

Dear Dufferin Park Homeowners,

Thank you to those homeowners that have engaged with the Board at our last two meetings to review and discuss the 2023 draft budget. At the meeting on November 9, the Board voted to approve the 2023 budget with expenses budgeted at \$115,455. This amounts to a \$215 assessment per property beginning January 1, 2023. The budget is available in the homeowner portal to view, and a copy will be mailed to you in early January as part of the annual meeting packet. The remainder of this letter will elaborate as to how the Board came to that amount.

First, as many of you know, Dufferin Park consists of fewer properties as of this past summer. None of the additions that were part of the first round of voting in 2022 achieved the required 75% approvals needed to continue to be part of Dufferin Park. Thus, the total operating expenses is split between 108 fewer properties than the previous years.

Second, our operating expenses do not decrease because of 108 fewer properties. The ground maintenance is the only line item that saw a slight decrease in 2023. Even though we have fewer monuments, fewer flowerbeds, and fewer cul de sacs to maintain, landscape companies are having to raise their hourly rate \$10+/hour to keep seasonal workers; that cost is passed onto consumers, in addition to new fuel surcharges, etc.

Most importantly, there is a planned significant one-time expense in 2023 for legal counsel as we work to complete the covenant amendment voting process for the remainder of Dufferin Park in 2023. Legal counsel will assume the responsibility for the entire process of the vote to avoid issues that we experienced in 2022, including verification of owners, preparation of materials, certified mail, tabulation of results, county filings, as appropriate. The outcome of these votes will ultimately decide the future of Dufferin Park.

The covenant amendment process will be different in 2023 than it was in 2022 due to recent updates in MN Statutes, more specifically there is a new provision (515.2-118(a)(7)) for obtaining the deemed consent of owners. Additional details regarding the voting process will be forthcoming, and explained in detail at our upcoming annual Annual Meeting, but in summary, any owner that fails to vote, or abstains, will be deemed to vote in favor of the amendment to remove the 30-year expiration from the covenant documents.

Our Covenant documents state that assessments must be fixed at a uniform rate for all lots (Article IV, Section 6). Thus, the Board's intent is to complete the covenant amendment process for all properties in 2023 with this one-time expense.

If you have any questions in advance of the meeting, you can always reach out to the Board at questions@dufferinpark.com.

Dufferin Park Board of Directors,
Steven Hawks, President
Angela McGannon, Vice President

Ed Goettl, Secretary/Treasurer
Chris Ford, Alternate