008

Dear Fellow Silo Glen Residents,

First of all, we would like to thank you for the opportunity to serve our community on the Board of Directors (BOD) for the Silo Glen Homeowners Association (SGHOA). We are excited to finally have an official SGHOA Board and look forward to working together to create and maintain the type of community that was originally envisioned and we all hoped for when purchasing our homes here.

One of the more challenging periods in any new community's development is the transition from a developer managed Homeowners Association (HOA) to a homeowner managed HOA. It is easy to become accustomed to a lack of attention to our community's rules and by-laws. However, our covenants and by-laws require the BOD to manage our community according to these rules which have been in existence since the inception of Silo Glen. Striking a balance between individual expectations and the quality of our community as a whole can only be achieved if each one of us keeps the perspective of the entire community's interests in mind. Subsequently, we all have an obligation to abide by our community's rules out of respect for our neighbors.

We ask everyone to familiarize themselves with our community covenants and by-laws so that we are all aware of the expectations regarding our community's environment.

Our first and foremost concern is with our community's exposure to liability as well our ability to limit this liability from a financial perspective. Our 2008 budget is expected to be at or near break-even cash flow wise, so we do not currently have funds available (excluding potential assessments) for capital repairs, civil liability, and/or legal issues.

Our roads are one of our greatest liabilities and will continue to be so until we are able to have them transferred into the North Carolina Department of Transportation's (NCDOT) public road system. We are addressing this first and foremost. Each day that goes by ages our roads and leaves open the possibility of capital repairs for which we currently do not have the funds. The sooner we can have our roads turned over to the NCDOT, the sooner we as a community are relieved of this liability and are able to benefit from state road maintenance for snow/ice treatment, drainage issues, capital repairs and improved school bus routing.

Another important effort the BOD has been working on is to make sure our community has recovered all revenues due by bringing all prior year revenues current. This is important so our community has the finances necessary to pay for capital repairs should they become necessary. There are currently outstanding homeowner dues dating as far back as 2006 amounting to several thousand dollars in accounts receivables. We have been working diligently to notify appropriate parties of any outstanding dues and collect as appropriate.

Please find below a brief update on these and other issues we've been working on since being elected at our last meeting in January 2008.

1. Upcoming Community Meeting

Our next meeting will be held Tuesday, April 9th from 7pm to 9pm at the Wake Forest Courthouse located at 401 East Owen Ave, Wake Forest. This meeting is open to all homeowners and we encourage your attendance. At this meeting we will provide further updates and details and communicate our plans for the upcoming months. After this agenda is complete, the remaining time will be allocated for homeowner questions.

2. Transition of Subdivision Roads to North Carolina D.O.T. Public Road System

As mentioned earlier, roads continue to be a priority for us. There were two separate applications for our subdivision's roads, one for Phase I and a second application for Phase II.

The developer for Phase II has been working proactively with the NCDOT to finish up remaining issues and have the Phase II roads turned over as soon as possible, which will reduce our road liability by 50%. We do not have a specific date but expect this to be any time in the upcoming weeks depending on weather and NCDOT scheduling. In advance of this inspection, please remove all stakes, poles, chains, rocks, etc. from the road's edge if on your property as none of these are allowed in the road right of way by NCDOT.

The developer for Phase I dissolved his company last year and we are currently working with the NCDOT to quantify the cost, nature and responsibility of issues that need to be resolved to have Phase I roads turned over to NCDOT. If there are HOA issues requiring capital funds to remediate, we hope to be able to do so without having to propose any assessments. We hope to have a better understanding of what these issues are by the next community meeting in April.

As part of this effort, you may have received a letter from Sentry Management requesting you to make changes to road right-of-way areas in your yard. These changes or improvements are necessary only as part of NCDOT requirements for turnover of the roads to the state road system.

We ask that you do not contact the NCDOT directly unless requested to do so by the HOA BOD. Please direct all inquiries about this issue to Sentry Management or feel free to bring up at our upcoming meeting in April.

3. Architectural Review Committee

While our Architectural Review committee is an appointed committee, we are soliciting volunteers who can provide the appropriate perspective to this important committee. The SGHOA Board of Directors is currently reviewing architectural applications in conjunction with soliciting input from professionals who are knowledgeable about specific projects being reviewed. If you are interested in participating on this committee, please submit an Architectural Review Committee Volunteer form (enclosed) to Sentry Management (address enclosed).

4. Finances

As mentioned earlier, we are pursuing outstanding annual homeowner dues dating back as far as 2006. Due to the many transitions our HOA had over the past few years, some of our records are unclear. As a result, some of you may receive a letter requesting either payment or verification of your paid annual dues. Please accept our apology if you receive a letter requesting payment for annual dues which have already been paid and simply provide evidence of payment for our records to ensure future error is avoided.

5. Fire Hydrants

Our fire hydrants are finally operational! Please find attached a letter from the Franklin County Director of Public Utilities explaining the status of Silo Glen's fire hydrants. While a few hydrants still require individual pressure tests, all hydrants were operationally tested and individual pressure tests should be completed on the remaining hydrants as soon as water conservation restrictions are lifted in our area, hopefully later this year.

6. Rules

We are currently reviewing similar (economically & geographically) communities' rules, bylaws and covenants to clarify areas of ambiguity within our own covenants and bylaws. Of primary importance is to maintain both the spirit and intentions of our original covenants and by-laws. Changes will be discussed at upcoming community meetings for review and discussion (likely not the next meeting due to time constraints) in order to provide an opportunity for all community members to voice concerns and provide feedback.

7. Community Covenants & Bylaw Infractions

As part of Sentry Management's responsibilities, they handle complaints from homeowners about covenant and by-law infractions, confirming the issue then notifying the respective homeowner of the infraction in writing so the homeowner can rectify the situation (hopefully without fines or penalties). Sentry also performs periodic on-site inspections to ensure compliance. We will be addressing protocols and procedures for handling complaints, along with the process for assessing fines and penalties, per North Carolina state law, in the near future. Please remember that each of us has the responsibility to follow our covenants and by-laws.

8. Common Area Maintenance

We have solicited competitive bids for our common area landscaping and mowing for 2008 and will be making a decision in the coming week on which vendor to use. Our current vendor is contracted through the end of March 2008 and we expect to have arrangements for this service to continue beginning April 2008.

We are also investigating the clean up of the Phase II common area. Due to the variety of implications involved, this is a complicated issue.

9. Website

We looked into “purchasing” the www.siloglen.com domain however the cost for the initial purchase was almost \$600, in addition to a \$60 monthly expense (\$720/annually). While there are several nice services provided by this service (newsletter, advertising, etc.), unfortunately we do not have the money in our budget to pay for this at this time. We have reserved the www.siloglen.org domain however; and will be posting our community website at this address in the coming months as time permits. The plan is to post our covenants, by-laws, documents, common letters, etc. for easy access by everyone in the community. A notice will be sent to everyone once this site becomes available.

In summary, the Silo Glen Homeowners Association Board of Directors wishes to thank everyone for your patience, cooperation, and understanding as we go through this challenging period in our community’s development and hope that we can rely on your support throughout the year.

Sincerely,

Silo Glen Homeowner’s Association Board of Directors

Eliot Gorman
Mike Vanover
Linda Martin
Erika Hammer
Jason Myers

Enclosures:

- a) Franklin County Director of Utilities Letter RE Fire Hydrants dated March 6th, 2008.
- b) Architectural Committee Volunteer form.

Contact Information:

Sentry Management, Inc.
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Raleigh NC 27609-7321
Community Association Manager: Amy Johnson
Phone: (919) 790-8000 x105