MINUTES

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA INC

May 9th, 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 May 9th, 2026.

MESH BOARD MEMBERS PRESENT

Mr. Gene Jernigan, Chairman; Mr. Steve Norris, GM; Mr. Gilbert Bailey, DGM; Mr. Michael Register, SGW; Mr. Bryant Webster, Mr. Tommy Mills, Mr. David Sawyer, Mr. Joey Transou, Mr. Rick Patton, Mr. Mike Rivenbark, 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. Earl Wells, Mr. Edward Johnson, II;

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; Mrs. Meredith Cooper, Marketing Coordinator; Mr. Leonard Miller, Director EVS; Mrs. Gina Prevost, Director CLS; Mrs. Jenna Grant, Director of FFP; 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. Bob Delorfano, Resident; Mr. Marty Fischer, Resident, Mrs. Mary Jean Fischer, Resident; Mr. Dick Mathews, Resident; Mr. George Troxler, Resident; Mr. Jack Walters, Resident; Mrs. Gail Sigler, 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, SGD; Mr. David Cashion, JGD; Mr. Gary Handy, GRM; Mr. John Burns, SGS / NCMF Board Chair; Mrs. Susan Matney, OES Foundation Board Chair; Mr. Russell Bridges, JGS; Mr. Bobby Adams, 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. Ranjan Varghese, Committee on WhiteStone; Mr. Phillip Mark Alexander, Committee on WhiteStone; Mr. Mark Ross, Baker Tilly

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 February 14th, 2026.

COMMITTEE REPORTS

Long Range Planning Committee

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

Mr. Transou reported that following Board approval in February, WhiteStone has officially begun the next phase of its master planning process. The committee has engaged planning resources through Life Care Services Development and is coordinating meetings that will include participation from residents, staff, Board members, and expanded planning committees.

The master planning process will evaluate future campus needs, market trends, residential product offerings, demographic shifts, and long-term financial sustainability. The goal is to develop an updated strategic roadmap that positions WhiteStone for continued success while honoring its mission and traditions.

Mr. Transou also reported completion of the Gay Terrace Maintenance Facility project. The property, acquired several years ago, is now fully operational and serves as the new maintenance and environmental services headquarters. Completion of this project represented the final step in a long-term initiative that supported development of the Assisted Living and Memory Care expansion by decommissioning the central plant and relocating maintenance operations from the center of campus.

Mr. Transou expressed appreciation to the Board, staff, foundations, and supporters who contributed to the success of the project and emphasized that the accomplishment serves as an example of the value of long-range planning.

Mrs. Debi Bryant, Director of Sales and Marketing, provided an occupancy and sales update.

For the first quarter of 2026, WhiteStone secured three new sales deposits and successfully completed six move-ins. Independent Living occupancy finished the quarter at approximately 97.5%, slightly below budget but with residences sold or reserved at nearly 99%.

By the end of April, WhiteStone had completed seven move-ins and maintained occupancy near 98%. At the time of the meeting, 201 residences were occupied, six residences were reserved, and only a limited number of residences remained available.

Mrs. Bryant highlighted the success of the community's collaborative care transition process involving Independent Living, Assisted Living, Memory Care, Residential Health Services, and the Care and Wellness Center. Through regular interdisciplinary meetings, residents requiring higher levels of care are identified earlier, allowing smoother transitions while simultaneously creating opportunities for prospective residents waiting to move into Independent Living.

Mrs. Bryant also introduced a new "Ready Reservation" initiative designed to improve waitlist management. Under the program, prospective residents may increase their waitlist deposit to $10,000 to demonstrate readiness to move immediately when a residence becomes available.

The Ready Reservation Program will:

- Reduce vacancy days between residents
- Improve occupancy performance
- Better identify prospective residents who are prepared to move immediately
- Create a more efficient move-in process

Management noted that other Life Care Services communities have experienced success with similar programs and believes the initiative will support continued occupancy growth and operational efficiency.

