



**700 South Holden Road
Greensboro, North Carolina 27407
(336) 299-0031**

DISCLOSURE STATEMENT

WhiteStone: A Masonic and Eastern Star Community must deliver a Disclosure Statement to a prospective resident prior to or at the time a prospective resident executes a Residency Agreement to provide continuing care, or prior to or at the time a prospective resident transfers any money or other property to WhiteStone, whichever occurs first.

WhiteStone: A Masonic and Eastern Star Community, like all other continuing care retirement communities in the State of North Carolina, is subject to the Continuing Care Retirement Communities Act. This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.

July 31, 2020

**Unless earlier revised, WhiteStone intends
for this Disclosure Statement to remain effective until October 27, 2021**

EQUAL HOUSING OPPORTUNITY

TABLE OF CONTENTS

Page No.

INTRODUCTION.....	4
BOARD OF DIRECTORS.....	6
EXECUTIVE DIRECTOR	10
LIFE CARE SERVICES LLC.....	10
WHITESTONE.....	13
THE PROPOSAL	13
SERVICES AND AMENITIES.....	19
RESERVES, ESCROW, AND TRUSTS STATEMENT	20
FACILITY EXPANSION AND RENOVATION	21
ESTIMATED OCCUPANCY FOR 2020	24
FINANCIAL INFORMATION.....	24
FEES.....	25
2020 Monthly Fees	25
Average Dollar Amount of Changes – Monthly Fee.....	26
2020 Health Center Fees	26
Average Dollar Amount of Changes – Assisted Living Per Diem Charge.....	26
Average Dollar Amount of Changes – Skilled Nursing Per Diem Charge.....	26
Entrance Fee Table – Traditional Plan.....	27
Entrance Fee Table – 50% Return-of-Capital™ Plan	28
Entrance Fee Table – 90% Return-of-Capital™ Plan	29
Entrance Fees and Monthly Fees for Expansion Residences	30

EXHIBITS

Exhibit 1 – Communities Managed by Life Care Services LLC

Exhibit 2 – Current Certified Financial Statement (December 31, 2019)

Exhibit 3 – Certified Five Year Projection Statements (2020-2024)

Exhibit 4 – Interim Financial Statements (March 31, 2020)

Exhibit 5 – Explanation of Material Differences (Balance Sheet, Statement of Operations, and Statement of Cash Flows)

Exhibit 6 – 50% Return-of-Capital™ Residency Agreement

Exhibit 7 – 90% Return-of-Capital™ Residency Agreement

Exhibit 8 – Traditional Residency Agreement

INTRODUCTION

WhiteStone: A Masonic and Eastern Star Community, formerly known as The Masonic and Eastern Star Home (the "Community") brings to residents of North Carolina area, who are age 60 and over, a way of living known as "continuing care." This concept offers seniors a life style designed to meet their unique needs while allowing them the freedom to pursue their personal interests. Continuing care senior living communities, such as the Community, encompass these important components: a private residence, a wide array of personal services, and the security of care in the on-site health center.

The Community is owned by The Masonic and Eastern Star Home of North Carolina, Incorporated ("we," "us," or "our"), a North Carolina not-for-profit corporation (exempt from the payment of United States Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code). Our business address is 700 South Holden Road, Greensboro, NC 27407.

We are committed to providing a quality senior living community that is fiscally sound and genuinely responsive to resident needs. We are affiliated with The Grand Lodge of Ancient Free and Accepted Masons of North Carolina ("The Grand Lodge") and The Grand Chapter Order of The Eastern Star of North Carolina ("The Grand Chapter"). Of the 20 members who make up the Board of Directors, The Grand Lodge is responsible for 12 directors, and The Grand Chapter is responsible for 8 directors. Neither The Grand Lodge nor The Grand Chapter is responsible for our financial or contractual obligations and shall accept no responsibility for obligation unless expressly having done so. Our endowment and total assets are used to subsidize any deficits. We do not have any religious affiliation.

One of the purposes of this Disclosure Statement is to explain to prospective residents, their families, and their advisors who and what is involved in the operation of the Community. This Disclosure Statement was prepared on the basis of information available at the time of its publication and assumptions, which were believed to be realistic as of that date. Such information and assumptions are, of course, subject to change and, in particular, are significantly affected by changes in inflation and interest rates.

Since non-technical language has been used in this Disclosure Statement, the text of this booklet and the language of the Residency Agreement signed by a resident may not be the same.

Although this Disclosure Statement details the provisions of the Residency Agreement, the Residency Agreement serves as the sole binding contract between the resident and us.

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, or national origin.

BOARD OF DIRECTORS

All of the members of the Board of Directors are experienced in their own particular fields, such as law, banking, medical, and entrepreneurship, not in the operation or management of communities like WhiteStone. We feel the expertise of many in their chosen field provides the background for reliable, dependable, and solid decisions regarding our residents and facilities. The names and business addresses of the members of the Board of Directors are listed below:

Board of Directors – With Voting Rights (June 2020)

Masonic Board Members

2020	Gene Jernigan Chairman	283 Eugene Jernigan Rd Dunn, NC 28334 R(910)892-3723 W (910)892-3107 Email: gjernigan@grandlodge-nc.org
GM	Shaun Bradshaw	1101 Bearhollow Road Greensboro, NC 27410 P: 336-584-2802 Email: shaunbradshaw@yahoo.com
DGM	David Wicker Jr.	PO Box 1852 Durham NC 27702 W: 1-800-277-3003 Email: dwicker@rwlw.com
SGW	Larry Thompson	175 Klutz Rd Salisbury, NC 28147 C: 704-301-4881 Email: larry@thompsonenv.com
2021	Tommy Mills, Jr.	2804 Hiking Trail Raleigh, NC 27615 P: 919-387-0159 Email: mills3114@att.net
2020	Gilbert Bailey	2732 Picardy Pl Charlotte, NC 28209 P: 704-333-3805 C: 704-650-3682 Email: gilbert.bailey@e-hps.com
2021	Michael J. Fischer	135 Amersham Court Kernersville, NC 27284 P: 336-337-6892 Email: mfischer4braves@bellsouth.net
2022	Jon Canupp	PO Box 468 Clemmons, NC 27012 P: 336-240-3526 Email: joncanupp@gmail.com

