

MINUTES

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA INC

November 11th, 2023

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 11th 2023.

MESH BOARD MEMBERS PRESENT

Mr. Gene Jernigan, Chairman; Mr. Kevan Frazier, GM; Mr. Don Kehler, DGM; Mr. Joey Transou, JGS; Mr. Rick Patton, Mr. Bryant Webster, Mr. Tommy Mills, Jr., Mr. David Bramigk, WGP; Mrs. Betty Jo Yommer, WGM; Mrs. Linda Bonner, Mrs. Linda Burris, Mrs. Linda Hyatt, Mrs. Amy Jo Fischer Hoth, AGM; Mr. David Griffith, and Mr. Allen Hughes

MESH BOARD MEMBERS ABSENT

Mr. Robert Rideout, SGW; Mr. David Sawyer, Mr. Edward Johnson, II; Mr. Ronald Hensley, Mr. Jerry "Randy" Browning, III

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; Mrs. Gina Prevost, Director of Community Life Services; Mr. Josh Hillegass, Health Services Administrator; Mrs. Jenna Grant, Fraternal Friendship Director; Mr. Jacob Elliott, Life Care Services; Mrs. Susan Brewer, Life Care Services; Mr. Gene Lewellyn, Resident; Mr. Bob Dellorano, Resident Council President; Mrs. Donna Newton, Resident; Mr. George Troxler, Resident; Mrs. Norma Underwood, GC; Mrs. Lori Adams, AGC; Mr. Dennis Edwards, AGP; Mr. Michael Register, JGD; Mr. Alvin Billings, SGS; Mr. Philip Johnson, GRM; Mr. Todd Frye, Committee on WhiteStone

INVOCATION

Mr. Gene Jernigan, Chairman, 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 August 12th, 2023.

COMMITTEE REPORTS

Long Range Planning Committee

Mr. Gene Jernigan introduced Mr. Joey Transou, Chair of the Long-Range Planning Committee. Mr. Joey Transou provided an introduction for Mrs. Susan Brewer, Regional Director of Sales and Marketing with Life Care Services, who provided the following updates.

Mrs. Susan Brewer presented a sales update, which began with a re-introduction of the WhiteStone Sales and Marketing Team. Move in revenue through October totaled 12,020,251, compared to this time last year at 7,651,129. With additional revenues of 2,193,897 anticipated prior to the end of the year. In addition, with the units sold but not expected to move in until 2024, we'll start the year with an anticipated 1,661,585 in revenue. Cumulatively, expansion sales have totaled 120 (of the 67 new apartments), with a total cancellation of 55, which equates to 52% cancellation rate. Independent living apartments are currently sold at 55, with the marketing covenant at the end of the year being 60. Current occupancy across independent living is at 84% but sold to 90%. The Sales and Marketing Team have three goals for the coming quarter: (1) to generate additional leads, (2) to refresh and add collateral materials, and (3) increase the community's digital footprint.

Mr. Gene Jernigan congratulated the Sales Team for their results and expressed appreciation for their continued efforts.

Mr. Joey Transou commented on the responsiveness of Mrs. Debi Bryant, Sales Counselor, in the recent move-in of a lodge brother.

Mr. Mark Lewis announced that WhiteStone has received the approval of occupancy for the new assisted living building on November 6th. After months of working with the Department of Health Service Regulation (DHSR), residents are now being scheduled to move in. Additionally, the final phase of renovations in the Care and Wellness Center has also been approved by DHSR.

Mr. Joey Transou commented that we are now seeing the culmination of many years of planning and work here on the campus of WhiteStone. He expressed appreciation for everyone involved in this project, including contributors to the capital campaign, which helped the home to achieve its financial goals. The project is in the process of closeout with our contractor and architect, and it is the goal to wrap up the project before the end of the year. The home has been in existence since 1912, and now has the full continuum of care, which will help to continue our fraternal mission.

Mr. Gene Jernigan thanked Team and especially Mr. Joey Transou for his commitment to WhiteStone and all his work on this repositioning project.

Finance Committee

Mr. Gene Jernigan introduced Mr. Don Kehler, Chair of the Finance Committee who introduced Mrs. Nikki Stafford, Director of Financial Services, to report on community finances through September 30, 2022, based on unaudited financials.

Net Operating Income (NOI):

YTD Net Operating Loss is under budget by 474k.

