



WhiteStone

Greensboro, NC

WhiteStone
A MASONIC & EASTERN STAR
COMMUNITY  EST. 1912

January 2024
Project Status Update



Project Details

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Executive Summary

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PROJECT TEAM

| | | | |
|--------------------------------|---|-----------------------------|--------------|
| Developer | LCS Development Company (LCS) | Todd Shaw Jeff Louk | David Kane |
| Construction Monitor | NEMA Management, LLC (NEMA) | Mason Colley | |
| Construction Manager | Frank L Blum Construction Company (FLB) | Josh Pack Anna Gallimore | Randy Snow |
| Civil Engineer | Stimmel Associates, PA (SA) | Kimberly Barb | |
| Architect/ Engineer | SFCS, Inc (SFCS) | Marcelo Menza | Leonard Rowe |
| Interior Designer | RDG | Lara Slavkin | |

PROJECT SCOPE

The current project at Whitestone is the outcome of a Master Planning exercise that was completed by LCS Development in 2016/2017.

The project goals include:

- Provide a full continuum of care by adding Assisted Living
- Expand more private rooms, update décor, and therapy space
- Continue the transition to more desirable IL apartments to gain economies of scale to improve financial position
- Add commons and amenities to meet prospective resident's expectations

The project scope includes:

- Newly constructed 67-unit IL building (115,00 SF)
- Newly constructed 24-unit AL building with 12 memory care beds (40,000 SF)
- Renovation of the Care and Wellness Center (Skilled Nursing) including conversion of 25 semi-private rooms to private rooms
- Renovation of the Wellness area
- Relocation of several community amenities

MARKETING AND SALES ACTIVITY

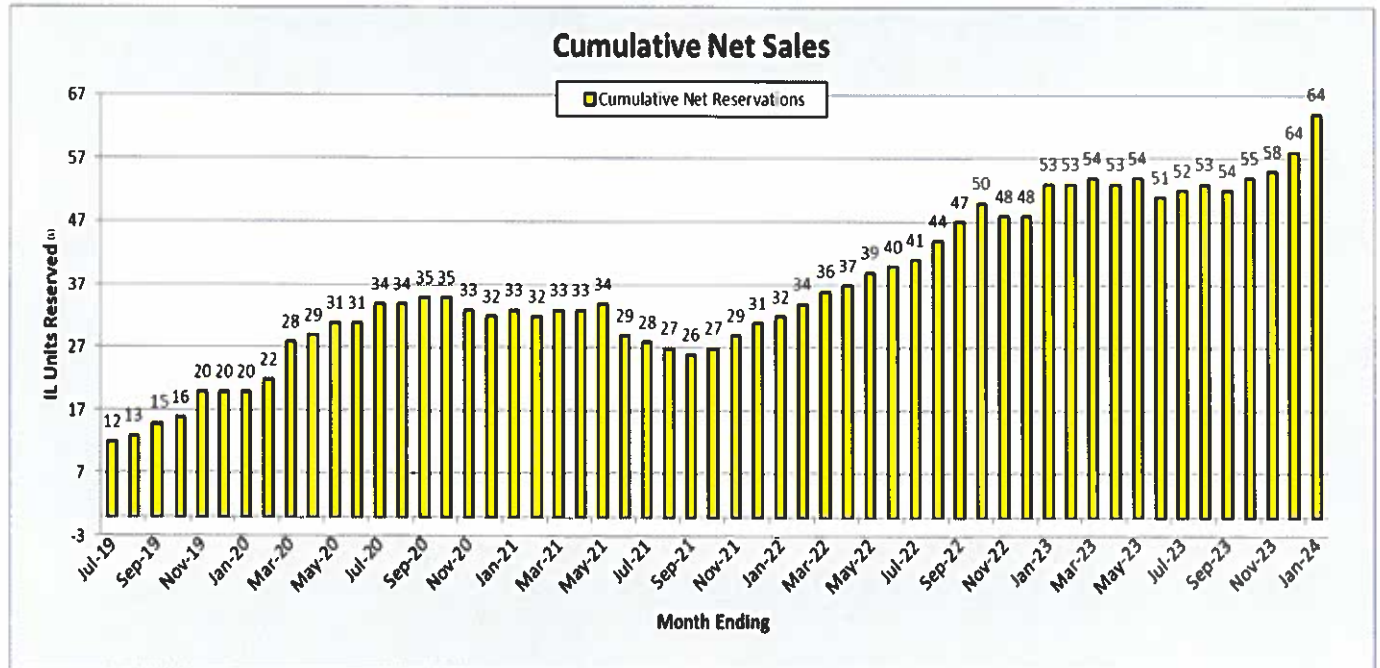
Updates/Accomplishments:

