

MINUTES

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA INC

November 15th, 2025

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 November 15th, 2025.

MESH BOARD MEMBERS PRESENT

Mr. Gene Jernigan, Chairman; Mr. Steve Norris, GM; Mr. Gilbert Bailey, DGM; Mr. Michael Register, SGW; Mr. Earl Wells Mr. Tommy Mills, Mr. Edward Johnson, II; 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, and Mrs. Debbie Owen

MESH BOARD MEMBERS ABSENT

Mr. Bryant Webster, Mr. Mike Rivenbark, Mr. Dennis Edwards

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. Rachel Seibert, Director of Nursing; Mrs. Debi Bryant, Director of Sales and Marketing; Mrs. Gina Prevost, Director of Community Life Services; Mr. William Ridgeway, Director of IT; Mrs. Misty McAden, Chaplain; Mrs. Jenna Grant, Director of Fraternal Friendship; Mrs. Tiffany Allison, Human Resources Coordinator; Mr. Jacob Elliott, Director of Operations Management, Life Care Services; Mr. Joe Mooney, Manager of Finance, Life Care Services; Mr. Gene Lewellyn, Resident; Mr. Ted Dresie, Resident; Mr. Jimmie Dowless, Resident; Mr. Bob Dellorfano, Resident; Mrs. Donna Newton, Resident; Mr. Gary Wegner, Resident; Mrs. Sandra Wegner, Resident; Mr. Marty Fischer, Resident Mr. Allen Greenstein, Resident Council President; Mr. Lewis Ledford, Grand Treasurer; Mr. Jonathan Underwood, Grand Secretary; 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; Mr. Russell Bridges, JGS; Mr. Speed Hallman, PGM; Mr. Jeff Bullington, Committee on WhiteStone; Mr. Clifford Shrewsberry, Committee on WhiteStone

INVOCATION

Mrs. Misty McAden, Chaplain 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 move the 2026 August Quarterly Meeting of the Board of Directors from August 15th to August 22nd. .

Motion: It was moved, seconded, and approved by majority to accept the minutes for the Regular Board Meeting August 9th, 2025.

Motion: It was moved, seconded, and approved by a majority, to accept, in toto, the following slate of board officers and committee members:

Officers

Gene Jernigan, Chairman; Norma Underwood, Vice Chair; Billy Ireland, Secretary; and Shaun Bradshaw, Treasurer

Audit Committee

Mike Register, Norma Underwood, Allen Hughes, Billy Ireland, Linda Bonner, Kenny White, and Philip Johnson

Finance Committee

Gilbert Bailey, Steve Norris, Norma Underwood, Alvin Billings, Gary Handy, Lori Adams, Bryant Webster, Joey Transou, and Shaun Bradshaw

Personnel Committee

Dennis Edwards, Tommy Mills, Allen Hughes, Linda Bonner, Allen Greenstein, Resident Council President; Earl Wells, and Debbie Owen

Buildings & Grounds Committee

Gene Lewellyn, David Cashion, John Burns, Russell Bridges, Sandy Johnson, David Griffith, and Rick Patton

Executive Committee

Gene Jernigan Chairman of the Board; Norma Underwood, Vice Chair; Mike Register, Chairman of Audit Committee; Gilbert Bailey, Chairman of Finance Committee; Dennis Edwards, Chairman of Personnel Committee; Lori Adams (Ex Officio), and Kenny White (Ex Officio), William Ireland, Steve Norris, Bryant Webster (Of Council)

Long Range Planning Committee

Joey Transou, Bryant Webster, Cheryl Haynes, Mike Register, Mike Rivenbark, Tommy Mills, Kenny White, Gilbert Bailey, David Sawyer, and Earl Wells

Charity Committee

Philip Johnson, Sandy Johnson, Alvin Billings, Edward Johnson, II; David Casion, Rick Patton, Debbie Owen, David Griffith, and Mike Rivenbark

COMMITTEE REPORTS

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 September 30, 2025, based on unaudited financials.

Net Operating Income (NOI):

- The 2nd Quarter closed with a NOI of 5.3M on a budgeted NOI of 661k for a positive variance of 4.6M.
- 2.8M is related to Employee Retention Credit (ERC) funds received for a net NOI of 2.5M.