Operating Revenues:

- Revenue is under budget (583k). Health Center (HC) revenue is under budget by (481k). Unfortunately, (and as previously mentioned at the May and August board meetings) part of the HC issue is a budget mistake with Medicaid. Private Pay is over budget by 245k, MCR is under budget by 24k, and HMO is over budget by 89k.
- Independent Living (IL) revenue is exceeding the budget by 262k.
- Assisted Living /Memory Care (ALMC) revenue is under budget by 712k due to the closure of the MC unit for construction and the delay in opening the ALMC building from construction.

- Contributions have exceeded the budget by 163k.

Operating Expenses:

- Operating expenses were 1.1M under budget.
- The HC remains the only department over budget by 370k. The main expense overage is still with LPNs. Recruiting and outside agency use are also over.

Debt Covenants:

- Q2 covenants previously reported as DCOH at 206 at and DSCR is 5.08 on unaudited financials. There was an error found with a formula for DCOH and the recalculated amount was 316. Also, with DSCR expansion entrance fees were initially included but are not allowed and that covenant was recalculated at 1.96.
- Q3 covenants for DCOH were 281 at quarter end 9/30 (covenant is 150) and DSCR is .58 on unaudited financials (covenant is 1.20). Note that we report our covenants quarterly, but they are officially tested annually on 12/31. The forecasted DSCR at 12/31 is 1.25.

Cash in bank 11/10/2023 is approximately 670k.

Investments:

- At the end of the quarter the community had 493k in unrealized gains, which is 42k over budget.

Accounts Receivable:

- At the end of 2022, AR totaled 1.338M. At the end of September totaled 1.256.
- Over 90 at year end 2022 was 690k and at September month end was 397k.
- While over 90 is not moving quite as quickly, we are chipping away at it each month and our current processes are being improved each week for billing and admissions.

Expansion 2020B2 Bonds:

Expansion entrance fees are restricted for the payment of entrance fee bonds from the September 2020 financing. On 11/1, the 2020B2 bonds were called and paid off due to the sales of the expansion units. This early payoff will save the community hundreds of thousands of dollars in interest expense. The 2020B1 bonds are next to be paid, however before that payment is made discussions with the bond trustee will continue in an effort to invest the funds in treasury investment to earn some return prior to payoff.

2024 Operating Budget:

Mrs. Nikki Stafford next presented the Operating Budget for Fiscal Year 2024. The Board Finance Committee has reviewed the budget on two occasions and has approved the following

proposed budget to be presented to the Board:

Operating Revenues:

- Total operating revenue is budgeted at \$21.3M for 2024, a 21% increase from 2023.
- Average occupancy for IL for 2024 is 82.43%. The largest contributing factor to occupancy below 90% in IL, is the transition of approximately 25 residents from IL to AL and/or MC in 2024.
- Average occupancy in the HC for 2024 is 91.81%. This will be the first year from 2020 that the HC will be 100% open and all beds available.
- Average occupancy in AL is 84.38% for 2024. Residents will start transitioning to the AL in November 2023 and continue to move in with heavy transition in January and February and reaching 91.7% in June 2024. (24 available beds).
- Average occupancy in MC is 68.75% for 2024. Occupancy reaches 83.3% in June 2024. For 2024 MC is budgeted to have 10 out of 12 beds filled starting in June (12 available beds).
- Monthly service fees for IL are budgeted to increase by 7% in 2024 versus an 8.5% increase in 2023. HC / AL / MC are budgeted to increase 6% for 2024.
** Please note that second person fees are being evaluated as currently due to inflation they do not cover food costs, which is the primary use of those funds, and may have a higher increase implemented. **

Operating Expenses:

- Operating expenses are budgeted at 22.8M in 2024, which is an 18% increase over a budget of 19.3M in 2023.
- Salaries and wages have been budgeted at a 3.5% increase. Employee wages and benefits account for 57.7% of total operating expenses.
- Financial subsidy budgeted for 2024 at \$1.1M, not including Medicaid.

Net Operating Income:

- Assumes a net operating loss of 1.44M, compared to a budgeted loss of 1.69M in 2023. The 2024 loss is 6.79% of operating revenues whereas in 2023, it was 9.59% of operating revenues. I note this to notice the trend downward as it relates to loss percentage.

Capital Expenditures:

- Total capital expenses for 2024 are budgeted at 3.58M. Please note that of the 3.58M, there are three large projects alone that account for 2.6M, which is 73% of total capex requests.