2022 Joey Transou
170 Alpine Court
Winston-Salem, NC 27104-2038
C: 336-971-7804
Email: joey_transou@piedmontrealtygroup.com

2020 Bryant Webster
110 N. Dougherty St.
Black Mountain, NC 28711
P: 828-669-7642
Email: bryant@stoneandchristy.com

2021 Wayne Southern
Treasurer
3712 Hobbs Rd.
Greensboro, N.C. 27410
R (336) 282-8019
Email: kwsouthern@triad.rr.com

2022 Jerry“Randy” Browning, III
PO Box 72
Mount Gilead, NC 27306
P: 910-439-1842 C: 910-571-1255
Email: jrbthree.rb@gmail.com

Eastern Star Board Members

WGM Louise Taylor
591 Davenport Rd.
Garysburg, NC 27831-9643
P: 252-589-7861
Email: genetaylor@vol.com

Acting WGP, Mike Underwood,
Secretary
242 Balsam Circle
Troy, NC 27371
H: 910-576-0068 C: 910-571-1245
Email: mrun55@aim.com

AGM Ellen Brooks
1907 Orange Factory Road
Bahama, NC 27503
Email: bahamaoes@yahoo.com

2024 Allen Hughes
PO Box 996
Washington, NC 27889-0996
H: 252-495-3256 C:919-482-5228
Email: sandra.hughes123@gmail.com

2022 Linda Hyatt
6902 Myrtle Grove Road
Wilmington, NC 28409
Email: lindahyatt48@gmail.com

2020 James H. Woolard
122 Sweetwater Drive
Jacksonville, N. C. 28540
P: 910-455-4277
Email: jwoolard001@ec.rr.com

2021 David Griffith

4991 Bostic Acres Farm Rd
Germanton, NC 27019
P: 336-595-8506
Email: davidgriffith47@gmail.com

2023 Linda Burris

1133 Gatehouse Rd
High Point, NC 27262
P: 336-442-3021
Email: lhb@northstate.net

Observers Without Voting Rights

Lewis Ledford

5200 Lenoraway Dr.
Raleigh NC 27613
H: 919-846-1208 W: 919-715-8710
Email: lledford@grandlodge-nc.org

Jo Ann Cox
Resident Council President

908 Scottish Rite Dr. Apt. 215
Greensboro NC. 27407
P: 423-341-4669
Email: coxjoann3@gmail.com

Walt Clapp

6212 Oak Stand Cir., Raleigh, N.C. 27606
H: 919-859-0349 W: 919-787-2021
Email: wclapp@grandlodge-nc.org

Betty Jo Yommer, AGC

P.O. Box 232
Trenton, NC 28585
P: 252-448-2691 C: 252-671-2345
Email: bjstilley-yommer@embarqmail.com

Amy Jo Fischer, AGC

3455 Sheppard Hill Rd.
Kernersville, NC 27284
P: 336-996-4339 C: 336-749-8777
Email: ajwuncdds@aol.com

Kay Evans, Grand Secretary OES

Grand Chapter of NC OES
PO Box 97
Thomasville, NC 27361
P: 336-313-8839
Email: ncesgs@oes-nc.org

Kevan Frazier

25 Trey Bourne Dr,
Asheville, NC 28804
C: 828-275-2448
Email: kevanfrazier@gmail.com

Don Kehler

PO Box 474
Greensboro, NC 272402-0474
C: 336-260-8006
Email: templepublishers@gmail.com

Robert Rideout	9212 Harper School Rd Zebulon, NC 27597-4802 P: 919-269-4627 Email: robert.rideout@gmail.com
Steve Norris	9750 Francis Marion Lane Ash, NC 28420 P: 910-287-4386 C: 910-443-1897 Email: stevenorris@atmc.net
Michael Register	1385 Robins Nest Dr Asheboro, NC 27203 C: 336-528-2920 Email: maregister600@gmail.com
Jack Walters MESH Foundation Chair	5513 Orchard Oriole Trail Wake Forest, NC 27587 P: 919-556-0139 C: 919-818-7914 Email: jack@carolinacriticalpower.com
Mike Faulkenbury Masonic Foundation Chair	430 Robert E. Lee Rd Wilmington, NC 28412 Email: faulkenburym@stifel.com
Philip Hudson OES Foundation Chair	45 Blenheim Ct NE Concord, NC 28025 P: 704-782-4440 Email: phudson2@carolina.rr.com

None of the Officers, Directors, or management staff of WhiteStone has any equity, beneficial, or financial interest in WhiteStone. There has been no conviction or charge of a felony on any Officer, Director, or management staff of WhiteStone. There is no matter, in which any person who is an Officer, Director, or management staff: (i) has been convicted of a felony or pleaded *nolo contendere* to a felony charge or has been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64 of the North Carolina General Statutes, or a similar law in another state.

No Officer, Director or management staff has a 10% or greater interest in any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars (\$500.00) to Whitestone or the residents of Whitestone, nor does any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars (\$500.00) to Whitestone have a 10% or greater interest in any Officer, Director or management staff.

EXECUTIVE DIRECTOR

Mark Lewis became the on-site Executive Director of WhiteStone in March of 2018. Mr. Lewis has a Bachelor of Arts degree from the University of Findlay and holds a Nursing Home Administrator License from the State of Ohio. Mr. Lewis came to WhiteStone having worked in long term care management since 1996 and joined Life Care Services in 2018. Pursuant to the management agreement for WhiteStone, Mr. Lewis is an employee of Life Care Services LLC.

The Executive Director does not have a 10% or greater interest in any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars (\$500.00) to Whitestone or the residents of Whitestone, nor does any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars (\$500.00) to Whitestone have a 10% or greater interest in the Executive Director.

LIFE CARE SERVICES LLC

We have retained Life Care Services LLC ("Life Care Services") to manage the Community. Life Care Services is a wholly-owned subsidiary of Life Care Companies LLC ("LCS"), an Iowa limited liability company.