- EOM community occupancy will be 85% (181/212); Sold to 95% (201/212)
- January expansion sales will close the month at 66 (98.5%)
- Sales for January:
 - 3 expansion sales
 - 3 existing
 - 1 *expansion cancellation (HLOC)*
- 11 units in total are available on campus. (0 Villa, 3 Cottages, 2 luxury apartments, 6 residential apartments)
- WhiteStone continues to focus on one large educational presentation per month as well as encouraging personalized community experiences through lifestyle activities and community dining opportunities with current residents.
- WhiteStone is seeing continued support from existing residents and families with Friends and Family referrals.

Upcoming Events:

- The Sales and Marketing Team has a focus on creating engaging and unique opportunities for prospects to highlight the lifestyle available as a WhiteStone resident.
 - February 8th: Prospect Presentation
 - February 21st: New Resident Orientation
 - February 28th: Diamond Dining Wait List

Cumulative Net Sales:



Sales Activity by Unit:

Expansion Sales Inventory

Date: 29-Jan-24

| EXPANSION SALES INVENTORY | | | |
|---|----------------------|--------------------------|---------------------|
| Unit Breakdown | # Units Total | # Units Available | # Units Sold |
| Chatham / 850 sf / 1BR | 10 | 1 | 9 |
| Wilkes / 962 sf / 1 BR Den | 19 | 0 | 19 |
| Iredell / 1155 sf / 2 BR | 17 | 0 | 17 |
| Yadkin / 1303 sf/ 2BR Sunroom | 10 | 0 | 10 |
| Davie / 1391 sf/ 2BR Den End Unit | 8 | 0 | 8 |
| G / 885 sf/ 1 BR Deluxe | 1 | 0 | 1 |
| H / 1400 sf/ 2BR Den End Unit | 1 | 0 | 1 |
| Penthouse / 1850 sf/ 2 BR Den 3 balconies | 1 | 0 | 1 |
| TOTAL | 67 | 1 | 66 |
| Cumulative 2024 Sales: 3 | | | |

Sales Activity by Month:

