

February 7, 2026

**NOTICE OF SPECIAL MEETING OF ASSOCIATION OF OWNERS MALLARD
LAKES CONDOMINIUM ASSOCIATION, INC.**

Notice is hereby given that, pursuant to the provisions of section 4 of Article II of the Code of Regulations of this Association, a meeting of owners of this Association will be held at:

**Roxana Fire Station
Roxana Volunteer Fire Co.
35943 Zion Church Rd
Frankford DE 19945**

On Saturday, March 14, 2026, at nine o'clock in the morning (9.00 a.m.) for the following purpose:

- a. Tidal Water issues
- b. Elevation of Buildings

Voting: Vote online (preferred). Electronic voting is safe and easy. Follow the instructions on the invitation email you receive from our voting site. mallardlakecondo@ivotehoa.com

If you don't receive the email you can go to the website below to request your code .

<https://mallardlakecondo.ivotehoa.com/register>"

Voting will close at midnight on March 4, 2026. All electronic votes count toward quorum. The meeting cannot be held unless a quorum of 239 is reached either with electronic votes or in-person attendance. Please vote as soon as possible. Thank you in advance for your participation!

Only members "of record" with the Secretary of the Mallard Lakes Condominium Association will be entitled to vote at the meeting or by proxy. If the number of unit owners present at the meeting or voting by proxy is insufficient to approve a proposed action, another meeting may be called for the same purpose by majority vote of the unit owners who are present or by proxy.

David Morris President

IT IS ESSENTIAL THAT OWNERS RETURN THEIR PROXY AS QUICKLY AS POSSIBLE TO BE RECEIVED BY March 11, 2026 TO ESTABLISH QUORUM:

**MALLARD LAKES
C/O LEGUM & NORMAN ATTN: PROXY
4-EDGEWATER HOUSE ROAD BETHANY BEACH,
DE 19930**

Fax 302 539 1447 email: dhemphill@legumnorman.com

mmccabe@legimnorman.com

EVEN IF YOU PLAN ON ATTENDING THIS MEETING, PLEASE RETURN THE PROXY! A QUORUM OF AT LEAST 50% IS REQUIRED TO CONDUCT THE TRANSACTION OF BUSINESS AT THE SPECIAL MEETING. CONSEQUENTLY, THE COUNCIL MUST HAVE A SUFFICIENT NUMBER OF PROXIES PRIOR TO THE MEETING TO INSURE A QUORUM. OWNERS WHO ATTEND MAY RETRIEVE THEIR PROXIES PRIOR TO THE CALL TO ORDER FOR THE MEETING. ANY QUESTIONS SHOULD BE DIRECTED TO DONNA HEMPHILL, LEGUM & NORMAN PROPERTY MANAGER, AT 302-537-9499. YOUR COOPERATION IS MOST APPRECIATED.

Special Meeting of the Owners

Saturday, March 14, 2026

Northside Park, Ocean City, Md., 9:00 AM

Information letter for Mallard Lakes Special Meeting

Tidal Water and Flood Mitigation Issues

BACKGROUND

At the 2025 Annual Meeting of the Owners, the Executive Board of the Association (the “Board”) presented a comprehensive review of the effects of rising tidal waters on our community. This presentation followed the Board’s Original Report dated July 2025 and an Updated Report dated October 2025.

Both reports are available on the Mallard Lakes website.

Issues Identified in the Reports

The reports identified two primary concerns:

1. Risk of catastrophic flooding, similar to Hurricane Sandy, affecting:
 - Buildings located within FEMA Flood Zones (“Most at Risk”), and
 - Other buildings not in FEMA Flood Zones but still subject to flooding due to proximity to Assawoman Bay.
2. Daily tidal inundation impacting the shoreline and water levels of the Mallard Lakes Salt Pond.

Key Conclusions of the Reports

1. Building Elevation

- All buildings at Mallard Lakes are Common Elements subject to the control of the Board on behalf of the Association; individual units are controlled by owners.
- 23 of the 47 buildings are located within FEMA Flood Zones and are considered “Most at Risk”. However, all buildings have some level of flood risk.
- Estimated minimum costs to elevate a building are:
 - \$75,000 per unit for buildings on piles
 - \$112,000 per unit for buildings on concrete pads
- Costs include all direct, indirect, and related costs.
- The estimate for buildings on piles is based on engineering studies and post-Sandy construction cost estimates, adjusted for inflation. The estimate for buildings on concrete pads is based on industry standards. Costs are site specific and may be considerably greater than these estimates.
- Discussions with federal, state, and local agencies indicate no government funding is currently available for building elevation.
- Elevating a building is considered an improvement affecting a subset of the Mallard Lakes’s Owners. Under the Bylaws, costs for such improvements must be paid by the Owners of the building being elevated, on a building-by-building basis.

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- 2. Tidal Flood Gate**
 - The only solution identified to reduce daily tidal inundation of the Salt Pond is a tide-limiting device.
 - The Board has identified a variable flow flood gate, similar to the system proposed in St. Michaels, Maryland, as the most likely option.
 - Estimated costs:
 - \$250,000 + 30% contingency = \$325,000 for upfront planning, approvals, and permitting
 - \$1.1 million, plus a 30% contingency, = \$1,430,000 for construction
 - Discussions with federal, state, and local agencies indicate no grant funding is expected, as this project does not address catastrophic flooding.
 - A flood gate is an improvement, and under the Bylaws, improvements over \$20,000 require Owner approval.

Both issues will be presented to Owners for a vote at a Special Meeting, using the electronic voting system fused for the 2025 Annual Owners' Meeting.