LCS is a nationally recognized leader in the development, marketing and management of senior living communities throughout the United States. Since 1971, LCS has been instrumental in the planning, developing, marketing and managing of senior living communities throughout the United States. Management services are provided through Life Care Services, and it currently manages more than approximately 135 communities serving over 33,000 residents in 31 states (see Exhibit A attached to this Disclosure Statement).

Principal officers of LCS include Mr. Joel Nelson, Ms. Diane Bridgewater, Mr. Rick Exline, Mr. Jason Victor, and Ms. Jill Sorenson.

Joel Nelson is president and chief executive officer of LCS, the 3rd largest senior living operator, which includes not-for-profit and for-profit assets across the continuum of senior living. He is an experienced leader in governance within the industry, including all phases of real estate acquisition, development, operations, marketing and sales. Joel is responsible for executing the business strategy across the six business lines in the LCS Family of Companies. He thrives on driving business growth, achieving service excellence, and enhancing the company's stability and value among financial partners, property owners, and other stakeholders in the senior living field. Currently, Joel serves on the board of managers for Life Care Companies, LCS Holdings, is past-chair and a current member of the Investment Committee. Outside of LCS, Joel is a member of the National Investment Center (NIC) operator advisory board, the Central Iowa Alzheimer's Association board. He is also past chair and current board member of ChildServe, Inc., one of Des Moines largest not-for-profit organizations serving children and families with complex health care needs. Joel earned a Bachelor of Science degree in health service administration from Simpson

College.

Diane Bridgewater is Executive Vice President/Chief Financial and Administrative Officer of LCS. Diane joined the organization in 2006 after filling several executive level positions with Pioneer Hi-Bred International, a DuPont Company. In her years with Pioneer, she held a number of operational and financial roles including: Chief Financial Officer, Vice President and Business Director for North America, Director of Customer and Sales Services for Seed and Crop Protection, Worldwide Finance Director, and other roles. Diane started her career with KPMG. Diane earned her undergraduate degrees in Accounting and French from the University of Northern Iowa and received her CPA certification in 1986. Diane currently serves on the boards of LCS Holdings, Inc., Life Care Companies LLC, Casey's General Stores, and Bankers Trust.

Rick Exline joined the company in 1978 and is responsible for the oversight of the company's life plan communities including third party and investment senior living management services. Rick oversees the communities' senior living management teams, health care group, national sales, new business development and life plan community development teams. Rick serves on the board of managers for Life Care Companies LLC, the board of directors for LCS Holdings, Inc., executive leadership and senior living management teams. Rick is also a trustee for the company's 401(k) benefits program as well as serving on the board of trustees for Simpson College. He holds dual bachelor's degrees: one in business administration from Simpson College and one in health care administration from Oklahoma Baptist University. He is a graduate of the Executive Institute at The University of North Carolina at Chapel Hill.

Jason Victor is Vice President/Controller, Treasurer and a Manager of Life Care Services. Jason joined the organization in 2007 and currently has responsibility for the organization's Corporate Accounting, Treasury and Tax functions. He oversees all aspects of general accounting, cash management, payroll, consolidations, and financial reporting. In addition, Jason provides oversight and guidance related to audits, internal controls, technical accounting, tax, and financial management systems. Jason started his career with Ernst & Young and later spent 9 years in various finance positions with Praxair, a Fortune 500 organization. He earned his undergraduate degree in Accounting from the University of Northern Iowa and currently holds an active CPA license in the state of Iowa. Jason also serves on the board of directors of Hexagon Insurance Company, Ltd.

Jill Sorenson is the Senior VP/Senior Director of Life Plan Communities for Life Care Services LLC. She has been with Life Care Services since 1982. After spending 15 years at the LCS corporate office working in the areas of accounting, IT liaison, and corporate resource manager, Jill was promoted to Administrator and eventually Executive Director of a continuing care community in San Diego, California. She was promoted to Director of Operations Management in 2007, to Vice President in 2010, and to Senior Vice President/Senior Director of Life Plan Communities in 2012. Jill holds an MBA from the University of Phoenix and a Bachelor's Degree in Business Administration from Simpson College. She also served as a CARF/CCAC site evaluator from 2000-2007. She has presented at various industry conferences on a state and national level on a variety of topics affecting the senior living industry.

Management of the Community is performed by Life Care Services under contract with us. Life Care Services' responsibilities include: recruiting and employing the executive director; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for the Community, including comparative analyses with other facilities; and overseeing the food service and quality accommodations provided by the Community. The cost of these services cannot presently be estimated.

Life Care Services is not financially responsible for our contractual obligations or other obligations. The Board of Directors retains the ultimate responsibility for hiring managers and monitoring the operating costs, wages, salaries, expenses, fees, and overall fiscal viability of the Community.

Life Care Services does not have a 10% or greater interest in any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars (\$500.00) to Whitestone or the residents of Whitestone, nor does any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars (\$500.00) to Whitestone have a 10% or greater interest in Life Care Services.

No managing member of Life Care Services (i) has been convicted of a felony or pleaded *nolo contendere* to a felony charge, or been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64 of the North Carolina General Statutes, or a similar law in another state.

None of the officers or management staff of Life Care Services has any equity, beneficial, or financial interest in WhiteStone. There has been no conviction or charge of a felony on any officer or management staff of Life Care Services. There is no matter, in which any person who is an officer or manager, has been convicted of a felony or pleaded *nolo contendere* to a felony charge or has been held liable or enjoined in a civil action by final judgment, or is subject to a currently effective injunctive or restrictive court order. Nor, who within the past five years, has had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department.

WHITESTONE

Established in 1912, the Community was the first Masonic Fraternal Home in the United States created for the sole purpose of caring for seniors. It is also the oldest senior living home in the State of North Carolina.

Located in the heart of Greensboro, North Carolina, the Community is situated on 42 acres of land and has been in continuous operation for 90 years. Over 1500 Sisters and Brothers of the Fraternities have received care at the Community since November 15, 1913, when the first two residents (a husband and wife) were admitted.