| Month Ending | Number of Units Sold | Number of Cancels | Net Sales for Month | Cumulative Units Sold | Cumulative % of Total Units |
|--------------|----------------------|-------------------|---------------------|-----------------------|-----------------------------|
| May-19 | 6 | 0 | 6 | 6 | 9.0% |
| Jun-19 | 6 | 0 | 6 | 12 | 17.9% |
| Jul-19 | 2 | 1 | 1 | 13 | 19.4% |
| Aug-19 | 2 | 0 | 2 | 15 | 22.4% |
| Sep-19 | 2 | 1 | 1 | 16 | 23.9% |
| Oct-19 | 5 | 1 | 4 | 20 | 29.9% |
| Nov-19 | 0 | 0 | 0 | 20 | 29.9% |
| Dec-19 | 1 | 1 | 0 | 20 | 29.9% |
| Jan-20 | 2 | 0 | 2 | 22 | 32.8% |
| Feb-20 | 6 | 0 | 6 | 28 | 41.8% |
| Mar-20 | 1 | 0 | 1 | 29 | 43.3% |
| Apr-20 | 2 | 0 | 2 | 31 | 46.3% |
| May-20 | 0 | 0 | 0 | 31 | 46.3% |
| Jun-20 | 3 | 0 | 3 | 34 | 50.7% |
| Jul-20 | 0 | 0 | 0 | 34 | 50.7% |
| Aug-20 | 1 | 0 | 1 | 35 | 52.2% |
| Sep-20 | 1 | 1 | 0 | 35 | 52.2% |
| Oct-20 | 1 | 3 | -2 | 33 | 49.3% |
| Nov-20 | 0 | 1 | -1 | 32 | 47.8% |
| Dec-20 | 1 | 0 | 1 | 33 | 49.3% |
| Jan-21 | 0 | 1 | -1 | 32 | 47.8% |
| Feb-21 | 1 | 0 | 1 | 33 | 49.3% |
| Mar-21 | 0 | 0 | 0 | 33 | 49.3% |
| Apr-21 | 1 | 0 | 1 | 34 | 50.7% |
| May-21 | 0 | 5 | -5 | 29 | 43.3% |
| Jun-21 | 1 | 2 | -1 | 28 | 41.8% |
| Jul-21 | 0 | 1 | -1 | 27 | 40.3% |
| Aug-21 | 0 | 1 | -1 | 26 | 38.8% |
| Sep-21 | 2 | 1 | 1 | 27 | 40.3% |
| Oct-21 | 2 | 0 | 2 | 29 | 43.3% |
| Nov-21 | 2 | 0 | 2 | 31 | 46.3% |
| Dec-21 | 1 | 0 | 1 | 32 | 47.8% |
| Jan-22 | 2 | 0 | 2 | 34 | 50.7% |
| Feb-22 | 4 | 2 | 2 | 36 | 53.7% |
| Mar-22 | 2 | 1 | 1 | 37 | 55.2% |
| Apr-22 | 3 | 1 | 2 | 39 | 58.2% |
| May-22 | 1 | 0 | 1 | 40 | 59.7% |
| Jun-22 | 1 | 0 | 1 | 41 | 61.2% |
| Jul-22 | 3 | 0 | 3 | 44 | 65.7% |
| Aug-22 | 3 | 0 | 3 | 47 | 70.1% |
| Sep-22 | 6 | 3 | 3 | 50 | 74.6% |
| Oct-22 | 2 | 4 | -2 | 48 | 71.6% |
| Nov-22 | 2 | 2 | 0 | 48 | 71.6% |
| Dec-22 | 7 | 2 | 0 | 53 | 79.1% |
| Jan-23 | 2 | 4 | -2 | 51 | 76.1% |
| Feb-23 | 4 | 1 | 3 | 54 | 80.6% |
| Mar-23 | 3 | 4 | -1 | 53 | 79.1% |
| Apr-23 | 1 | 0 | 1 | 54 | 80.6% |
| May-23 | 4 | 7 | -2 | 51 | 76.1% |
| Jun-23 | 4 | 3 | 1 | 52 | 77.6% |
| Jul-23 | 5 | 4 | 1 | 53 | 79.1% |
| Aug-23 | 3 | 4 | -1 | 52 | 77.6% |
| Sep-23 | 3 | 1 | 2 | 54 | 80.6% |
| Oct-23 | 3 | 2 | 1 | 55 | 82.1% |
| Nov-23 | 3 | 0 | 3 | 58 | 86.6% |
| Dec-23 | 6 | 0 | 6 | 64 | 95.5% |
| Jan-24 | 3 | 1 | 2 | 66 | 98.5% |
| Total | 132 | 66 | 66 | 66 | 98.5% |

DESIGN AND CONSTRUCTION UPDATE

Updates/Accomplishments

- **Care and Wellness Center – Independent Living – Assisted Living/Memory Care**
 - All work is completed.
 - Contractor continues to address warranty items as they are presented.
 - Final close out with GC is in progress and nearing completion.

Next Steps/Milestones

- Final Close Out

BUDGET UPDATE

- Draw #36 has been funded. This included FLB Pay Application #37
- Draw #37 will be the next draw which will include final retainage and outstanding Change Order Requests with final approval.
- The final budget has been reconciled with projected final costs and alignment with remaining sources.
- The contingency shortfall shows a potential need for additional capital however project close out negotiations are ongoing -within the design team and the Contractor which will likely close that gap.