Defined Cash Flow:

- Assumes defined cash flow of 2.4M for 2024.

- Assumes \$8.9M in net entrance fees after incentives and repayments (note that of those funds any related to the expansion as a first unit sale are obligated to the 2020B1 – Entrance Fee Bonds).
- Assumes contributions/donations of \$1.6M.

Mr. Bob Dellorfono, resident of WhiteStone, commented that residents expect an increase but did not anticipate a 7% increase.

Mr. Don Kehler next discussed the monthly service fee increase for 2024. Highlighting that WhiteStone has not been priced as the premier community in the market because of the ongoing project. To be charitable, positive cash flow is necessary to continue our mission. This requires the community to be priced correctly. As the Chair of the Finance Committee, Mr. Kehler made a motion to raise the independent living monthly service fee increase from 7% to 9%, and the health center and assisted living from 6% to 8%.

Mr. Bob Dellorfono, resident, commented, the argument will be that with inflation being 3.5%, how do you rationalize the higher increase.

Mr. George Troxler, resident, questioned how the monthly service fee increase at WhiteStone compares to other premier communities.

Mr. Jacob Elliott commented that within Life Care Services, those rate increases range from 5.8% to 10%, depending on the specifics of each community.

Mr. Gene Jernigan added, monthly fees have not been accelerated adequately in years past, and this has been exacerbated by inflation in the past few years.

Mr. Bryant Webster reminded the board of its fiduciary responsibility to the institution, looking after the best interests of WhiteStone. Drawing attention to the previous history of WhiteStone, where the community was at risk of closure by the Department of Insurance.

Mr. Joey Transou requested that Life Care Services continue to pursue sustainability at WhiteStone and challenged Mr. Jacob Elliott to review projections from the expansion project and make the necessary adjustments to operations to achieve profitability.

Mr. Kevan Frazier commented that making this change in the proposed budget now will support

our goal of getting the community in a better position financially quicker.

Motion: It was moved, seconded, and approved by the majority to increase the monthly service fee in the proposed budget from 7% in independent living and 6% in the health center / assisted living to 9% in the independent living and 8% in the health center / assisted living.

Motion: It was moved, seconded, and approved by the majority to approve the budget in toto with the amended changes to the monthly services fees.

Charity Committee

Mr. Gene Jernigan recognized Mr. Mark Lewis to provide an update on charity in the absence of Mr. Steve Norris, Chair of the Charity Committee.

Mr. Mark Lewis asked Mrs. Jenna Grant, Director of the Fraternal Friendship Program, to provide the update. Through September, our charity has totaled 1,063,893, which exceeds the budget for the year by 62,280. Compared to this time last year, charity care is up 153,016.

The Fraternal Friendship Program (formerly Masonic and Eastern Star Outreach Program) has accounted for approximately 98,325 in charity care through September, which is slightly under budget by 2,472. At present we are providing long-term financial assistance to eight (8) fraternal members through the Fraternal Friendship Program and nineteen (19) WhiteStone residents. There are currently eleven (11) applications being processed for assistance by our Director of Fraternal Friendship. Four of which are scholarship applications, requesting assistance to move to WhiteStone.

Mr. Mark Lewis requested the board's assistance in supporting the MESH LLC so that those applications for assistance in moving to WhiteStone can be authorized.

Also contained in tab 4 is the summary of contributions through the 3rd quarter of 2023. Donations totaled \$1,307,797, which was higher than budget this year by \$162,988 but down from this time last year by \$895,845. The variance from last year can be attributed to donations

to the capital campaign. Major contributions YTD are highlighted in yellow, including three quarters of hardship reimbursement, Ruck Fund gift of \$204,521, and NCMF gift of \$125,000. Board member donations through September (as reported in tab 4) totaled \$21,753, with forty-nine (49) donations received by fourteen (14) board members. This time last year, donations totaled \$12,515 with forty-nine (49) contributions from eleven (11) board members. As reported in the packet, board member donations to WhiteStone's general operating fund totaled \$5,078, and campaign for WhiteStone at \$16,676.

Motion: It was moved, seconded, and approved by a majority to accept the charity report as presented.

Mr. Jernigan challenged members of the board to contribute to the general operating fund of WhiteStone in order to meet the goal of 100% participation. Board members were asked to inquire about their contributions to WhiteStone, if there is any question whether they've contributed.