Operating Revenue:

- Revenue (excluding ERC funds) is over budget by 1.2M.
- Each level of care is performing over budget due to occupancy and for the health center, payer rates have slightly exceeded budget.

- Numbers show that assisted living is under budget, but this is due to the free care days adjustment in March, which was previously discussed at the May board meeting.
- Contributions are over budget by 548k.

Operating Expense:

- Operating expenses were under budget by 600k.

Debt Covenants:

- Quarter three debt covenants are 313 days cash on hand (DCOH) on a covenant of 150.
- Debt Services Coverage Ratio (DSCR) is 5.27 for Q3 on a covenant of 1.20. This is a 12-month trailing calculation so financial activity from October 1, 2024, to September 30, 2025 is used for this calculation. All 1st generation entrance fees on the expansion building are excluded from this calculation.
- As a reminder debt covenants are calculated quarterly and reported on EMMA for bond holders to review. The final calculation is done on 12/31. Currently our maximum annual debt service (MADS) is 1.4M, however due to the 2020 bond financing that increases the 1st year following stabilization which will be 12/31/2025 and will go to approximately 5.1M.
- The estimated and forecasted DSCR using Jan to Sept data came to 1.6. The ERC funds are not allowed for DSCR calculation.

Accounts Receivable:

- Days in accounts receivable is 17.9 on a goal of 18.
- Total over 90 days outstanding 923K, with 779K coming from the health center.
- 524K is related to Medicaid applications in the health center.
- There are currently zero Medicaid applications outstanding.

Capital Projects:

- The freezer cooler project that has been ongoing for several years is now complete and we have received the final invoice as of Nov 2025.
- The finance committee met in July and approved an additional project to run Fiber to the Villa Homes and Cottages given our service issues with trees and greenery. This project will start in 2025 but may not be completed until 2026. This project is about 40% complete in total as of 11/11/2025.

- After discussion with some residents regarding the buffet room we are inquiring about a few things that were brought up and meeting with the vendors to discuss a few things before finalizing the project.
- The Gay Terrace project is under way and hopefully will be completed by end of year.

Cash:

We did transfer 1.5M and another 900k of the ERC funds to the investment account per discussion at the last board meeting. The remaining 400k was kept in the operating account for the fiber project.

2026 Operating Budget:

The proposed 2026 Operating and Capital Budget was presented on behalf of the Finance Committee. The budget projects net operating income of approximately \$2.6 million, representing a margin of roughly 9%. Proposed rate increases include a 4.5% increase for Independent Living, a standardized \$100 monthly increase for the second-person fee, and a 4% increase for Health Center and Assisted Living rates. Staffing wage increases of 3.25% and an entrance fee increase of 3% were also included. The capital expenditure budget totals \$1.265 million, with projected debt covenant compliance showing a DSCR of just over 1.2, meeting requirements.

Motion: It was moved, seconded, and approved by majority to accept the 2026 Operating Budget as presented and approved by the Finance Committee.

Finally, Mrs. Stafford presented results of the audit and accounting services RFP. After evaluating two proposals and conducting follow-up discussions, she recommended engaging Baker Tilly, citing strong senior-living expertise, favorable cost structure, and demonstrated engagement during the proposal process.

Motion: It was moved, seconded, and approved by majority to accept the recommendation of moving to the audit firm of Baker Tilly.

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 for a report on sales performance and occupancy. Whitestone continued to experience exceptionally strong market demand:

- 98% occupancy
- 99% sold
- 151 individuals on the waitlist across various independent living residence types
- 12 third-quarter move-ins

Mrs. Bryant noted that year-to-date sales and closings exceeded expectations. A villa home newly introduced to the market was reserved within two days, underscoring both high demand and the reputation of the community.

Mrs. Bryant highlighted several recent and upcoming marketing and engagement events, including a successful Resident Panel, Friendsgiving luncheon, and the annual Holidazzle event. These events continue to strengthen relationships with prospects and waitlist members.

Mrs. Bryant closed by announcing four additional move-ins scheduled before year-end and several more poised for early 2026.

Mr. Gene Jernigan expressed appreciation for the leadership of Mrs. Bryant.

Mr. Joey Transou, Chair of the Long Range Planning Committee, delivered a substantive update on Whitestone's multi-day strategic planning initiative conducted alongside LCS's Pathfinder Team. Mr. Transou explained that the planning sessions were attended by board members, residents, staff leadership, Grand Lodge and Eastern Star representatives, LCS development experts, and financial advisors from Cain Brothers and were designed to chart Whitestone's long-term direction following the successful stabilization of its recent expansion.