| LCS DEVELOPMENT | | WHITESTONE II CAPITAL COST BUDGET ANALYSIS January 31, 2024 | | | | | | |
|--|---------------------|---|---------------------------------|----------------------|------------------|---------------------|-------------------|--|
| A | B | C | D | E | F | G | H | |
| Uses of Cash/Budget Line Items | Final Budget Amount | Reallocations to Budget | Reallocated Budget Amount (B+C) | Actual Costs to Date | Committed | Subtotal (E+F) | Uncommitted (D-G) | |
| USES OF CASH | | | | | | | | |
| Land | - | - | - | - | - | - | - | |
| *Construction Costs | 46,993,200 | 5,241,771 | 52,234,971 | 51,745,808 | 489,163 | 52,234,971 | - | |
| Change Order Allowance | 1,410,059 | (1,410,059) | - | - | - | - | - | |
| Construction (Non-GMP) | 1,375,010 | (792,047) | 582,963 | 575,594 | 7,369 | 582,963 | - | |
| Total Construction Costs - | 49,778,269 | 3,039,666 | 62,817,934 | 62,321,402 | 496,531 | 62,817,934 | - | |
| **Design Fees | 2,440,320 | 81,002 | 2,521,322 | 2,521,322 | - | 2,521,322 | - | |
| Inferior Design | 1,485,152 | (87,026) | 1,398,126 | 1,398,126 | - | 1,398,126 | - | |
| Financing Costs | 2,063,029 | - | 2,063,029 | 2,055,177 | - | 2,055,177 | 7,852 | |
| Funded Interest | 10,134,822 | - | 10,134,822 | 10,134,822 | - | 10,134,822 | - | |
| Occupancy Development | 1,340,000 | (425,737) | 914,263 | 914,263 | - | 914,263 | - | |
| Capital Items (Non-GMP) | - | - | - | - | - | - | - | |
| Travel | 75,000 | (9,133) | 65,867 | 65,867 | - | 65,867 | - | |
| Consultants and Legal | 336,000 | (86,990) | 249,010 | 249,010 | - | 249,010 | - | |
| Filing and Impact Fees | 200,000 | (123,508) | 76,492 | 76,492 | - | 76,492 | - | |
| General Costs | 25,228 | (25,228) | - | - | - | - | - | |
| Development Fee | 2,958,609 | - | 2,958,609 | 2,636,803 | 321,806 | 2,958,609 | - | |
| Marketing and Sales Fee | - | - | - | - | - | - | - | |
| Start-Up Loss | 267,856 | (57,458) | 210,398 | 210,398 | - | 210,398 | - | |
| Project Contingency | 1,417,694 | (2,305,586) | (887,892) | - | - | - | (887,892) | |
| Other | - | - | - | - | - | - | - | |
| Subtotal Uses of Cash - | 72,521,979 | 0 | 72,521,979 | 72,583,681 | 818,337 | 73,402,018 | (880,040) | |
| Reserves: | | | | | | | | |
| Debt Service Reserve | 5,432,436 | - | 5,432,436 | 5,432,436 | - | 5,432,436 | - | |
| Total Reserves - | 5,432,436 | - | 5,432,436 | 5,432,436 | - | 5,432,436 | - | |
| Total Uses of Cash - | 77,954,415 | 0 | 77,954,415 | 78,016,117 | 818,337 | 78,834,454 | (880,040) | |
| SOURCES OF FUNDS | | | | | | | | |
| Bond Proceeds | \$59,572,156 | \$0 | \$59,572,156 | \$59,549,343 | \$22,813 | \$59,572,156 | \$0 | |
| Charitable Equity Contribution | \$981,571 | \$0 | \$981,571 | \$966,962 | \$14,609 | \$981,571 | \$0 | |
| Underwriter's Discount | \$1,337,675 | \$0 | \$1,337,675 | \$1,337,675 | \$0 | \$1,337,675 | \$0 | |
| Funded Interest Account | \$10,134,822 | \$0 | \$10,134,822 | \$10,134,822 | \$0 | \$10,134,822 | \$0 | |
| Debt Service Reserve | \$5,432,436 | \$0 | \$5,432,436 | \$5,432,436 | \$0 | \$5,432,436 | \$0 | |
| Issuance Account | \$495,755 | \$0 | \$495,755 | \$474,401 | \$21,354 | \$495,755 | \$0 | |
| Total Sources of Funds | \$77,954,415 | \$0 | \$77,954,415 | \$77,895,639 | \$58,776 | \$77,954,415 | \$0 | |
| Equity for Development Fee | \$0 | \$0 | \$0 | \$120,478 | \$0 | \$120,478 | -\$120,478 | |
| Funds Required to Close Out Project | \$0 | \$0 | \$0 | \$0 | \$759,562 | \$759,562 | \$759,562 | |
| | \$0 | \$0 | \$0 | \$120,478 | \$759,562 | \$880,040 | -\$880,040 | |

PROGRESS PHOTOS



Assisted Living/Memory Care – Reception Desk



AL/MC Lounge Area Lower Level



AL/MC Dining Area – Level 3



AL/MC Lounge Area – Level 1



AL/MC Activity Kitchen – Level 1



Independent Living – North Elevation – Garage entrance



Independent Living – Southwest Elevation



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- Continue the transition to more desirable IL apartments to gain economies of scale to improve financial position
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- Newly constructed 67-unit IL building (115,00 SF)
- Newly constructed 24-unit AL building with 12 memory care beds (40,000 SF)
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- Renovation of the Wellness area
- Relocation of several community amenities