North Carolina Masonic Foundation

Mr. Gene Jernigan announced that Mr. George Marut, Director of Development of the North Carolina Masonic Foundation (NCMF) could not be present. However, a brief update was provided and shared with the board by Mr. Mark Lewis.

Foundation staff continue to steward donors who gave in support of the capital campaign and close our remaining pledge balances. The total outstanding pledge balance as of 11/10/23 is \$125,000 of which \$105,000 is allocated between two donors. We expect \$75,000 of this amount to be paid off in the next six months. Foundation staff are also in the process of planning an event to celebrate donors who contributed to the successful capital campaign. Foundation staff continued work on a strategic development and marketing plan for Fraternal Friendship so that care for the aged can be carried out throughout the state. We are in the early phases of this work carrying out feasibility studies and focus groups.

Mr. Gene Jernigan thanked the NCMF and OES Foundation for their continued support.

Resident Communication

Mr. Mark Lewis directed the board to tab 6 of the board packet for minutes from committee meetings during the 2nd quarter.

Mr. Bob Dellorfano, Resident Council President, expressed appreciation to the Board Finance Committee for their efforts to make WhiteStone a viable community for the long term. Mr. Dellorfano also expressed his support for the monthly service fee increase as approved.

Mr. Gene Jernigan commented on how rewarding an experience it is to attend the Resident Advisory Committee and to hear about all the magnificent work they are doing.

Management Report

Mr. Mark Lewis referred the board to tab 7 of the board packet for the management reports. The management reports will also be uploaded to the board portal moving forward.

Referring to the campus occupancy report contained in tab 7, Mr. Mark Lewis provided the board with current occupancy numbers. Independent living occupancy is currently at 176 out of 212, or 83% occupied. However, by including the number of units reserved, the independent living occupancy is 191 out of 212 or 90%. This takes into consideration; one Latham apartment being removed from inventory.

Also contained in tab 7 are the management reports for the months of July, August, and September.

Mr. Mark Lewis announced that Mr. Josh Hillegass has been selected to participate in the LeadingAge Leadership Academy for 2024.

Mr. Josh Hillegass, Health Services Administrator, was introduced and provided the board with an update from the Care and Wellness Center:

Flu, COVID-19, and RSV Updates:

- Vaccination Clinics were held for Flu, COVID-19, and RSV in both the Independent Living Community and the Care and Wellness Center. We continue to encourage all Residents and Staff to vaccinate if appropriate, especially as we enter the Holiday Season.

- The Care and Wellness Center had one Resident return from a Family Outing and began experiencing symptoms on 11/3 and tested positive on 11/4. Following the exposure, we had four additional Residents, and seven Staff Members tested positive for COVID-19. We were able to contact trace the exposure and have had no further COVID-19 cases in the Care and Wellness Center. Our Residents and Staff that have tested positive for COVID-19 have not experienced severe symptoms because of this COVID-19 Outbreak, and we hope to resolve all these cases in the coming week.
- Guilford County experienced 30 Hospital Admissions last week related to COVID-19, which is a 14.3% decrease week-over-week. Guilford County remains in Low Transmission Status.

Phase 4 of the Care and Wellness Center:

- Plan to occupy on Week of 11/20, we have identified and notified those Residents/Family Members who will be assisting with reoccupying this space.
- During design and construction, some scope of work was overlooked to convert two additional rooms into semi-private. As a result, our total bed count at the completion of Phase 4 will be 86 instead of our licensed 88.
- We have plans in place to renovate the two rooms in the 200 Neighborhood to convert them from Private Occupancy to Semi-Private Occupancy to meet our Licensed Bed Count of 88. We aim to complete this in Q1 of 2024.

Assisted Living:

- Plan to occupy on Week of 11/13, we will begin with our 1st Floor of Assisted Living.
- Our goal is to move eight Residents into Assisted Living by the end of the year. Due to the challenges of not knowing when the Assisted Living would be approved by DHSR, this has created challenges in coordinating moves. As families need time to coordinate movers and other specifics, this can cause some delay in occupancy. As of today, we have three confirmed move ins for the week of 11/13.
- Our Team has and will continue to meet regularly to discuss Assisted Living Operations as we embrace this new level of care for our community.