Board members discussed the financial treatment of the additional deposits and were informed that the funds will remain deferred and applied toward entrance fees upon move-in.

Audit Committee

Mr. Gene Jernigan recognized Mr. Michael Register, Chair of the Audit Committee.

Mr. Register reported that the Audit Committee met in April to review the results of the 2025 annual audit conducted by Baker Tilly.

Mr. Mark Ross, Principal with Baker Tilly and leader of the firm's senior living practice, presented the audit findings. Mr. Ross noted that Baker Tilly serves more than 200 senior living organizations nationwide and specializes in retirement community operations.

The audit resulted in:

• No audit adjustments

• No material internal control deficiencies

• No significant findings requiring corrective action

Mr. Ross commended WhiteStone's leadership team for the quality and accuracy of financial reporting and described the audit process as one of the smoothest first-year engagements his firm has experienced.

Financial highlights included:

• Total assets exceeding $135 million at year-end 2025

• Approximately $2 million increase in total assets over the prior year

• Strong investment growth during 2025

• Improved net asset position from approximately $7.5 million to nearly $11 million

• Positive operating cash flow performance

Occupancy continued to be identified as the primary driver of organizational success.

Average occupancy levels during 2025 included:

• Independent Living – approximately 96%

• Skilled Nursing – approximately 90%

• Assisted Living and Memory Care – approximately 90%

Mr. Ross noted that these occupancy levels compare very favorably to national benchmarks and position WhiteStone among stronger performing senior living organizations.

The auditor further discussed favorable demographic trends, citing continued growth in the aging population and strong long-term demand for senior housing services nationwide.

Motion: It was moved, seconded, and approved by majority vote to receive and accept the 2025 audited financial statements as presented.

Chairman Jernigan and Executive Director Mark Lewis thanked the audit team and WhiteStone staff for their diligent work throughout the audit process.

Finance Committee

Mr. Gene Jernigan introduced Mr. Gilbert Bailey, Chair of the Finance Committee, who introduced Mrs. Nikki Stafford, Director of Financial Services, to report on community finances through March 30, 2026, based on unaudited financials.

Mrs. Stafford reported that WhiteStone continues to maintain strong financial performance, supported by high occupancy levels and disciplined expense management.

Key financial indicators included:

• Days Cash on Hand – 289 days (covenant requirement: 150 days)

• Debt Service Coverage Ratio – 1.95 (covenant requirement: 1.20)

• Accounts Receivable Days – 16.2 days compared to the LCS benchmark of 19 days

While Independent Living revenue was slightly below budget due to resident transitions and turnover timing, occupancy remained exceptionally strong. Assisted Living and Memory Care continued to outperform budget expectations, supported by effective resident transitions and increased occupancy.

Mrs. Stafford also reported that Care and Wellness Center revenue was affected by greater utilization of resident free care days than originally budgeted. However, overall occupancy and payer mix remained favorable.

Management emphasized the importance of maintaining strong liquidity and continuing prudent financial stewardship while preparing for future strategic initiatives and master planning efforts.

Charity Committee

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

Through March, our charity has totaled 290,304, which is under budget for the year by 92,474. Compared to this time last year, charity care is down by just 78,537. The Fraternal Friendship Program has accounted for approximately 27,081 in charity care through March, which is slightly under budget by 4,197.

At present we are providing long-term financial assistance to six (6) fraternal members through the Fraternal Friendship Program and seventeen (17) WhiteStone residents. This includes fifteen (15) members residing in our independent living, and two (2) in assisted living. Additionally, there was one request for short term / emergency support during the month.

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 5 is the summary of contributions through March. Donations totaled 302,217, which was better than budget this year by 15,403, and down from this time last year by 186,684.

Board member donations through quarters end (as reported in tab 5) totaled 2,200 with fifteen (15) donations received by nine (9) board members. This time last year, donations totaled 3,600 with sixteen (16) contributions from twelve (12) board members.