MARKETING AND SALES ACTIVITY

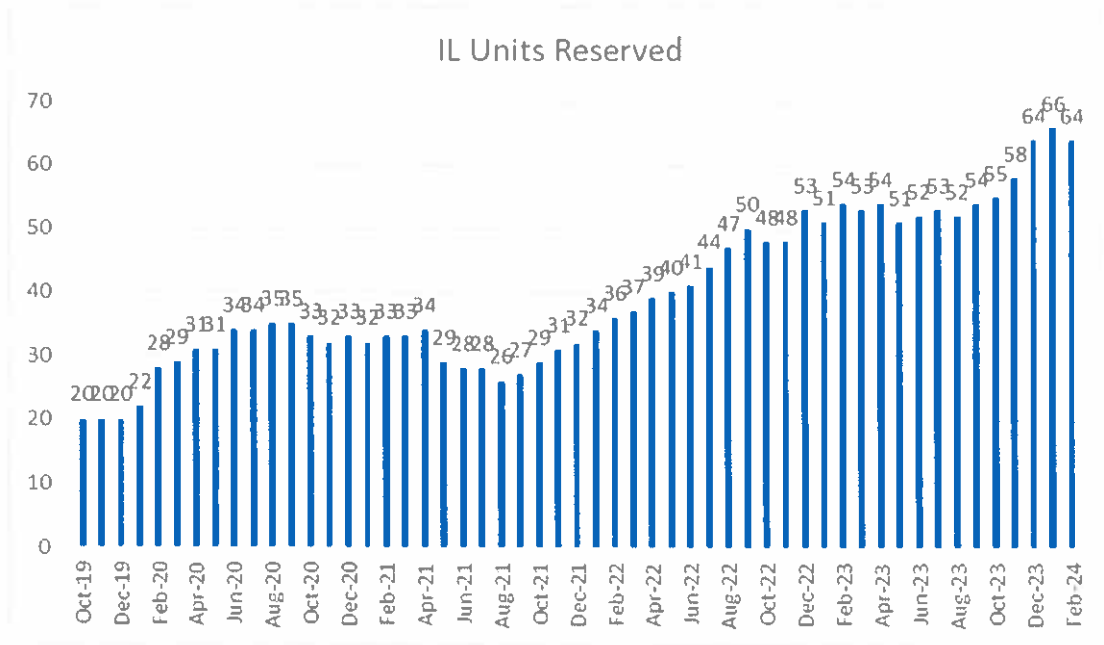
Updates/Accomplishments:

- EOM community occupancy will be 87% (184/212); Sold to 94% (198/211)
- February expansion apartment sales will close the month at 64 (96%)
- Sales for February: 4
- 13 units in total available on campus. (1 Villa, 1 Cottage, 5 luxury apartments, 6 residential apartments)
- Please note, the Sales Team is communicating with wait listers to identify the buyer for the available villa. This villa has a car port, which is less marketable.
- WhiteStone continues to focus on one large presentation per month. WS rotates focus between Senior Community Industry Education and a true WhiteStone 101. The team continues to encourage personalized community experiences through lifestyle activities and community dining opportunities with current residents.
- WhiteStone is seeing continued support from existing residents and families with Friends and Family referrals.

Upcoming Events:

- The Sales and Marketing Team has a focus on creating engaging and unique opportunities for prospects to highlight the lifestyle available as a WhiteStone resident.
 - March 6th : Diamond Dining :Wait List (reschedule)
 - March 12th : WhiteStone presentation – Tax Benefits of Life Plan Communities
 - March 13th : New Resident Orientation
 - March 27th: WS Lifestyle experience: Letters from Home

Cumulative Net Sales:



Sales Activity by Unit:

| EXPANSION SALES INVENTORY | | | |
|---|----------------------|--------------------------|---------------------|
| Unit Breakdown | # Units Total | # Units Available | # Units Sold |
| Chatham / 850 sf /1BR | 10 | 1 | 9 |
| Wilkes / 962 sf / 1 BR Den | 19 | 2 | 17 |
| Iredell / 1155 sf / 2 BR | 17 | 0 | 17 |
| Yadkin / 1303 sf/ 2BR Sunroom | 10 | 0 | 10 |
| Davie / 1391 sf/ 2BR Den End Unit | 8 | 0 | 8 |
| G / 885 sf/ 1 BR Deluxe | 1 | 0 | 1 |
| H / 1400 sf/ 2BR Den End Unit | 1 | 0 | 1 |
| Penthouse / 1850 sf/ 2 BR Den 3 balconc | 1 | 0 | 1 |
| TOTAL | 67 | 3 | 64 |