On April 1, 2008, the Community officially changed its name from "Masonic and Eastern Star Home of North Carolina" to "WhiteStone: A Masonic and Eastern Star Community." The name reflects the Community's rich history as it is named after its first Administrator, Mr. White, and its first residents in 1913, Mr. and Mrs. Stone. The corporate entity name of Masonic and Eastern Star Home of North Carolina, Inc. has not changed. The Community currently has three residential buildings, administrative offices, a kitchen and dining room complex (designed to serve the residential and independent apartment residents), and a chapel. The Health Center was built in 1999, with 100 licensed beds (of which 68 beds are dually certified for Medicare and Medicaid, and 12 beds are certified assisted living for memory care), a kitchen, two separate dining areas for residents, physical therapy room, therapy pool, fitness room, meeting rooms, and administrative offices. There are also 16 residential apartments on campus and adjacent to the main complex, as well as 54 independent houses. The Community also has a Home Care license and provides supportive services to residents who need assistance with activities of daily living.

The Community's operating budget is now approximately \$14 million dollars per year. Financial support comes from private pay residents, Medicare, Medicaid, for some residents a percentage of their monthly income, our endowment, legacies, memorials, and donations from the Masonic Lodges and Eastern Star Chapters across the state. The income the Community receives from the Masonic and Eastern Star members, which is substantial, is true charity and goodwill, since the membership has never been assessed for the maintenance of the Community.

As of June 7, 2020, there are 175 residents in the residential living/independent living areas of the Community, 12 assisted living residents, and 90 residents in the nursing facility.

THE PROPOSAL

1. Criteria for Resident Acceptance. Residency Agreements are subject to acceptance by us. At the time of executing a Residency Agreement, the prospective resident must be 60 years of age or older, capable of living in a residence (with or without reasonable accommodation or reasonable modification), and have sufficient financial resources to pay the Entrance Fee, Monthly Fees and any extra charges incurred as defined in the Residency Agreement. A copy of the Residency Policy is available for review in the Community's Marketing Office.

Financial evaluation is primarily dependent upon two factors (1) net worth and average monthly income. Generally, a prospective resident should have a minimum net worth equal to two (2) times the amount of the Entrance Fee (prior to payment of the Entrance Fee). Generally, a prospective resident should have a minimum monthly income range of one and one-half (1½) two (2) times the Monthly Fee (including second person fees when applicable) in effect at the time of residency. The stability and certainty of continued income will also be a factor in the evaluation process.

An inquiry will be made of all prospective residents regarding the prospective resident's ability to live in a residence, with or without reasonable accommodation or reasonable modification. To determine whether a prospective resident meets the health guidelines, the following information will be gathered: (1) insurance and health information will be obtained on a Confidential Data Application and Resident Health Information Form – to be completed by the prospective resident; (2) a Memory Health Assessment will be administered by the Community; and (3) a Health Information Form will be completed by the prospective resident's physician.

If the prospective resident meets the criteria for residency, we will execute the Residency Agreement. If the prospective resident does not meet the criteria for residency, then we will issue written notice of non-acceptance and issue a refund of any Entrance Fee payment pursuant to Paragraph 3.A below.

2. Entrance Fee. Payment of an Entrance Fee provides a resident with the lifetime use of a residence and the services and amenities available at the Community. At the time the resident makes application for residency at the Community, the resident will sign a Residency Agreement to reserve the residence selected and will pay an Entrance Fee deposit to us. The balance of the Entrance Fee will be paid upon the earlier of (i) occupancy or (ii) 90 days after the Residency Agreement is executed. For residents who enter a Residency Agreement for Expansion Residences, the balance of the Entrance Fee shall be paid on the earlier of (i) the date the resident assumes occupancy at the Community or (ii) within thirty (30) days from the date the resident is notified that the expansion residence is ready for occupancy.

The current Entrance Fee amounts (and five year historical Entrance Fees) are included in tables at the end of the main body of this Disclosure Statement.

The Community currently offers three forms of Residency Agreements for existing residences: a 90% Return-of-Capital™ Plan, a 50% Return-of-Capital™ Plan, and a Traditional Plan (See Exhibits 6 through 8 of this Disclosure Statement). The difference between the 90% Return-of-Capital™, the 50% Return-of-Capital™, and the Traditional Plans is the amount of the Entrance Fee paid upon residency, and the amount of the repayment a resident (or resident's estate) is entitled to after a resident assumes occupancy at the Community as described in Section 3.E below.

During the expansion process (discussed in the section below entitled “Facility Expansion and Renovation”), the Community will offer three additional forms of Residency Agreements: a 90% Return-of-Capital™ Plan for Expansion Residences, a 50% Return-of-Capital™ Plan for Expansion Residences, and a Traditional Plan for Expansion Residences. The Expansion

Agreements are substantially the same as their standard-contract counterparts. The main differences are that (1) they are written so that the balance of the Entrance Fee has not yet been paid, (2) they may be cancelled if we do not make a residence available to the resident within twenty-four (24) months after the agreement is executed, and (3) changes were made to the right of recession period.

3. Repayment of the Entrance Fee.

A. Nonacceptance. If the resident is not accepted for residency at the Community, the full amount of the Entrance Fee paid by the resident will be promptly repaid, without interest.

B. Right of Rescission. In accordance with the North Carolina law and regulations governing continuing care senior living communities, a resident has the right to rescind the Residency Agreement within 30 days following the later of (i) his/her execution of the Residency Agreement; or (ii) the receipt of a Disclosure Statement. The resident is not required to move into the Community before the expiration of the 30-day rescission period. If a resident rescinds the Residency Agreement, the Entrance Fee paid by the resident will be repaid, less (i) a service charge equal to the greater of \$1,000 or 2% of the Entrance Fee, and (ii) less any charges specifically incurred by the Community at the resident's request. The applicable repayment amount outlined above shall be paid within 60 days of our receipt of the written notice of rescission.

C. Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition. If, prior to occupancy, the resident dies before occupying the residence at the Community or if, on account of illness, injury, incapacity a resident is unable to occupy the residence at the Community, then the Residency Agreement will automatically cancel. The resident may also cancel the Residency Agreement prior to occupancy due to a substantial change in the resident's financial condition. In all these events of cancellation prior to occupancy, the resident or resident's estate will receive a repayment of the portion of the Entrance Fee paid, less (i) a service charge equal to the greater of \$1,000 or 2% of the Entrance Fee, and (ii) less any charges specifically incurred by us at the resident's request. Such repayment shall be paid within 60 days after our receipt of the written notice of cancellation.