Mr. Gene Jernigan reiterated the importance of achieving 100% Board participation with donations made to the WhiteStone operating fund.

The Board expressed appreciation for the continued support provided by the Foundations and reaffirmed its commitment to serving those in need through WhiteStone's charitable mission.

North Carolina Masonic Foundation

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

Mr. Burns noted that the organization's current investment allocation position appears to be the result of strong stock market performance, particularly growth in the equity portion of the portfolio. The speaker acknowledged that favorable market conditions contributed to the current position.

Mr. Burns congratulated the board and executive team on receiving a clean audit. The accomplishment was noted as especially significant given that a new auditor was involved.

Mr. Jack Walters and Mr. Bobby Adams were recognized for their service on the Member Manager Board and noted the importance of their decisions in supporting brothers and sisters throughout North Carolina. The speaker also acknowledged Mrs. Susan Matney at her final meeting as Eastern Star Foundation President, along with Mr. Billy Ireland and Mrs. Norma Underwood, and expressed appreciation for their character, service, and relationships developed through the organization.

Mr. Burns discussed the organization's ongoing partnership efforts and highlighted a recent assistance case outside Greenville. A young man needed $8,000 in support, and the lodge and district were asked to raise $4,000 with a matching commitment. Within two weeks, they raised the full $8,000. This is an example of Masonry and Eastern Star values in action.

Mr. Burns reported that substantial funds remain available to assist brothers and sisters across North Carolina. Members were encouraged to identify individuals who may need support and share that information with Jenna, who will guide requests through the appropriate process. Members should notify Mrs. Jenna Grant, Director of the Fraternal Friendship Program of brothers or sisters who may be eligible for assistance so requests can be reviewed and processed through the established system.

Mr. Burns remarks concluded by thanking the attendees and expressing appreciation for the continued work and contributions of the organization and its members.

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 7 and emphasized the great work being done in WhiteStone's nine resident-led committees.

Mr. Bob Dellorfano was asked for remarks from the Resident Council, filling in for Council President Ted Dresie. The remarks expressed appreciation to the Board and staff on behalf of WhiteStone residents. The speaker acknowledged the Board's ongoing work and the staff's dedication to supporting residents and maintaining the quality of life within the community.

Speaking on behalf of the Resident Council, Mr. Dellorfano conveyed sincere gratitude for the effort, energy, and steady commitment that help sustain and enrich WhiteStone as a place residents are proud to call home.

The remarks also highlighted the work of WhiteStone's nine standing committees and two ad hoc committees, including recycling and WEGI. These groups, made up of dedicated community members, meet regularly throughout the year to address important matters, strengthen programs and services, and support daily operations across the community.

Mr. Dellorfano emphasized that residents are proud to serve as committed partners in WhiteStone's continued success and in helping it remain one of the nation's premier continuing care retirement communities.

In closing, Mr. Dellorfano thanked attendees for their time, presence, and continued support of the WhiteStone community.

Chairman Jernigan acknowledged the continued work of WhiteStone's resident-led committees and expressed appreciation for resident engagement throughout the community.

Management Report

Mr. Mark Lewis referred the board to tab 8 of the board packet for the management reports for the fourth quarter.

Mrs. Tracy Armwood, Director of Human Resources provided the Human Resources management report, highlighting the organization's continued focus on workforce strategy, retention, communication, and overtime management. She reported that the recent all-staff pulse survey had a 58% response rate, with feedback generally positive or neutral, while also identifying opportunities for improvement in communication, advancement pathways, and fair and inclusive recognition. Department leaders have been asked to develop action plans based on their individual survey results, and a follow-up survey is being reviewed to provide more specific feedback to leadership.