Sales Activity by Month:

| | # Units Reserved | # Cancels / Refunds | Net Reservations for Month | Cumulative Units Reserved | Cumulative % of Total Units |
|--------------|------------------|---------------------|----------------------------|---------------------------|-----------------------------|
| 2019 | | | | | |
| May | 6 | | 6 | 6 | 9.0% |
| June | 6 | | 6 | 12 | 17.9% |
| July | 2 | (1) | 1 | 13 | 19.4% |
| August | 2 | | 2 | 15 | 22.4% |
| September | 2 | (1) | 1 | 16 | 23.9% |
| October | 5 | (1) | 4 | 20 | 29.9% |
| November | 0 | | 0 | 20 | 29.9% |
| December | 1 | (1) | 0 | 20 | 29.9% |
| 2020 | | | | | |
| January | 2 | | 2 | 22 | 32.8% |
| February | 6 | | 6 | 28 | 41.8% |
| March | 1 | | 1 | 29 | 43.3% |
| April | 2 | | 2 | 31 | 46.3% |
| May | 0 | | 0 | 31 | 46.3% |
| June | 3 | | 3 | 34 | 50.7% |
| July | 0 | | 0 | 34 | 50.7% |
| August | 1 | | 1 | 35 | 52.2% |
| September | 1 | (1) | 0 | 35 | 52.2% |
| October | 1 | (3) | -1 | 33 | 49.3% |
| November | 0 | (1) | -1 | 32 | 47.8% |
| December | 1 | | 0 | 33 | 49.3% |
| 2021 | | | | | |
| January | 0 | (1) | -1 | 32 | 47.8% |
| February | 1 | | 1 | 33 | 49.3% |
| March | 0 | | 0 | 33 | 49.3% |
| April | 1 | | 1 | 34 | 50.7% |
| May | 0 | (5) | -5 | 29 | 43.3% |
| June | 1 | (2) | -1 | 28 | 41.8% |
| July | 0 | | 0 | 28 | 41.8% |
| August | 0 | (2) | -2 | 26 | 38.8% |
| September | 2 | (1) | 1 | 27 | 40.3% |
| October | 2 | | 2 | 29 | 43.28% |
| November | 2 | | 2 | 31 | 46.27% |
| December | 1 | | 1 | 32 | 47.76% |
| 2022 | | | | | |
| January | 2 | | 2 | 34 | 50.7% |
| February | 4 | (2) | 2 | 36 | 53.7% |
| March | 2 | (1) | 1 | 37 | 55.2% |
| April | 3 | (1) | 2 | 39 | 58.2% |
| May | 1 | | 1 | 40 | 59.7% |
| June | 1 | | 1 | 41 | 61.2% |
| July | 3 | | 3 | 44 | 65.7% |
| August | 3 | | 3 | 47 | 70.1% |
| September | 6 | (3) | 2 | 50 | 74.6% |
| October | 2 | (4) | -2 | 48 | 71.6% |
| November | 2 | (2) | 0 | 48 | 71.6% |
| December | 7 | (2) | 0 | 53 | 79.1% |
| 2023 | | | | | |
| January | 2 | (4) | -2 | 51 | 76.1% |
| February | 4 | (1) | 3 | 54 | 80.6% |
| March | 3 | (4) | -1 | 53 | 79.1% |
| April | 1 | | 1 | 54 | 80.6% |
| May | 4 | (7) | -3 | 51 | 76.1% |
| June | 4 | (3) | 1 | 52 | 77.6% |
| July | 5 | (4) | 1 | 53 | 79.1% |
| August | 3 | (4) | -1 | 52 | 77.6% |
| September | 3 | (1) | 0 | 54 | 80.6% |
| October | 3 | 2 | 1 | 55 | 82.1% |
| November | 3 | 0 | 3 | 58 | 86.6% |
| December | 6 | 0 | 6 | 64 | 95.5% |
| 2024 | | | | | |
| January | 3 | (1) | 2 | 66 | 98.5% |
| February | 0 | (2) | -2 | 64 | 95.5% |
| Total | 132 | 67 | | 64 | 95.5% |

DESIGN AND CONSTRUCTION UPDATE

Updates/Accomplishments

- **Care and Wellness Center – Independent Living – Assisted Living/Memory Care**
 - All work is completed.
 - Contractor continues to address warranty items as they are presented.
 - Final close out with GC is in progress and nearing completion.

Next Steps/Milestones

- Final Close Out