D. Cancellation Prior to Occupancy for Other Reasons. If the resident cancels the Residency Agreement for reasons other than those stated in Section 3.C above, the resident shall receive a repayment of the portion of the Entrance Fee paid, less (i) a service charge equal to the greater of \$1,000 or 2% of the Entrance Fee, and (ii) less any charges specifically incurred by us at the resident's request. Such repayment shall be paid within 60 days after our receipt of the written notice of cancellation.

E. Cancellation After Occupancy. In the event the Residency Agreement is canceled after occupancy or in the event of resident's death after occupancy, repayment of the Entrance Fee will be as follows:

(1) 50% Return-of-Capital™ Residency Agreement (see Exhibit 6 to this Disclosure Statement): Under the 50% Return-of-Capital™ Residency Agreement, resident or resident's estate will receive a repayment of 96% of the Entrance Fee previously paid by resident, less 2% for each month of residency or portion thereof for up to 23 months. Subject to the Community's right of set-off, the repayment of the Entrance Fee will not be less than 50%. In the event the residence is not reserved by a new resident, such repayment will be paid, without interest, within 24 months from the effective cancellation date of the Residency Agreement. Such repayment will be paid, without interest, within 60 days after the resident's residence is reserved by a new resident and such new resident has paid the full amount of the Entrance Fee.

(2) 90% Return-of-Capital™ Residency Agreement (see Exhibit 7 to this Disclosure Statement): Under the 90% Return-of-Capital™ Residency Agreement, resident or resident's estate will receive a repayment of 96% of the Entrance Fee previously paid by resident, less 2% for each month of residency or portion thereof for up to 3 months. Subject to the Community's right of set-off, the repayment of the Entrance Fee will not be less than 90%. Such repayment will be paid, without interest, within 60 days after the resident's residence is reserved by a new resident and such new resident has paid the full amount of the Entrance Fee. In the event the residence is not reserved by a new resident, such repayment will be paid, without interest, within 24 months from the effective cancellation date of the Residency Agreement.

(3) Traditional Residency Agreement (see Exhibit 8 to this Disclosure Statement): Under the Traditional Residency Agreement, resident or resident's estate will receive a repayment of the Entrance Fee previously paid by resident, less 2% for each month of residency or portion thereof. After 50 months of residency, the Entrance Fee will be fully amortized, and no repayment of the Entrance Fee will be made. If an Entrance Fee repayment is due under the Traditional Residency Agreement, such Entrance Fee repayment will be paid, without interest, within 60 days after the resident's residence is reserved by a new resident and such new resident has paid the full amount of the Entrance Fee. In the event the residence is not reserved by a new resident, such repayment will be paid, without interest, within 24 months from the effective cancellation date of the Residency Agreement.

F. Cancellation Upon Death. In the event of death of the resident at any time after occupancy, the Residency Agreement shall cancel and the repayment of the Entrance Fee paid by the resident will be as outlined in Section 3.E above.

G. Cancellation by Us. Upon 30 days written notice to the resident and/or his or her legal representative, we may cancel the Residency Agreement at any time on the following grounds, which shall be determined by us in our sole discretion:

- Resident does not comply with the terms of the Residency Agreement or the Community's published operating procedures, covenants, rules, regulations, and policies now existing or later amended by the Community; or

- Resident misrepresents himself or fails to disclose information during the residency process; or
- Resident fails to pay any charges to us within 60 days of the due date; or
- Resident's health status or behavior constitutes a substantial threat to the health or safety of resident, other residents, or others, including resident's refusal to consent to relocation, or behavior that would result in physical damage to the property of others.
- There is a major change in resident's physical or mental condition, which cannot be cared for in the Community Health Center within the limits of the Community's license.

Cancellation by us occurs only as a last resort, after it becomes clear to us that cancellation is necessary, and after the resident and/or the resident's legal representative/responsible party has an opportunity to be heard. Upon cancellation of residency, any Monthly Fees paid in advance are pro-rated and an appropriate repayment is made. Any repayment of the Entrance Fee would be computed on the same basis as stated in Section 3.E above.

H. Cancellation Due to Residence Not Available. For residents who enter a Residency Agreement for Expansion Residences, residents may cancel their Agreement upon written notice to us if we have not made the residence available to you for occupancy within twenty-four (24) months from the date we execute that Agreement. Refund of the Entrance Fee will be outlined in the Agreement.

5. Payment of a Monthly Fee. The resident is required to pay a Monthly Fee to the Community by the 10th day of each month. If there are two residents, a second person Monthly Fee will also be paid. The Monthly Fees are paid to provide the services and amenities described in the Residency Agreement and to meet the costs of the expenses associated with the operation of the Community. We may increase the Monthly Fee upon 30 days written notice to the residents if we deem it necessary in order to meet the financial needs of the Community and to provide the services to the residents. The current Monthly Fee amounts are included in the tables at the end of the main body of this Disclosure Statement.

6. Health Center Services. Each resident is entitled to receive 30 days of care in the Health Center (to receive assisted living, skilled nursing care, or specialized care for dementia or related disorders) at no extra charge, except for the costs of physician services and ancillary health services and supplies as outlined in the Residency Agreement. Such 30 days are non-cumulative and renew on an annual basis. After the 30 days of care each year, resident will be required to pay the per diem rate for care in the Health Center, as well as the Monthly Fee. If it is determined that the resident requires permanent care in a Health Center, the resident will be required to surrender his or her residence for occupancy by someone else. Once the residence is surrendered, the resident will no longer be required to pay the Monthly Fee.

7. Relocation/Moves. We reserve the right to relocate a resident to a different residence or a higher level of care after consultation with the resident, resident's family and attending physician if it is determined that such a move should be made for the benefit of the resident or for the proper operation of the Community or to meet the requirements of law.

8. Provisions for New Second Resident. No person other than the resident may occupy the residence without our written approval. If a second person, who is not a party to the Residency Agreement, wishes to become a resident of the Community, that person's acceptance will be in accordance with the current residency policy. An Entrance Fee as determined by the Community will be paid upon residency. In addition, each month the then-current Monthly Fee for second persons will be paid. If the second person does not meet the requirements for residency, he or she will not be permitted to occupy the residence for more than 30 days, except with our written approval.