BALLOT LANGUAGE

VOTE 1A – Allowing Building Elevation (Community-Wide)

Do you agree that the Board should allow buildings within the community to be elevated, knowing there may be unintended consequences including damage to Common Elements (roads, utilities, or adjacent buildings), restricted access to areas under construction, or construction-related disruption?

VOTE 1B – Elevation of Your Building (Building-Specific)

If vote 1A passes:

Do you want the building in which your unit is located to be elevated, and do you agree to:

- Pay all direct, indirect, and related costs of elevation.
- Post an upfront bond equal to 6% of the total estimated project cost in a form acceptable to the Board. The bond is intended to protect the Association and other Owners against unforeseen costs, damage to Common Elements, or other impacts arising from the construction and elevation process.
- Be financially responsible for lost rental income or other documented losses incurred by other Owners as a result of construction impacts, including but not limited to:
 - Restricted access to buildings or parking areas
 - Noise, dust, vibration, or safety restrictions
 - Temporary loss of use or enjoyment of units, and
- Pay for repair of any damage to Common Elements or infrastructure caused by the elevation project, including but not limited to infrastructure damaged or affected by the elevation project, including roads, utilities, landscaping, or adjacent buildings.
- These costs are considered indirect costs of the elevation project and shall not be borne by the Association or non-participating Owners.

By voting YES to elevate a building, Owners acknowledge and agree to assume all the above responsibilities, in addition to all other direct and indirect project costs, regardless of final cost or duration.

No building will be elevated, and no further action will be taken to elevate any building unless 100% of the Unit Owners in that building vote YES and accept these obligations.

VOTE 1A – Allowing Building Elevation (Community-Wide)

Do you agree that the Board should allow buildings within the community to be elevated, knowing there may be unintended consequences including damage to Common Elements (roads, utilities, or adjacent buildings), restricted access to areas under construction, or construction-related disruption?

VOTE 1B – Elevation of Your Building (Building-Specific)

If vote 1A passes:

Do you want the building in which your unit is located to be elevated, and do you agree to:

- Pay all direct, indirect, and related costs of elevation.
- Post an upfront bond equal to 6% of the total estimated project cost in a form acceptable to the Board. The bond is intended to protect the Association and other Owners against unforeseen costs, damage to Common Elements, or other impacts arising from the construction and elevation process.
- Be financially responsible for lost rental income or other documented losses incurred by other Owners as a result of construction impacts, including but not limited to:
 - Restricted access to buildings or parking areas
 - Noise, dust, vibration, or safety restrictions
 - Temporary loss of use or enjoyment of units, and
- Pay for repair of any damage to Common Elements or infrastructure caused by the elevation project, including but not limited to infrastructure damaged or affected by the elevation project, including roads, utilities, landscaping, or adjacent buildings.
- These costs are considered indirect costs of the elevation project and shall not be borne by the Association or non-participating Owners.

By voting YES to elevate a building, Owners acknowledge and agree to assume all of the above responsibilities, in addition to all other direct and indirect project costs, regardless of final cost or duration.

No building will be elevated, and no further action will be taken to elevate any building unless 100% of the Unit Owners in that building vote YES and accept these obligations.

VOTE 2 – Variable Flow Flood Gate

The Board is willing to proceed with actions necessary to construct a variable flow flood gate to reduce daily tidal inundation of the Salt Pond.

Phase 1 – Permits and Approvals

- Estimated cost: \$325,000 (represents the costs required to hire third-party contractors and complete all work necessary to plan, permit, and construct a variable flow flood gate, including but not limited to planning and feasibility studies, easement and/or land acquisition activities, architectural and engineering studies, cost estimates, hearings, approvals and permit applications and contingency.
- Initial assessment per unit: \$681.34
- All permits and approvals needed to commence construction required to advance to Phase 2

Phase 2 – Construction

- Estimated cost: \$1,430,000 (including contingency)
- Assessment per unit: \$2,997.90

- A second vote is required if the construction cost estimate exceeds \$1,430,000 before the work begins

Do you authorize the Board to proceed with permitting and approvals, approve an initial special assessment of \$325,000, and approve a second special assessment of up to \$1,425,000 for construction, subject to a second vote if costs increase? The first assessment will be due no later than December 31, 2026. The second assessment will be due the later three months following the issuance of permits required to start construction or December 31, 2027.

If this vote fails, the Board will consider this issue closed and will cease all activities related to the effects of tidal waters and its effect upon the community's shore lines, other than normal ongoing maintenance, repair, and periodic consultations.

PLAIN-LANGUAGE SUMMARY FOR ALL OWNERS

Why Are We Voting?

Rising tidal waters continue to affect Mallard Lakes. The Board is asking Owners to vote on two possible responses. No action will be taken without Owner approval.

Issue 1: Raising Buildings

- Raise buildings to reduce flood risk
- Very expensive; paid only by Owners of the building being raised
- Minimum estimates: \$75,000–\$112,000 per unit
- All Owners in a building must agree
- Owners must also post 6% bond upfront, pay for lost rental income of other Owners, and repair any damage to Common Elements

Issue 2: Flood Gate for the Salt Pond

- A flood gate may reduce daily tidal flooding, but not abnormally high tides experienced 20+ times per year, or periodic major storms.
- Total estimated cost: about \$1.75 million
- Owners would pay through special assessments
- No government grants are expected
- A second vote is required if construction costs increase

What Happens Next?

- A Special Meeting will be held on March 14, 2026
- Voting will be electronically
- An informational meeting will be held on February 14 as a Zoom Only Meeting.
- No work will begin without required Owner approval