Clinical Specialist Visit:

- Our LCS Clinical Specialist, Jon Back, visited WhiteStone for a follow-up visit on September 21st. During Jon's visit, he noted several areas of improvement throughout the Care and Wellness Center. Jon commented on the positive feedback he received from Residents, Families, and Staff Members during his rounds and review of the day-to-day operations. Following his previous visit in July, our overall score increased from 78% to 86%. We look forward to continuing our progress moving forward.
- Our Team is working on the following opportunities resulting from Jon's visit: Falls and Events, Behavior Management, and Psychoactive Medications.

CMS Staffing Mandate:

- Proposed Rule was submitted on September 1st, 2023.
- Comments were taken regarding the Proposed Rule until November 6th, 2023.

- Mandate Requirements and Timeline:
 - Phase 1: Facility Assessment Changes: Clarified that Facilities must use evidence-based methods in care planning, including consideration for those Residents with Behavioral Health Needs: Conduct an assessment of each Resident’s specific and adjustments for that population; and develop a Staffing Plan to maximize recruitment and retention of Staff. Goes into effect 60 Days after Final Rule
 - Phase 2: 24/7 Registered Nurse Coverage: Registered Nurse will be required to be on Staff 24/7/365. This is triple the current standard required for Registered Nurse Coverage. Goes into effect Two Years after Final Rule
 - Phase 3: Registered Nurse / C.N.A. Requirements
 - 0.55 Hours per Patient Day (HPPD) for Registered Nurses
 - 2.45 Hours per Patient Day (HPPD) for C.N.A.s
 - Total Hours per Patient Day (HPPD) of 3.0
 - Goes into effect Three Years after Final Rule

- WhiteStone Readiness:
 - Phase 1: Facility Assessment Changes: Our Interdisciplinary Team is already considering the Resident-specific needs when care planning, and if there are situations/needs that arise, our Staffing is adjusted to accommodate. Our Team has been actively meeting and developing strategies for recruitment and retention which can be translated into a formalized Staffing Plan.
 - Phase 2: 24/7 Registered Nurse Coverage: The primary challenge faced here relates to recruitment of Registered Nurses and the shortage of them within the Skilled Nursing Industry. Our Team continues to look at ways to drive recruitment and retention for these individuals to be better prepared come implementation.
 - Phase 3: Registered Nurse / C.N.A. Requirements
 - Budget 2024
 - 0.64 Hours per Patient Day (HPPD) for Registered Nurses
 - 0.85 Hours per Patient Day (HPPD) for Licensed Professional Nurses
 - 3.2 Hours per Patient Day (HPPD) for C.N.A.s
 - Total Hours per Patient Day (HPPD) of 4.69

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

Recruiting: Human Resources has spent much of the year on recruiting efforts. To summarize these efforts, I offer the following analytics:

- October only: 222 New Candidates; 76 Scheduled interviews; 35 offers with 34 hires.
- 2023 YTD results: 3318 new candidates; 712 interviews; 264 offers with 210 hires.
- Congratulations to Archana Patel, new Executive Assistant.
- Recruiting for the following Leadership / Supervisory level positions: Assisted Living Manager, Director of Plant Operations, and Health Center CDM Kitchen Manager.

Construction Delays and Impact on Recruiting:

- The new AL is opening! We have been working to fill the final roles to fully staff the assisted living needs. We have all roles filled except the AL Nurse Manager, a few PT roles and a 2nd shift nurse role.

Area Growth and the rise of Competition:

- We have continued to push wages to meet talent demands. We've won some, we've lost some. The biggest wage challenge currently is with RNs and LPNs. I did recommend a 5% increase in wage scale for these roles, and we have to push our maintenance wages a bit to get the level of skilled technician we need.
- The aerospace, manufacturing and healthcare industry is booming in our area.
- Toyota Battery Plant – continues to grow. A new announcement in October revealed a new \$8 billion investment and the addition of approximately 3,000 jobs brings this plant to over 5,000 employees they will be recruiting for. 60% are due to come from our area.
- New Companies coming to the Greensboro area:
 - ProKidney – a biomanufacturing company has selected Greensboro for its new facility, bringing 330 jobs.
 - Phase Change Energy Solutions named Greensboro as its new headquarters. 51 jobs.
 - Marshall Aerospace established a new aircraft maintenance and engineering facility, bringing 240 jobs.
 - Atrium announced earlier this year a new community hospital moving 36 beds and two operating in the northwestern part of Greensboro just 2.1 miles from the new Cone Hospital that opened in May of 2022. This new hospital will directly affect our talent pool.
- Further expansions in our area include:
 - Honda Jet – 280 new jobs
 - Environmental Air systems – 200 new jobs
 - Aircraft Maintenance Company – 85 new jobs

Mr. Jacob Elliot, Director of Operations Management, was introduced for an update from Life Care Services. Announced the roll out of a couple of Life Care Services initiatives that focus on standardization, best practices, and analytics. Reporting will also provide better access to real

time information that enables the community to pivot when necessary. This includes an updated version of a financial variance report, which will be available to the board for review.