The Board was briefed on the five emerging strategic themes prioritized for future exploration:

1. Fundraising for Future Development – Strengthening philanthropic capacity to support the next era of campus improvements.
2. Financial Optimization – Examining operational efficiencies, wage structures,

staffing models, and expense management.

3. Master Planning & Land Use Strategy – Reviewing current facilities, resident programming needs, and future residential and healthcare product mix.
4. Revenue-Generating Healthcare Opportunities – Evaluating ways to expand health services statewide, including potential growth of outreach programs.
5. Workforce Strategy – Addressing recruitment, retention, housing, and benefits amid a competitive labor market.

Mr. Transou summarized key takeaways from benchmarking and demographic projections, emphasizing the rising demand for senior housing and healthcare services among baby boomers, and the importance of maintaining financial strength to compete in a rapidly evolving sector.

He concluded by outlining next steps: naming work groups, engaging LCS Development on feasibility modeling, and preparing a preliminary master plan proposal for Board review in the coming months.

Charity Committee

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

Through September, our charity has totaled 1,065,642, which is under budget for the year by 101,443. Compared to this time last year, charity care is up 142,126. The Fraternal Friendship Program has accounted for approximately 86,753 in charity care through September, which is slightly under budget by 3,247.

At present we are providing long-term financial assistance to six (6) fraternal members through the Fraternal Friendship Program and sixteen (16) WhiteStone residents. This includes thirteen (13) members residing in our independent living, two (2) in assisted living, and one (1) in memory care.

We currently have 3 fraternal members who are interested in moving to WhiteStone and are actively working on their applications for assistance. We're excited to welcome a new resident to WhiteStone this month! She has been approved for future assistance through the Fraternal

Friendship Program. As a widow, she has been living independently in her own home but maintaining it had become increasingly challenging. She's thrilled to be joining our community—especially since her brother will also be moving to WhiteStone, giving her the opportunity to be close to family. She looks forward to enjoying our engaging social activities, convenient transportation services, and the peace of mind that comes with access to quality nursing care.

Mrs. Grant has received excellent feedback from the lodges visited and presented to about the Fraternal Friendship Program. Many members have shared that they learned new details they hadn't known before, and there is hope these presentations will inspire increased support and donations. A special thank-you to Mr. Joey Transou for his dedication in traveling across the state to share information about the program with lodges far and wide.

Also contained in tab 4 is the summary of contributions through September. Donations totaled 1,748,153, which was better than budget this year by 548,156, and up from this time last year by 403,206. Major contributions YTD are highlighted in yellow, including the 4th quarter hardship reimbursement for 2024, along with the 1st and 2nd quarter hardship reimbursement for 2025, the Betty Barberee 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 5,104, with thirty-six (36) donations received by fifteen (15) board members. This time last year, donations totaled 7,560 with forty-seven (47) contributions from seventeen (17) board members.

Mr. Gene Jernigan spoke to the Board Member donations through September and requested members that have not yet contributed to please donate in order to achieve our goal 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 provided a brief update on the North Carolina Masonic Foundation. Mr. Burns reinforced the Foundation's commitment to strengthening and sustaining the Fraternal Friendship Program and described recent philanthropic achievements, including more than \$250,000 in new earmarked support generated through coordinated efforts among the Foundation, Whitestone leadership, and statewide lodges. His comments underscored a shared vision: putting both structure and heart behind the program to ensure it continues meeting the needs of Masons, Eastern Star members, their spouses, and surviving family members across North Carolina.

Taken together, the report reflected not only financial stewardship but also the profound sense of mission-driven service that lies at the core of Whitestone's identity. The Charitable Care and Fraternal Friendship Program stands as one of the organization's most meaningful expressions of compassion, fraternity, and long-term commitment to those who have served the Masonic and Eastern Star traditions.

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 ongoing work of Whitestone's nine resident committees. He noted that these groups remain "active and highly engaged," serving as both a communication bridge and a meaningful source of feedback for leadership. Several board members echoed this sentiment, acknowledging the essential role these committees play in shaping daily life, programming, and the resident experience across campus.