She noted that turnover has increased slightly this quarter but remains improved compared with the same period last year, with current turnover at 12.04% versus 14.69% previously. Recent turnover was concentrated largely in nursing and among newer staff, with scheduling, attendance, and reduced overtime contributing factors. Overtime reduction remains a major focus, and the organization achieved a 54% reduction in overtime in March, with significant progress across departments, particularly nursing.

Recruitment activity remains strong, with 238 new candidates and 57 interviews in April, resulting in 14 hires. There are currently 23 open positions, including the Director of Nursing role and the People and Branding Strategist position. Mrs. Armwood emphasized that candidate flow remains adequate, while retention continues to be the primary challenge. She also reviewed new and ongoing workforce partnerships with South University, ECPI, and Forsyth Tech, which are intended to support employee education, career pathways, and operational needs.

The report also recognized ongoing employee engagement and appreciation efforts, including Testimonial Tuesday features, departmental recognition events, National Nurses Week activities, Superstar awards, and service anniversary celebrations. Mrs. Armwood specifically noted long-term service milestones, including Barbara Wills' 45 years of service and Janice Rodriguez's 30 years as a CNA.

Mr. Gene Jernigan thanked Mrs. Armwood for her leadership and management of the organization's workforce.

Mr. Josh Hillegass, Health Center Administrator, was introduced to provide a report on the Health Center and Assisted Living. Mr. Hillegass noted strong occupancy performance across the continuum of care. Assisted living and memory care were operating at 91.6% occupancy, with the remaining available units already accounted for and full occupancy expected by month-end. The Health Center was operating at 93% occupancy with a skilled census of 31, exceeding the budgeted census of 28.

The team is currently in its annual CMS survey window and recently completed a mock survey with Life Care Services clinical specialists. Compliance results were strong, with assisted living and memory care at 98% and the Care and Wellness Center at 88%. Areas of ongoing focus include infection control, dietary services, medication storage, and documentation compliance.

Mrs. Amanda Montgomery was recognized for seamlessly stepping into the interim Director of Nursing role and helping maintain care standards.

Mr. Hillegass also emphasized the effectiveness of the continuum of care model in supporting resident transitions and strengthening census across campus.

Two operational initiatives are underway: staffing optimization, particularly for overnight shifts beginning in July, and a supply bundling project intended to improve billing consistency, revenue capture, forecasting, and staff efficiency.

The community's CMS star rating remains at three stars, with continued efforts underway to improve performance through survey readiness and operational follow-up.

Mrs. Gina Prevost, Director of Community Life Services, provided an update on a recent Mother's Day intergenerational activity held for assisted living and memory care residents and their families. The event, held on May 3, invited family members to participate in a paint party alongside residents. A total of 27 participants, ranging in age from 3 to 98, attended the gathering.

Participants created artwork together, enjoyed snacks, and spent meaningful time with one another in a shared social setting. The activity was well received and highlighted the value of intentional programming that brings together residents, families, and multiple generations through creative engagement.

Based on the success of the Mother's Day event, Community Life Services plans to continue offering similar intergenerational activities on a quarterly basis within assisted living. Additional programming is also being planned for the Care and Wellness Center and independent living residents. One upcoming event will include an ice cream social, craft activity, music, and family participation, with the goal of creating opportunities for families and residents to connect in a welcoming and enjoyable environment.

The report concluded with appreciation for Mrs. Gina Prevost and her team for their creativity and continued efforts to enhance resident engagement through meaningful, family-centered programming.

Mr. Jacob Elliott, Director of Operations Management, provided an update on recent Resident Sounding Board insights related to artificial intelligence. LCS surveyed 467 independent living residents across 68 communities and found that residents are more aware of and engaged with AI than many leaders may have expected. Eight in ten residents reported understanding what AI is, and seven in ten indicated they have used an AI tool, with ChatGPT and Google Gemini among the most commonly referenced platforms. This suggests that AI is already part of residents' experience, and that communities have an opportunity to lead the conversation thoughtfully rather than react to it after the fact.