Mrs. Gina Prevost, Director of Community Life Services, announced Catherine Contreras, a member of the Community Life Services Team, has undergone kidney transplant surgery and is recovering.

Mr. Mark Lewis thanked Mr. Ronald Hensley and Mr. Kevan Frazier for their work on the WhiteStone board.

Mrs. Betty Jo Yommer, Worthy Grand Matron, provided remarks and thanked all in attendance for their support of the home.

Mr. Kevan Frazier, Grand Master, also provided remarks of appreciation.

Mr. Gene Jernigan shared appreciation for all those in attendance today and asked members of the Board and Grand Line to remain for Executive Session.

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CONFLICT OF INTEREST POLICY

PURPOSE

The purpose of this Conflict of Interest Policy (hereafter "Policy") is to protect the interests of Masonic and Eastern Star Home of North Carolina, Inc. (hereafter "the Community") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Community. This Policy is intended to supplement, but not replace, the Corporate Compliance Program pursuant to a resolution adopted by the board of directors and any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

INTERESTED PERSON

Interested Person. Any director, officer, community employee with contracting authority, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

TYPE OF CONFLICT

1. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family -

1.1 an ownership or investment interest in any entity with which The Masonic and Eastern Star Home has a transaction or arrangement; or

1.2 a compensation arrangement with the Community or with any entity or individual with which the Community has a transaction or arrangement; or

1.3 a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Community is negotiating a transaction or arrangement; or

1.4 an interested person employed by the Community was employed by the outside accounting firm that performs the Community's audit within one (1) year of auditing the financial statements

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the board of directors or appropriate committee decides that a conflict of interest exists.

As used in this policy, a financial interest does not include ownership of shares in a publicly held corporation.

2. Competing Interest. When an officer, director, or a committee member is also a director or officer of another organization which has been or may become the recipient of a thing of value from the Community or otherwise receives payment for services rendered to the Community.

3. Uses of Services, Property or Facilities. An officer, director, or a committee member should not seek staff assistance or the use of the Community's property, services, or facilities for personal benefit or private matters.

4. Privileged Information. An officer, director, or a committee member must not use information received while serving the Community for personal financial benefit or if the personal use of such information would be detrimental in any way to the Community. In addition, confidential information, such as management or personnel information, possible litigation or claim related information, or any other information provided to the members of the Board in confidence or under a claim of privilege, may not be communicated to any person not a board member other than the Executive Director provided that she/he is also bound by such confidentiality, unless otherwise explicitly approved by the Board.

5. Loans. No personal loans or credit shall be extended to an interested person by the Community.

PROCEDURES

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her financial or competing interest and must be given the opportunity to disclose all material facts to the noninterested persons considering the proposed transaction or arrangement. In each such case, a written disclosure should be given to the President of the Board, or if, in a committee context, to the Chair of the Committee, with a copy to the President of the Board.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest. The following sets forth the procedure for addressing a perceived conflict:

3.1. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

3.2. After exercising due diligence, the board or committee shall determine whether the Community can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

3.3. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested officers, directors, or committee members whether the transaction or arrangement is in the Community's best interest and for its own benefit and whether the transaction is fair and reasonable to the Community and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflict of Interest Policy.

4.1. If the board or committee has reasonable cause to believe that an officer, director, or committee member has failed to disclose actual or possible conflicts of interest, it shall inform the officer, director, or committee member of the basis for such belief and afford such officer, director, or committee member an opportunity to explain the alleged failure to disclose.