Mr. Ted Dresie, Chair of the Whitestone Employee Gratitude Initiative (WEGI), addressed the Board. Mr. Dresie explained that WEGI, now in its second year, had already raised \$61,000 toward its \$100,000 annual goal, demonstrating strong participation and heartfelt generosity from residents, family members, and friends of the community.

Mr. Dresie spoke about the initiative's origins, a resident-driven effort designed to formally recognize and financially support WhiteStone employees during the holiday season. Last year's campaign raised \$64,000, enabling WhiteStone to distribute meaningful bonuses to staff across all departments. The impact was profound and deeply felt by employees who often described the gifts as unexpected blessings that helped support their families, holiday expenses, and personal

needs.

Mr. Dresie also recognized the technical and administrative support provided by WhiteStone's staff, including assistance from Mrs. Nikki Stafford, who helped coordinate communications and outreach efforts. Mr. Dresie closed by emphasizing the initiative's purpose: to affirm employees as valued members of the Whitestone family and to ensure that gratitude is expressed in both words and actions.

Board members offered appreciation to Mr. Dresie and the WEGI leadership team, acknowledging that the initiative not only enhances employee morale but also strengthens the bond between staff and residents, a hallmark of Whitestone's culture.

Management Report

Mr. Mark Lewis referred the board to tab 8 of the board packet for the management reports for the months April, May, and June.

Mrs. Tracy Armwood, Director of Human Resources, was introduced and presented the following update.

Whitestone's overall turnover rate improved significantly, down from 35.6% to 30.7% year-to-date. Improved stability particularly evident in Nursing and Food & Beverage following key leadership hires. Mrs. Armwood noted that national turnover benchmarks in long-term care remain considerably higher, positioning Whitestone competitively and demonstrating meaningful cultural progress.

Recruitment activity remained strong through the quarter:

- 3,989 candidates screened
- 472 interviews conducted
- 242 offers extended
- 207 new hires accepted

These figures confirmed that candidate flow is healthy, and the primary staffing challenge remains retention rather than recruitment.

Mrs. Armwood highlighted initiatives aimed at strengthening staff experience:

- Leadership training
- Focused performance management
- Stay interviews at 90-day intervals
- Introduction of Paycor pulse surveys
- Ongoing employee engagement activities

Mrs. Armwood explained broader workforce pressures in the Greensboro region—including expansions by Toyota, Boom Supersonic, JetZero, Atrium Health, and others—which heighten competition for employees across all sectors.

Mrs. Armwood concluded her report by recognizing Tiffany Allison, who celebrated four years with Whitestone and has become an essential member of the HR team. She acknowledged Tiffany’s reliability, compassion, and dedication, prompting a warm round of applause from the Board.

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

2025 Q3 Health Center Review

- Occupancy
 - Overall occupancy of 88.5% across the Care and Wellness Center, Assisted Living, and Memory Care for the 3rd Quarter.
- Financials
 - Revenue was more than budget at \$27,302 for the 3rd Quarter.
 - Expense was under budget at \$101,613 for the 3rd Quarter.
 - Net Operating Income was more than budget at \$128,915 for the 3rd Quarter.

2025 Q3 Care and Wellness Center Review

- Occupancy
 - Overall occupancy of 88.7% for the Care and Wellness Center for the 3rd Quarter.
- Financials
 - Revenue was more than budget at \$31,190.
 - Expense was under budget at \$99,488.
 - Net Operating Income was more than budget at \$130,678.

2025 Q3 Assisted Living & Memory Care Review

- Occupancy
 - Overall occupancy of 87.9% for Assisted Living and Memory Care for the 3rd Quarter.
- Financials
 - Revenue was under budget at \$3,888.

- Expense was under budget at \$2,125.
- Net Operating Income was under budget at \$1,763.

CMS Star Rating

- An update to the CMS Star Rating was scheduled to be set for October 29th, 2025. Due to the ongoing Government Shutdown, this activity has been paused, and we do not yet have a date of resolution for when the next update will come.
- Fortunately, since we last met, CMS did make an update specifically in September that refreshed the data surrounding the Staffing Star. With the rest of the data remaining frozen until late October as mentioned previously.
 - This update to our Staffing Star did improve our Staffing Star from a 1-Star related to the PBJ Audit back to a 3-Star Staffing.
- Overall, our community currently sits at a 3-Star Overall with a 3-Star in the Survey category, a 3-Star in the Staffing category, and a 3-Star in the Quality Measures category.
 - Our Team remains committed to continuing to focus our efforts on all three of the above categories to continue to grow WhiteStone’s Star Rating back to the 5-Star.

