

DIRIGO PINES SHAREHOLDERS QUARTERLY MEETING

APRIL 2, 2008

MINUTES

A quarterly meeting of Dirigo Pines Shareholders was held at the Dirigo Pines Inn beginning at 2:00 p.m. Miles Theeman, President of the Board of Directors, presided. The following topics were presented and discussed:

Cottage Activities: Steve Bowler welcomed several new residents including Jo Devlin, George Hoffmann, Alan & Shelia Merritt and Carol Hollworth. New residents expected are Sidney Epstein (May) and Marcelle Coffin (August). Steve also noted a number of marketing activities including:

- contacting local realtors with spec sheet on available cottages.
- starting a four month advertising run on Time Warner cable beginning April 7th which will target the 55 plus age group.
- Down East Magazine advertisement in April and June editions.
- Bangor Metro Magazine advertisement in April, May, June & July editions.
- the Dirigo Pines Spring Newsletter which is scheduled for a late April mailing.
- an upcoming four month run on three local radio stations including Senior Living sponsorship.
- updated website pages on our cottages.
- an Open House on Saturday, May 31.
- an advertisement in the UMaine Alumni Magazine Spring edition.
- a UMaine Alumni Open House table at the Buchanan House on May 30.
- two MPBN Sponsorships – 4/2 “Caring for Your Parents” and 4/7 “Retirement Revolution”.
- and perhaps most importantly, the wonderful support and encouragement provided to prospective owners by current residents in helping promote our community!

Review of DPHC Financial Statements for the period ending 12/31/07: Don Sleight, AHS CFO and Treasurer of DPHC, provided a very detailed overview of the end-of-year financial statements prepared by Edward R. Hopkins CPAs. His review of the Balance Sheet included a description of each category as well as clarifying the basis used to determine the value of the “residential buildings” and the depreciation associated with this asset category.

His review of the Statement of Revenue and Expense also included a description of each category. Additional detail was provided regarding “Grounds and Maintenance” and the difference between 2007 and 2006 totals. Don noted that this expense category was and will be the subject of particular scrutiny by Steve Crotty and the Board. There was also discussion regarding the “Deficit before Depreciation” and whether there was sufficient cash to handle the deficit. Don responded in the affirmative and then reviewed the Statements of Cash Flows. He also reviewed the remaining sections of the report

All members in attendance received a copy of the report. Shareholders not in attendance can obtain a copy from Steve Bowler

Trout Update: John Dearborn gave an eloquent update of trout re-stocking for both ponds and noted that future reports on flora, fauna and other pond life would be included in newsletters. A full pond report will be available in May for those so interested.

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Reserve Policy Update: Don and Steve offered a summary of their informal survey of like communities relative to reserve policies. Similar to Dirigo Pines, most communities either did not immediately initiate a reserve fee upon opening or had it significantly under funded. The current \$75/mo assessment was not atypical. Steve also reported on one community that is considering a substantial assessment at the time of re-sale to build its reserve. (This was met with a universal groan from the shareholders.) Steve noted that most of the communities with whom he spoke would have more to gain in learning from our reserve strategies than we would from theirs. Don reiterated that the replacement reserve is in a separate, interest bearing account with oversight provided by the Board of Directors.

New “After Hours” Emergency Phone Contact: Effective May 1st, Radio-Telephone of Maine will triage all after hours calls for service, in which residents will be able to speak directly to an operator vs. the current system of sending a page and not knowing with absolute certainty that it had been received. Steve will send a memo later in the month indicating the contact number. Members are “encouraged” to record that number in their cell phones and address books.

Joint Venture Partnership Update: Miles reported that there has been minimal activity since the last update and in response to questions, provided a brief history of Dirigo Pines ownership and the rationale for seeking a JV partner, namely that Eastern Maine Healthcare Systems had always envisioned the Dirigo Pines project as a joint venture, that it had operated as the only owner since February, 2006 and desired to return to the original model.

Quarterly Meeting Schedule: The next three meetings are scheduled for July 9th, October 7th and January 21st, 2009

Board of Directors Meeting: The next scheduled meeting is April 15th. Members were encouraged to contact any board member with agenda items

On behalf of the Board of Directors, Miles agreed to further the following:

1. Inclusion of regular financial statements on the web page following their review by the Board
2. Providing an updated cottage list including phone numbers and e-mail addresses. This will NOT be posted on the web page
3. Getting monthly bills out to residents a week earlier

The meeting adjourned at 3:35 p.m.

Note: In preparing these minutes, two items from the January meeting, namely

1. To provide to the shareholders an overview of the “cooperative” form of ownership, and
2. To provide an overview of each of the corporate organizations in play at Dirigo Pines.

had been omitted from the agenda for this meeting. These topics will be addressed at the July meeting

Respectfully submitted,

Miles Theeman