The survey results also indicate that early resident experiences with AI have generally been positive, although trust remains conditional. Sixty percent of residents who have used AI reported a positive experience, while only five percent reported a negative one. Among residents who have not yet used AI, the primary barriers were not resistance to technology, but rather a lack of perceived need and concerns about privacy. These findings point to the importance of clear communication, transparency, and responsible data practices as communities consider future AI-enabled services.

Resident comfort with AI varies significantly by use. Residents expressed higher levels of comfort with AI applications in dining and personalized services, where the benefits are tangible and the perceived risks are lower. By contrast, comfort declined when AI was associated with health care or medication management, underscoring the need for deliberate planning, resident consent, and strong safeguards before applying AI in clinical or health-related contexts. The feedback also emphasized that traditional communication methods remain essential; many residents continue to value phone access, human interaction, and non-technology-based feedback channels.

Residents expressed a clear interest in learning more about AI, with six in ten indicating they would like additional education. Their preferred approach is practical, in-person instruction in small group settings rather than online tutorials. They are also interested in optional AI tools that allow them to opt in at their own comfort level. For WhiteStone, these findings suggest an opportunity to introduce AI in a measured and resident-centered way, beginning with lower-risk areas such as dining feedback and lifestyle services while maintaining transparency, choice, and human support. LCS has expanded its AI and data analytics capabilities, including the addition of data scientists and tools such as My Customer Voice, which can provide more timely operational feedback. Overall, the survey reinforces that residents are not asking communities to avoid AI; they are asking communities to introduce it thoughtfully, transparently, and with appropriate consent and safeguards.

Before adjourning, Chairman Gene Jernigan invited closing remarks.

Mrs. Norma Underwood, Worthy Grand Matron, expressed sincere appreciation for the opportunity to serve, noting that it had been an honor to contribute to the board’s work and emphasizing the board’s continued dedication to the facility. Mrs. Underwood reflected on the progress that had been made and acknowledged the commitment of fellow board members throughout the year.

Mrs. Underwood also recognized the collaboration with Mr. Steve Norris, Grand Master of Masons, expressing gratitude for his partnership in addressing several challenging matters that arose during the year. While describing the year as eventful, Mrs. Underwood conveyed confidence in the board’s shared purpose and offered best wishes for the facility’s future plans, including continued efforts to strengthen and improve its service to the community.

Mr. William Ireland, Worthy Grand Patron, shared the experience serving on this board has been both educational and meaningful, offering a valuable opportunity to observe two organizations working together toward a shared purpose. From the early stages of the facility’s development to its current progress and future direction, the collaboration has demonstrated a strong commitment to growth, improvement, and service.

The facility's evolution reflects the dedication of the teams involved, including leadership, management staff, and personnel who continue to contribute to its success. Their collective efforts have helped shape the facility into what it is today and have positioned it for continued advancement.

Most Worshipful Grand Master, Steve Norris, opened by thanking the Chairman and expressing that it was an honor to be present and to serve. Mr. Norris acknowledged the important partnership with the Eastern Star and recognized the dedication of the Grand Lodge and related boards. The remarks emphasized that service on these boards requires significant time, sacrifice, talent, and personal commitment, contributions that are not always fully understood by others.

Mr. Norris extended heartfelt appreciation to all those who contribute to the care and preservation of the historic facility, as well as to the well-being of the residents, including the ladies, sisters, and brothers who call it home. The tone of the remarks reflected gratitude for both the visible and behind-the-scenes efforts that sustain the organization's mission.

Mr. Norris also noted the significance of having the entire grand line in attendance, along with the Grand Treasurer and other grand officers. Their presence was recognized as meaningful, and the speaker thanked them for taking time from their schedules to participate.

In closing, Mr. Norris reaffirmed that serving as Grand Master during the year was both an honor and a deeply appreciated opportunity. Mr. Norris described the experience as interesting and educational, underscoring a continued sense of humility, gratitude, and respect for the responsibilities entrusted to the role.

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