9. Provisions for Resident Marrying Resident. Should the resident marry a person who is also a resident of the Community and should they decide to occupy one residence, they must declare which residence will be occupied and which residence will be surrendered. The repayment due to the surrendered residence will be as described in Section 3.E above. Each month, the then-current Monthly Fee for second persons shall be paid.

10. Insurance. The Residency Agreement requires that the resident maintain Medicare Part A, Medicare Part B and one supplemental health insurance policy or equivalent insurance coverage acceptable to us.

11. Financial Assistance. Financial assistance may be available to existing continuing care residents who live at the Community under a continuing care residency agreement. To be eligible for such financial assistance, the resident cannot impair his/her ability to meet his/her financial obligations by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance as outlined in the Residency Agreement. Financial assistance funds are available as long as providing financial assistance does not impair our ability to operate the Community on a sound financial basis for the benefit of all residents.

We do not offer financial assistance to those residents who are admitted directly to the Health Center (those who did not execute a residential living continuing care residency agreement).

12. Tax Discussion. The signing of the Residency Agreement and payment of the Entrance Fee and Monthly Fee gives rise to certain unique tax considerations. The discussion below outlines the process which will be utilized to determine the percentage of the Entrance Fee and Fee that the resident may choose to deduct as a medical expense. Each resident is advised to consult with his/her personal tax advisor regarding the tax consequences associated with becoming a resident of the Community. We are not a tax advisor and disclaim any responsibility for any tax advice relating to your becoming a resident of the Community.

13. Medical Expense Deduction. A resident of the Community may be allowed tax benefits associated with his or her residency. A percentage of the non-repayable portion of the Entrance Fee may be taken as a medical expense deduction in the year in which it is deemed finally paid. Also, a percentage of the Monthly Fee paid by a resident may be taken as a medical expense deduction each year. In February of each year, we will provide residents with a percentage of the

prior year's Monthly Fee that has been determined to be attributable to the operations of the Health Center. All deductions are of course subject to limitations imposed by the Internal Revenue Code of 1986, as amended. It is advisable that residents seek the advice of their tax counsel before taking this deduction.

SERVICES AND AMENITIES

Pursuant to the terms of the Residency Agreement, residents are eligible to receive the following standard services and amenities for payment of the Monthly Fee:

- Monthly Dining Allocation, as further outlined in Section 3 of the Residency Agreements.
- Water, sewer, air conditioning, heating, electricity, trash removal, and municipal services. The resident is responsible for the charges related to telephone, and cable or satellite television reception.
- Access to one unassigned parking stall (other spaces, if available, may be provided for an additional fee).
- Building and grounds maintenance.
- Weekly housekeeping service.
- Availability of laundry facilities so that resident may wash and dry personal laundry.
- Planned activities -- social, educational, cultural, recreational, and spiritual -- for those who wish to participate.
- Services of an activities director.
- Use of the Community's common areas and amenities during scheduled hours – central dining room, chapel, library, mail boxes, lounges, arts and crafts room, exercise areas, community garden, dog park, fellowship hall, and woodworking shop.
- Carpeting (except in the kitchen and bath where there is other floor covering).
- A kitchen, including refrigerator with icemaker, range/oven, garbage disposal, dishwasher, and microwave.
- Local transportation scheduled by us.
- Twenty-four hour emergency call monitoring in resident's residence by nursing staff.
- Guest parking areas.
- Fire detection system.
- Security for buildings and grounds.
- Health Center Level Services for 30 free annual days of care, as further defined in the Residency Agreements.

The following supplemental services and amenities are also available to residents for an extra charge:

- Additional meals in the dining room over those provided in consideration for the Monthly Fee.
- Guest accommodations, if available.

- Certain other supplies and services such as medicine, drugs, prescribed therapy, Health Center Medical Director, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.
- Other optional services related or unrelated to care in the Health Center as approved by us.
- Personal laundry service.
- Guest meals.
- Additional housekeeping services.
- Special events transportation.
- Extended dietician services when ordered by resident's attending physician or dietician services not ordered by resident's attending physician.
- Tray service to resident's residence when ordered by resident's attending physician, the Health Center Medical Director, the Health Center director of nursing, assistance-in-living director or resident services director.
- Health Center Level Services beyond the 30 free annual days of care, as further defined in the Residency Agreements.

RESERVES, ESCROW, AND TRUSTS STATEMENT

(A)---All continuing care facilities shall maintain after opening: operating reserves equal to twenty-five percent (25%) to fifty percent (50%) of the total operating costs projected for the 12-month period following the period covered by the most recent annual statement filed with the Department. The forecast statements as required by G.S.58-64-20 (a)(12) shall serve as the basis for computing the operating reserve. In addition to total operating expenses, total operating costs will include debt service, consisting of principal and interest payments along with taxes and insurance on any mortgage loan or other long-term financing, but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner. If the debt service portion is accounted for by way of another reserve account, the debt service portion may be excluded. Facilities that maintain an occupancy level in excess of 90% shall only be required to maintain 25% operating reserve upon approval of the Commissioner, unless otherwise instructed by the Commissioner. The operating reserves may be funded by cash, by invested cash, or by investment grade securities, including bonds, stocks, U.S. Treasury obligations, or obligations of U.S. government agencies.

(B)---Operating reserves shall only be released upon the submittal of a detailed request from the provider or facility and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 business days prior to the date of withdrawal.

(C)---The operating reserve requirement for Whitestone is \$3,840,000. The Masonic and Eastern Star Home of North Carolina, Inc. has available as of March 31, 2020 short-term restricted assets of \$5,605,078 with additional funds set aside as restricted assets to meet North Carolina year end reserve requirements.

(D)---Overall policies and decisions relative to the magnitude of reserve funds, investment of reserve funds, and the expenditure of operating funds are under the direction of the Finance Committee of the Board of Directors. However, for many years, the Board of Directors has relied on the Directors of the North Carolina Masonic Foundation for investment purposes. The Foundation is comprised of five members who serve five year staggered terms. Due to their successful management, each has been re-elected each year. All of the members have been, or are, successful businessmen, and because of their love for WhiteStone, there is no expense for their services.

