

MINUTES

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA INC

February 14th, 2026

The Board of Directors of the Masonic and Eastern Star Home of North Carolina Inc. convened its regular session at 9:00 am on Saturday February 14th, 2026.

MESH BOARD MEMBERS PRESENT

Mr. Gene Jernigan, Chairman; Mr. Steve Norris, GM; Mr. Gilbert Bailey, DGM; Mr. Bryant Webster, Mr. Tommy Mills, Mr. David Sawyer, Mr. Joey Transou, Mr. Rick Patton, Mrs. Norma Underwood, WGM; Mr. William Ireland, WGP; Mrs. Lori Adams, AGM; Mr. Allen Hughes, Mrs. Linda Bonner, Mr. David Griffith, Mrs. Debbie Owen, and Mr. Dennis Edwards

MESH BOARD MEMBERS ABSENT

Mr. Michael Register, SGW; Mr. Earl Wells, Mr. Edward Johnson, II; Mr. Mike Rivenbark

ALSO PRESENT

Mr. Mark Lewis, Executive Director; Mrs. Archana Patel, Executive Assistant; Mrs. Tracy Armwood, Director of Human Resources; Mrs. Nikki Stafford, Director of Financial Services; Mr. Josh Hillegass, Administrator; Mrs. Debi Bryant, Director of Sales and Marketing; Mr. Jacob Elliott, Director of Operations Management, Life Care Services; Mrs. Marie Dunn, Regional Marketing and Sales Director, Life Care Services; Mr. Gene Lewellyn, Resident; Mr. Jimmie Dowless, Resident; Mr. Marty Fischer, Resident, Mrs. Mary Jean Fischer, Resident; Mr. Ted Dresie, Resident; Mr. Gary Crumpton, Resident; Mrs. Tula Crumpton, Resident; Mr. Lewis Ledford, Grand Treasurer; Mrs. Cheryl Hanes, GC; Mr. Kenny White, AGP; Mrs. Sandra Johnson, AGC; Mr. Philip Johnson, JGW; Mr. Alvin Billings, JGD; Mr. David Cashion, JGD; Mr. Gary Handy, GRM; Mr. John Burns, NCMF Board Chair; Mrs. Susan Matney, OES Foundation Board Chair; Mr. Russell Bridges, JGS; Mr. Jeff Ramer, Committee on WhiteStone; Mr. Sammy Boggs, Committee on WhiteStone; Mr. Thomas VanEtten, Committee on WhiteStone; Mr. Nickolas Scott Wieder, Committee on WhiteStone; Mr. Phillip Mark Alexander, Committee on WhiteStone; Mr. Jeremy Hilton, Committee on WhiteStone

INVOCATION

Mr. Gene Jernigan led the invocation.

CALL TO ORDER

Chairman, Mr. Gene Jernigan called the meeting to order at 9:00 am. A quorum was present.

MEETING MINUTES / BOARD COMMUNICATION

Motion: It was moved, seconded, and approved by majority to accept the minutes for the Regular Board Meeting November 15th, 2025.

Mr. Gene Jernigan reviewed the Conflict-of-Interest Policy and requested it to be reviewed and signed by the members of the Board.

COMMITTEE REPORTS

Long Range Planning Committee

Mr. Gene Jernigan introduced Mr. Joey Transou, Chair of the Long-Range Planning Committee, for a quarterly update.

Mrs. Debi Bryant, Director of Sales and Marketing, was introduced to report on sales performance and occupancy. During the fourth quarter of 2025, WhiteStone recorded eight deposits and seven closings and move-ins, with Independent Living occupancy averaging approximately 96% and all units nearly sold or reserved by quarter-end. The waitlist remained robust, with seventeen new deposits.

For the full year 2025, performance exceeded expectations, with 33 deposits, 33 closings, and 33 move-ins, surpassing the annual goal of 24. Average Independent Living occupancy reached 96.2%, significantly outperforming the 93% budget assumption. Web-based leads were the top referral source, supplemented by direct mail and strong resident and professional referrals. Early 2026 trends continued positively despite seasonal conditions. Mrs. Debi Bryant was recognized for earning the LCS Pinnacle Award for top-tier performance.

Mr. Joey Transou then introduced the proposed Wayfinder Master Planning engagement with

Life Care Services. The scope, expected to span six to eight months, includes a comprehensive market and industry analysis, long-range campus concept development, financial modeling, feasibility testing, and the delivery of a recommended master plan supported by architectural expertise.

Key focus areas include the future of the Latham and Bennette buildings, strategic use of the Spring Garden Coapman property, alignment of product and amenity offerings with Greensboro demographics, and preservation of WhiteStone's long-term financial sustainability and brand identity. On an accelerated timeline, any subsequent development phase would require more than three years to reach a shovel-ready state.