4.2. If, after hearing the response of the officer, director, or committee member and making such further investigation as may be warranted in the circumstances, the officers, directors, or committee members determine that the officer, director, or committee member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

RECORDS OF PROCEEDINGS

The minutes of the board and all committees that have board-delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature

of the financial interest, any action taken to determine whether a financial conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed, and

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ANNUAL STATEMENTS

Newly elected officers, directors, and committee members will be advised of this Policy and be required to complete a Conflict of Interest Statement (See Exhibit A attached). Incumbent officers, directors, and committee members will annually sign a statement (See Exhibit A attached) which affirms that such person:

1. Has received a copy of the Conflict of Interest Policy,
2. Has read and understands the Policy,
3. Has agreed to comply with the Policy, and

4. Understands that the Community is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

PERIODIC REVIEWS

To ensure that the Community operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize the Community's status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable and is the result of arm's-length bargaining;

2. Whether acquisitions of services result in inurement or impermissible private benefit;

3. Whether partnership and joint venture arrangements and arrangements with other individuals or organizations conform to written policies, are properly recorded, reflect reasonable payment for goods and services, further the Community's charitable purposes and do not result in inurement or impermissible private benefit; and

4. Whether agreements with other service providers, employees, and third party payors further the Community's charitable purposes and do not result in inurement or impermissible private benefit.

Attachment:

Exhibit A - Board of Directors and Standing and Advisory Committees Conflict of Interest Statement



10/20/06
Conflict of Interest Policy

EXHIBIT A

**MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC. BOARD
OF DIRECTORS AND STANDING AND ADVISORY COMMITTEES CONFLICT
OF INTEREST STATEMENT**

The undersigned hereby acknowledges receipt of this Conflict of Interest Statement, which I have read and understand. I am unaware of any financial interest or affiliation of mine or members of my immediate family, which, when considered in conjunction with my position with or relation to The Masonic and Eastern Star Home might possibly constitute a conflict of interest with The Masonic and Eastern Star Home other than the following:

1. Retirement communities: _____
2. Nursing homes, home health agencies, hospitals, and similar facilities: _____

3. Health care organizations (hospital associations, medical or dental societies retirement or nursing home association): _____
4. Suppliers of goods or services to The Masonic and Eastern Star Home (if stock ownership, please provide the number of shares owned directly or indirectly): _____

5. Insurance brokers or other insurance company affiliations: _____

6. Banks or other financial institutions where the corporation has funds on deposit (officer, director, or stock ownership): _____

7. Gifts, payments and/or entertainment (other than common business courtesies which are reasonable in nature and cost) from individuals or organizations conducting business with the corporation, either in its private lines of business or in its capacity as a government contractor: _____

8. Accounting firm: _____
9. Other: _____

Any future situation in which a possible conflict of interest might arise will be reported promptly in writing to Masonic and Eastern Star Home of North Carolina, Inc.

Signature

Date

Full Name [Please Print]

Title [Please Print]

WhiteStone

A MASONIC & EASTERN STAR
COMMUNITY  EST. 1912

Founded on fellowship. Inspired by you.

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MESH Committee Members

February 2024

Officers

Gene Jernigan, Chairman; Betty Jo Yommer, Vice Chair; David Bramigk, Secretary; and Shaun Bradshaw, Treasurer.

Audit Committee

Steve Norris, Betty Jo Yommer, Allen Hughes, David Bramigk, Linda Bonner, Dennis Edwards, and Gilbert Bailey.

Finance Committee

Robert Rideout, Don Kehler, Betty Jo Yommer, Mike Register, Alvin Billings, Amy Jo Fischer Hoth, Bryant Webster, Joey Transou, and Shaun Bradshaw.

Personnel Committee

Linda Hyatt, Chair; Tommy Mills, Allen Hughes, Linda Bonner, Donald McCrickard, Resident Council President; Earl Wells, and Linda Burris

Buildings & Grounds Committee

Gene Lewellyn, Chair; Philip Johnson, David Cashion, Joey Transou, Lori Adams, David Griffith, and Rick Patton

Executive Committee

Gene Jernigan Chairman of the Board; Betty Jo Yommer, Vice Chair; Steve Norris, Chairman of Audit Committee; Robert Rideout, Chairman of Finance Committee; Linda Hyatt, Chairman of Personnel Committee; Amy Jo Fischer Hoth (Ex Officio), and Dennis Edwards (Ex Officio), David Bramigk and Don Kehler

Long Range Planning Committee

Joey Transou, Chair; Bryant Webster, Norma Underwood, Steven Norris, Randy Browning, Jr., Tommy Mills, Dennis Edwards, Robert Rideout, David Sawyer, and Earl Wells

Charity Committee

Gilbert Bailey, Chair; Lori Adams, Mike Register, Edward Johnson, II; Philip Johnson, Rick Patton, Linda Burris, David Griffith, and Randy Browning