FACILITY EXPANSION AND RENOVATION

Purpose, need and scope of the expansion

WhiteStone – A Masonic & Eastern Star Community (formerly known as the Masonic & Eastern Star Home) is an existing CCRC located at 700 South Holden Road in Greensboro, NC (“WhiteStone”). The community is owned and operated by the Masonic & Eastern Star Home of North Carolina, Incorporated, a North Carolina nonprofit corporation (the “Owner”). WhiteStone was created in 1910 and the first residents moved to the community in 1913. While originally established for Masons in North Carolina, the community is now open to everyone who is 60 years of age or older and capable of meeting the financial and occupancy requirement, without regard to race or gender. WhiteStone is situated on 42 acres of land in the center of Greensboro. The Community currently has (a) three residential buildings containing a total of 33 rooms and apartments; (b) an independent living building containing 46 one and two bedroom apartments; (c) 16 one and two bedroom duplex cottages and 54 houses; (d) an administrative office building; (e) a kitchen and dining room complex (designed to serve the independent living residents); and (f) a chapel. In addition, a skilled nursing center (the “Care and Wellness Center”) built in 1999 contains 100 licensed beds (12 are memory care beds and 88 are nursing care beds, of which 60 are dually certified for Medicare and Medicaid), a kitchen, two separate dining areas for residents, a physical therapy room, a therapy pool, meeting rooms, and administrative offices. In 2010, a new fitness center was added and the commons and dining buildings underwent a complete renovation. In 2012, an addition was completed adding the 46-unit independent living building mentioned in (b) above and eight new houses. In total, there are currently 149 independent living units, 88 nursing care beds and 12 memory care beds. The Community also provides home care services for those living in independent living units.

The addition of a fitness center and the renovation of the commons and dining in 2010 and the addition of the 46 independent living apartments in 2012 (described above) were the first steps of a long range plan to expand and reposition the community to more successfully match consumer expectations and to keep WhiteStone competitive in its marketplace, thereby protecting the investments of the WhiteStone residents. The 2012 expansion of new independent living units, while marketed and constructed during very difficult economic times, was an overwhelming success. The expansion contemplated in this Step #1 – Notification (the “Notification”) will continue the Owner’s planned, orderly long-term expansion and repositioning of WhiteStone.

The proposed expansion seeks to meet four goals of the Owner - first, to provide a full continuum of care to its residents with the addition of assisted living beds; second, to significantly renovate the Care and Wellness Center originally built in 1999; third, to continue improving the independent living unit mix to meet the expectations of today's residents; and fourth, to add commons and amenities for the enjoyment of its current residents and to meet the expectations of its prospective residents.

The Owner began considering the proposed expansion in 2015 and engaged LCS Development, LLC ("LCSD") as its Development Consultant for the proposed project. In 2015 and 2016, LCSD performed a master planning exercise to assist the Owner in defining the scope for the project. In 2017, the Owner assembled its final Development Team that includes LCSD as Development Consultant; SFCS, Inc. as Architect; Frank L. Blum Construction Company as Construction Manager; and Cain Brothers as Financial Advisor. All of these firms have extensive experience in the senior housing industry, both nationally and in North Carolina.

The scope of the proposed expansion contemplated herein is:

- Constructing 67 new independent living apartments – a mix of one and two-bedroom units
- Constructing a new assisted living/memory care facility containing 24 assisted living units and 12 memory care suites
- Significant renovation of the Care and Wellness Center (the skilled nursing facility) including the conversion of some semi-private rooms to private rooms
- Renovation of the wellness area and relocation of certain community amenities

WhiteStone's campus site has sufficient land to allow for the proposed expansion and the expansion is allowed under the site's I zoning.

The Owner began the conversion of its \$1,000 priority depositor to 10% deposits in May of 2019 and has obtained the 34 10% deposits required to be at 50% of the 67 units being added in this project. Owner intends to move to obtain financing on or before August 31 and then commence construction. All throughout this process, the Development Team has continually updated the planned development, construction and financing assumptions to insure the financial feasibility of the project.

Estimated capital costs

Construction design documents have been completed and is the project is currently out for pricing. The proposed expansion will consists of approximately 135,000 square feet of new construction and 50,000 square feet of renovation. The total capital cost of the project is estimated to be approximately \$72 million. These costs are inclusive of design fees, construction costs, legal, financing, marketing, startup costs, and contingency. The Construction Manager is currently preparing a detailed cost analysis based on the construction design documents.

Ability to finance

In November 2017, the Owner refinanced WhiteStone's then existing debt with a new \$23,855,000 bond issue resulting in a significant decrease in its cost of capital. This refinancing was undertaken in order to strengthen the cash flow of WhiteStone in anticipation of the proposed expansion. The 2017 bond issuance was significantly oversubscribed, meaning there were many more investors willing to buy the bonds than there were bonds to sell. The refinancing greatly improved the financial stability of WhiteStone with a resulting debt service coverage ratio well in excess of 2.0. The proposed expansion will be financed through a combination of proceeds from entrance fees and a new issuance of tax-exempt bonds. Given the positive response to the 2017 refinancing by investors and based on the current scope and assumptions contemplated by the Development Team, the Financial Advisor is confident that the proposed expansion is financeable.

The development projections assume capital costs are funded approximately 75% through long-term debt and 25% through proceeds from entrance fees. The development projections assume rates and terms provided by the Financial Advisor and meet the debt coverage and other financing ratios required by the underwriters. Therefore, the Owner believes there is a very high likelihood of the project being financed. Of course, the development projections and financing assumptions will be continually updated throughout the development process.

Financial impact on current residents

The proposed expansion will not have a significant negative impact on current residence. In fact, the Owner is confident that, with the addition of a full continuum of care and a fully renovated skilled nursing center that the proposed expansion will provide, WhiteStone will be much better positioned in its competitive market after the expansion. Also, the addition of new independent living units will allow WhiteStone to create better operating efficiencies by spreading certain fixed operating and administrative costs over a larger number of units.

Impact on community structures for the provision of resident services

As noted above, additional units allow the facility to spread the cost of services and commons over a larger number of residents and thus increase efficiencies. When creating the development pro forma the Development Team worked with WhiteStone's operations staff to budget required additional staff and the cost of additional services for the expansion of independent living units and the new assisted living/memory care facility.