Motion: It was moved, seconded, and approved by majority to authorize \$80,000 in unbudgeted funds, sourced from a recent unrestricted bequest, to initiate the Wayfinder Master Planning process.

Finance Committee

Mr. Gene Jernigan introduced Mr. Steve Norris, Chair of the Finance Committee, who introduced Mrs. Nikki Stafford, Director of Financial Services, to report on community finances through December 30, 2025, based on unaudited financials.

Mrs. Nikki Stafford presented unaudited year-end financial results for 2025, reflecting exceptional performance. Net operating income totaled \$5.3 million compared to a budget of \$751,000. Primary drivers included approximately \$2.8 million in Employee Retention Credit proceeds, related interest income, and approximately \$1.0 million in operating outperformance independent of ERC or gift revenue. Expenses finished \$284,000 under budget, and an unrestricted bequest of approximately \$567,000 increased capital flexibility.

Debt covenants were comfortably met, with a debt service coverage ratio of 1.4 and days cash on hand at 302 days. However, Mrs. Nikki Stafford noted that the 2026 budget reflects tighter margins, underscoring the need for sustained discipline.

Mrs. Nikki Stafford reviewed accounts receivable performance, noting elevated balances over 90 days driven primarily by Medicaid-pending cases and unmet medical needs. Despite this, days in A/R improved significantly during 2025, and insurance turnaround times were reported as strong.

Updates were provided on several capital and technology projects, including progress on the fiber run to the village residences, dining service upgrades in the main buffet area, and vendor performance observations.

Motion: It was moved, seconded, and approved by majority to transfer \$1 million from operating cash into unrestricted investments and authorized the Finance Committee to work with advisors to activate permissible low-risk investments for previously idle bond reserves.

Mr. Gene Jernigan reviewed the investment statements included in the board packet, highlighting the importance of monitoring actual portfolio allocations against policy targets. The Foundation was asked to notify WhiteStone of any extraordinary market actions that could affect compliance. The board acknowledged recent portfolio gains while reaffirming its commitment to prudent fiduciary oversight.

Charity Committee

Mr. Gene Jernigan recognized Mr. Mark Lewis to provide an update on charity.

Through December, our charity has totaled 1,357,785, which is under budget for the year by 200,066. Compared to this time last year, charity care is up 270,019. The Fraternal Friendship Program has accounted for approximately 113,409 in charity care through December, which is slightly under budget by 6,590.

At present we are providing long-term financial assistance to six (6) fraternal members through the Fraternal Friendship Program and fifteen (15) WhiteStone residents. This includes thirteen (13) members residing in our independent living, two (2) in assisted living.

The Director of Fraternal Friendship continues to reach out to lodges and chapters, which has resulted in a steady flow of applications from members requesting assistance. This includes applications for moving to WhiteStone.

Also contained in tab 4 is the summary of contributions through December. Donations totaled

2,070,004, which was better than budget this year by 570,004, and up from this time last year by 410,874. Major contributions YTD are highlighted in yellow, including the 4th quarter hardship reimbursement for 2024, along with the 1st, 2nd, and 3rd quarter hardship reimbursement for 2025, the Betty Baberee endowment in the amount of 567,768, and the OES RUCK Fund in the amount of 305,731.

Board member donations through quarters end (as reported in tab 4) totaled 14,634 with forty-six (46) donations received by twenty (21) board members. This time last year, donations totaled 14,555 with sixty-three (63) contributions from twenty (20) board members.

Mr. Gene Jernigan reiterated the importance of 100% Board participation.

North Carolina Masonic Foundation

Mr. Gene Jernigan introduced Mr. John Burns, Chairman of the North Carolina Masonic Foundation Board, for remarks.

Mr. John Burns, Chair of the NC Masonic Foundation, provided an update highlighting the enduring partnership between the Foundation and WhiteStone. He reported that, for 2026, the Foundation had allocated \$435,000 in charitable disbursements using its seven-year corpus averaging methodology.

The Fraternal Friendship Program was highlighted as a particularly impactful initiative, with its funding pool now exceeding \$400,000 and actively supporting cases across North Carolina. An example was shared involving transportation and bill assistance for a young Mason undergoing lymphoma treatment, illustrating the tangible human impact of the program. The Foundation reported total assets under stewardship of approximately \$130 million. The update concluded with mutual expressions of appreciation for the decades-long partnership and shared commitment to charitable service.

Mr. Gene Jernigan thanked Mr. Burns and the NCMF Board for their support.

