

IMPORTANT INFORMATION REGARDING YOUR PROPERTY IN THE MALLARD LAKES ASSOCIATION

To: Members of the Mallard Lakes Association
From: James H. Slaughter, Attorney for the Association
Date: August 8, 2023
Re: Transfer/Exchange of Lots/Common Area with Developer of Mallard Lakes

Despite being a long-established community, portions of the Mallard Lakes Association and neighboring land are still owned by Hubbard Realty of Winston-Salem, Inc. (“Hubbard”), the successor to the original developer of Mallard Lakes. In the opinion of the Association’s Board and Hubbard, the status of these properties has had unintended results for years and are a continuing disservice to both Hubbard and the Association because:

- Portions of Hubbard’s property (the “Inbound Lots”) are not part of the Association, despite being geographically located (but not technically) within the same neighborhood. As it stands, in the event these lots were to be sold without Hubbard making them subject to the Declaration, they could be sold to individuals who are not required to pay assessments to the Association in order to use common area amenities the Association’s members would continue to pay to maintain. The Board and Hubbard agree that it makes sense to place the Inbound Lots (Lots 3, 4, and 5 on the attached) into the Association at this time.
- Portions of Hubbard’s property on Bethania Rural Hall Road (the “Outbound Lots”) are technically a part of the Association, despite being located in an area that is not geographically within the Mallard Lakes neighborhood or in an area that allows regular use of common areas. The Board and Hubbard agree that it makes sense to remove these Outbound Lots (Lots 1 and 2 on the attached) from the Association (meaning they would not have use of common areas, be subject to the Association’s Declaration, or pay assessments). The Board has determined that due to the addition of the Inbound Lots, this action would not detrimentally impact the Association’s finances.
- One undeveloped lot owned by Hubbard (the “Undeveloped Lot”) is one of the Inbound Lots (Lot 5 on the attached). The Undeveloped Lot presently does not owe the Association assessments. Both parties believe that it is best for this lot to continue to not owe assessments unless and until it is either conveyed by Hubbard to a third party, or until Hubbard constructs a dwelling on the property and the dwelling becomes occupied (Lot 5 on the attached). This would ensure that assessments remain at their current level and that Lot 5 would eventually owe assessments when it begins to utilize the common area amenities. This has the additional benefit of the Association eventually gaining one more assessment-paying lot.

In order to remedy these unintended consequences, the Board of Directors recommends that the members of Mallard Lakes Association vote “YES” on the attached ballot to add the Inbound Lots to the Association in exchange for the removal of the Outbound Lots.

**AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS AND
CONSENT TO WITHDRAWAL OF PROPERTY BY WRITTEN BALLOT
MALLARD LAKES ASSOCIATION**

The Board of Directors recommends that the following ballot measure be adopted. If the measure is approved: (1) the Amendment will be recorded with the Forsyth County Register of Deeds, binding all properties to its provisions, and (2) the Association shall take steps to enter into the Proposed Exchange outlined below.

PROPOSED AMENDMENT

1. Amend Article V (“Amendment”) of the Declaration to read as follows:

This declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated.

2. Amend the Declaration by adding a new Article VI “Withdrawal of Previously Submitted Property” to read as follows:

Portions of the Property may be withdrawn from the Jurisdiction of this Declaration, provided that the withdrawal is approved by (a) affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated, (b) the unanimous consent of all Owner(s) of a Lot to be withdrawn, and (c) approval in writing by the Board of Directors of the Association. A statement of such withdrawal shall be filed with the Board of Directors of the Association and the Board shall cause a copy thereof to be recorded in the Office of the Register of Deeds of Forsyth County. Upon the filing and recording of the statement of withdrawal, area described therein shall no longer be subject to the Jurisdiction of the Association, and the lots shown thereupon shall no longer be considered members of the Association, shall no longer be subject to the covenant for maintenance assessments, and the owners of lots within said area shall no longer be entitled to membership in the Association and shall no longer be entitled to the use of the Common Area as provided in this Declaration.

PROPOSED EXCHANGE

In exchange for Hubbard Realty of Winston-Salem, Inc. (“Hubbard”) annexing the below Inbound Lots to the Mallard Lakes Association under the Deed and Declaration of Covenants, Conditions and Restrictions of record at Book 965, Page 332 (the “Declaration”), I agree and consent to the withdrawal of the below Outbound Lots from the Mallard Lakes Association:

Inbound Lots:

- 1. 2196 Foxhunter Court; Parcel ID: 6808-89-0590.000 (Lot 3 of attached map)
- 2. 2190 Foxhunter Court; Parcel ID: 6808-79-9558.000 (Lot 4 of attached map)
- 3. 2180 Foxhunter Court; Parcel ID: 6808-79-8615.000 (Lot 5 of attached map)

Outbound Lots:

- 1. 1818 Bethania Rural Hall Road; Parcel ID: 6809-91-1740.000 (Lot 1 of attached map)
- 2. 1820 Bethania Rural Hall Road; Parcel ID: 6809-91-0643.000 (Lot 2 of attached map)

<p>Approval of Ballot Measure</p> <p>[] FOR</p> <p>[] AGAINST</p>
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In order to be counted, this Ballot must be received by October 13, 2023.

Ballots should be sent to:

Via Mail:
Mallard Lakes Association
PO Box 45
Bethania, NC 27010

OR

Via E-mail:
info@mallardlakes.ws

IF THE LOT IS OWNED BY AN ENTITY SUCH AS A TRUST, CORPORATION, OR LLC, PROVIDE YOUR TITLE WITH THE ENTITY.

Signature of Owner	Printed Name	Date
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Signature of Owner	Printed Name	Date
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Lot Address: _____