U.S. News & World Report

- WhiteStone has been named a Best Nursing Home 2026 by U.S. News & World Report for Short-Term Rehabilitation
- Every year, the U.S. News & World Report evaluates over 15,000 Nursing Homes across the country.
 - Approximately, 19% of these facilities are recognized as “Best Nursing Homes” in either short-term rehabilitation, long-term care, or both.
- The annual ratings are intended to help Families and prospective Residents research and find high-quality nursing homes based on factors like care, safety, and Resident outcomes.

Mr. Josh Hillegass introduced Mrs. Rachel Seibert, Director of Nursing, who recently completed her first 90 days at Whitestone. Rachel shared reflections on her onboarding experience, expressing deep admiration for the staff and affirming her commitment to strengthening clinical excellence, culture, and team collaboration.

Mrs. Gina Prevost, Director of Community Life Services, delivered a report to the Board that highlighted the success of the WhiteStone Caregiver Respite Program. Mrs. Prevost explained that the program originated from conversations within the Caregiver Support Group, where independent living residents caring for spouses expressed a common struggle: the need for periodic relief from full-time caregiving. Many shared openly that they had little opportunity for rest, errands, appointments, or even a quiet meal. Recognizing this, the CLS Team developed the Whitestone Retreat, a structured respite offering held once a month. The program allows caregivers to bring their spouses to the Community Life Services team for several hours while they attend to personal needs. Mrs. Prevost emphasized that both residents and staff have responded positively. For residents, it provides needed rest; for staff, it strengthens familiarity with individuals who may eventually transition into higher levels of care. The result is a more informed, supportive, and seamless care experience.

Lastly, Mrs. Prevost then shared a significant recognition the CLS Department has received: the Caregiver Respite Program received First Place in the Cognitive Vitality/Dementia-Inclusive Engagement Category at the LCS Community Life Services National Best Practices Awards. This achievement brought visibility to WhiteStone within the national LCS network. Gina stated that LCS leadership had expressed interest in adapting WhiteStone's model for use in other communities across the country.

The Board expressed appreciation for the program's innovation, its alignment with WhiteStone's mission, and the leadership that brought it to life.

Mr. Mark Lewis provided a summary of the Resident Satisfaction Survey that was completed in October. Independent living satisfaction score was 81%, down slightly from 84%. Assisted living scored 88%, and the Health Center 66%. Overall, the response rate was strong with independent living residents at 92%, but both assisted living and health center residents did not provide a strong response to the surveys. The most requested areas of improvement included dining services, Care and Wellness Center, enhanced communication, increase in parking, and campus security enforcement. The areas scoring highest with resident satisfaction included community spirit and culture, staff dedication, spiritual support, and location convenience. The next step will be to engage with residents and staff to create improvement plans.

Mr. Jacob Elliott, Director of Operations Management, provided the Board with new information related to prospect economic sentiment. During the 3rd quarter, consumer sentiment rebounded significantly after last quarter's sharp decline. Similarly, the economic sentiment improved in the 3rd quarter, reversing the sharp pessimism seen last quarter. The housing market sentiment remains weak but showed slight improvement. Following a notable shift last quarter, financial sentiment appears to be stabilizing.

Mr. Joe Mooney, LCS Manager of Finance, shared a community performance lookback and opportunities for financial optimization. Looking at WhiteStone's 5-year financial performance history. The community's net operating income has grown significantly over the past five years, although the target margin of 13% to 15% requires an additional \$1.1M of revenue or expense management. The highest margin has been independent living followed by assisted living / memory care, followed by the health center. Independent living occupancy has trended up for 2024 and 2025. Health Center occupancy and payor mix plays an important part in achieving our margin, with increased short term rehabilitation occupancy, accessing the higher payors. WhiteStone's full-time equivalent (FTE) staff will be an area of focus to identify efficiencies and continue to provide a high quality of care. All of these areas play an important role in providing a strong margin to meet our mission.

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 great things happening at the community. Lastly, Mr. Ireland looks forward to being involved at the community for years to come.

The newly installed 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.