Resident Communication

Mr. Mark Lewis, Executive Director, guided the Board's attention to the committee materials

under Tab 6 and emphasized the great work being done in WhiteStone's nine resident led committees.

Mr. Ted Dresie, Chair of the WhiteStone Employee Gratitude Initiative (WEGI), addressed the Board and presented results from the 2025 WEGI campaign. The campaign raised \$85,500, an increase of approximately \$21,000 from the prior year. Participation increased, average gifts rose significantly, and the initiative was credited with boosting staff morale and strengthening resident-employee relationships. Plans for improved continuity and communications in 2026 were outlined.

Management Report

Mr. Mark Lewis referred the board to tab 7 of the board packet for the management reports for the fourth quarter.

Five governance policies were presented for ratification, addressing dining and events, reasonable accommodations, off-site activities, financial assistance, and sex offender registry screening.

Motion: It was moved, seconded, and approved by majority to accept the following policies as presented: Dining & Event Policy, Reasonable Accommodations Policy, Off-Site Activities Policy, Financial Assistance Policy, and Sex Offender Registry Policy.

Mrs. Tracy Armwood, Director of Human Resources, was introduced and presented a comprehensive update focused on workforce stability, recruitment, and employee experience. A central theme was the continued improvement in employee retention, with turnover declining from 45.06% in 2024 to 34.31% in 2025, and January 2026 showing an exceptionally low turnover rate. Mrs. Armwood noted that early separation trends at 30, 60, and 90 days are improving, indicating stronger onboarding effectiveness and better role alignment.

Mrs. Armwood outlined its 2026 workforce strategy, which includes conducting employee focus groups to capture feedback, enhancing job-specific onboarding processes, and upgrading employee amenities, such as the addition of new vending options to support engagement and morale. Recruiting efforts remain robust, with thousands of applications received in 2025 and a

strong conversion funnel from interviews to hires. Job fairs at local colleges and universities, along with a planned on-site themed job fair, continue to serve as effective tools for attracting qualified candidates and making same-day offers.

Mrs. Armwood also addressed overtime management, reporting elevated overtime costs primarily within Nursing and Dining. Mitigation strategies include a new scheduler approaching the end of a ramp-up period, regular staffing huddles, and increased tracking of overtime dollars against budget. The report concluded with recognition of staff achievements and service milestones, reinforcing WhiteStone's culture of appreciation and acknowledgment.

Mr. Josh Hillegass, Health Center Administrator, was introduced to provide a report on the Health Center and Assisted Living.

Mr. Hillegass highlighted strong operational performance across all levels of care, with occupancy in Skilled Nursing, Assisted Living, and Memory Care consistently at or near capacity. Skilled Nursing averaged nearly 89% occupancy in 2025, placing WhiteStone among the top performers in its peer size group within LCS. Assisted Living maintained approximately 95% average occupancy and experienced periods of full capacity, while Memory Care remained nearly full with an active waitlist emerging in Assisted Living.

Seasonal fluctuations were acknowledged, particularly a modest dip around the holidays, but Mr. Hillegass emphasized that full-year performance remained strong and stable. Quality metrics were reviewed, including a CMS Overall Three-Star rating, with an improvement roadmap underway focused on staffing stability, clinical programming enhancements, and documentation processes.

Regulatory compliance remained a key focus, with updates provided on a CMS Payroll-Based Journal (PBJ) staffing audit covering the July–September 2025 period. Required documentation has been submitted, and internal controls have been strengthened, including clearer meal break protocols and dual review processes. Leadership expressed confidence in compliance and reinforced a proactive approach to quality assurance and regulatory readiness.

Mr. Jacob Elliott, Director of Operations Management, summarized strategic priorities under the transition from Pathfinder to Wayfinder, reinforcing focus areas that include master planning, financial optimization, healthcare revenue expansion, workforce strategy, and fundraising. Near-term operational efforts will center on margin improvement and preparation for the master planning engagement.

Before adjourning, Chairman Gene Jernigan invited closing remarks.

Mrs. Norma Underwood, Worthy Grand Matron, expressed appreciation for the Board and staff for all the work being done at WhiteStone and the positive trajectory.

Mr. William Ireland, Worthy Grand Patron, shared appreciation for hearing all the wonderful things happening at the community. Lastly, Mr. Ireland looks forward to being involved at the community for years to come.

Most Worshipful Grand Master, Steve Norris, offered thoughtful reflections on WhiteStone's historical legacy and its future trajectory. He encouraged Board members to "remember our rich history but look forward with open minds, open hearts, and steady hands," affirming his respect for the Board and his commitment to supporting WhiteStone throughout his term.

Mr. Gene Jernigan thanked those in attendance before adjourning to Executive Session.