This proposed expansion will benefit WhiteStone and its residents by:

- Providing a full continuum of care not currently available
- Increasing the number and percentage of the larger independent living units which are most desired by the market
- Improving and significantly renovating the skilled nursing facility, including the conversion of a number of semi-private rooms to private that has been a stated desire of current residents
- Increasing the marketability of the existing and proposed independent living units by all of the improvements listed above

ESTIMATED OCCUPANCY FOR 2020

Independent Living:

Total Number of residents:	175
Number of residences occupied:	136
Total number of residences available:	13

Health Center:

Total number of residents:	100
Number of beds occupied:	90
Total number of beds available:	10

FINANCIAL INFORMATION

1. **Financial Statements.** WhiteStone operates on a fiscal year which coincides with the calendar year (12/31). The financial records of the facility are audited annually by Bernard Robinson & Company, L.L.P.; 1501 Highwoods Blvd., Suite 300, Greensboro, NC 27410. Our operating income is derived mainly from two sources. Approximately 90% of operating income comes from the residents (either private monthly income or Medicare, Medicaid and private insurance) and approximately 10% comes from charitable sources. See Exhibit 2 of this Disclosure Statement for current certified financial statements as of December 31, 2019.

2. **Forecasted Financial Statements.** See Exhibit 3 of this Disclosure Statement for certified five year projection statements for 2020 through 2023.

3. **Interim Unaudited Financial Statements.** See Exhibit 4 of this Disclosure Statement for interim unaudited financial statements as of March 31, 2020.

4. **Explanation of Material Differences.** See Exhibit 5 for the explanation of the material differences for the Balance Sheet, Statement of Operations, and Statement of Cash Flows for the fiscal year 2019 and the actual results for the fiscal year 2019.

5. **Financing.** See Note 6 of the audited financial statements for information on long-term debt and financing.

FEES

The following tables set out the current monthly fee, current per diem rates of charge for care in the Health Center, the average increase in monthly fee and per diem rates for the past five years, the current and five year historical entrance fee amounts for WhiteStone, and current in-home care rates. Fees are adjusted annually, effective January 1.

2020 Monthly Fees

Type of Residence	Single Occupancy	Double Occupancy
Residential Apartments		
Studio	\$2,656	3,147
Studio Deluxe	2,656	3,147
Latham, Bennette Kitchenette (1 Bedroom)	3,240	3,730
Latham, Bennette Kitchen (1 Bedroom)	3,240	3,730
Linville (1 Bedroom Renovated)	3,240	3,730
Apartment Homes		
Alamance (1 Bdrm, Full Bath)	2,720	3,334
Caswell (1 Bdrm w/Den, 1.5 Bath)	2,984	3,598
Davidson (1 Bdrm w/Den, 1.5 Bath)	3,161	3,774
Forsyth (2 Bdrm, 2 Bath)	3,337	3,950
Guilford (2 Bdrm, 2 Bath)	3,406	4,021
Randolph (2 Bdrm, 2 Bath, Sunroom)	3,511	4,073
Cottages		
1 Bedroom/1 Bath	2,520	3,086
2 Bedroom/2 Bath	2,758	3,304
Villa Homes		
Piedmont (2 Bdrm, 2 Bath)	3,119	3,682

Average Dollar Amount of Changes – Monthly Fee

	2015	2016	2017	2018	2019	2020
Single Occupancy	\$76.00	\$76.27	\$71.00	\$89.73	\$97.80	\$117
Double Occupancy	\$12.00	\$66.93	\$13.00	\$15.86	\$17.00	\$138

2020 Health Center Fees

Current per diem rates of charge for assisted living or skilled nursing care in the Health Center are:

Assisted Living Care		
Semi-Private Room		\$221
Private Room		\$244
Skilled Nursing Care		
Semi-Private Room		\$266
Private Room		\$322

Average Dollar Amount of Changes – Assisted Living Per Diem Charge

	2015	2016	2017	2018	2019	2020
Semi-Private	\$7.00	\$6.00	\$5.79	\$8.00	\$7.00	\$8.00
Private	\$10.00	\$7.00	\$6.36	\$9.00	\$8.00	\$9.00

Average Dollar Amount of Changes – Skilled Nursing Per Diem Charge

	2015	2016	2017	2018	2019	2020
Semi-Private	\$11.00	\$7.00	\$6.96	\$8.00	\$9.00	\$10.00
Private	\$11.00	\$9.00	\$8.40	\$11.00	\$10.00	\$13.00

Entrance Fee Table – Traditional Plan

Type of Residence	2015	2016	2017	2018	2019	2020
Residential Apartments						
Studio	\$50,000	\$50,000	\$52,500	\$52,500	\$52,500	\$52,500
Studio Deluxe	67,000	67,000	\$72,462	70,000	70,000	70,000
Latham, Bennette Kitchenette (1 Bedroom)	80,000	80,000	84,000	85,000	85,000	85,000
Latham, Bennette Kitchen (1 Bedroom)	90,000	93,400	98,030	100,000	100,000	100,000
Linville (1 Bedroom Renovated)	90,000	93,400	98,030	100,000	100,000	100,000
Apartment Homes						
Alamance (1 Bdrm, Full Bath)	136,500	144,000	150,492	158,000	158,000	158,000
Caswell (1 Bdrm w/Den, 1.5 Bath)	165,000	171,000	179,432	185,000	185,000	185,000
Davidson (1 Bdrm w/Den, 1.5 Bath)	175,000	182,000	191,009	200,500	200,500	200,500
Forsyth (2 Bdrm, 2 Bath)	200,000	209,500	219,950	220,000	220,000	220,000
Guilford (2 Bdrm, 2 Bath)	210,000	220,500	231,525	238,500	238,500	238,500
Randolph (2 Bdrm, 2 Bath, Sunroom)	227,000	238,140	250,047	250,000	250,000	250,000
Cottages						
1 Bedroom/1 Bath	123,000	126,150	132,450	120,000	120,000	120,000
2 Bedroom/2 Bath	143,000	147,520	154,895	140,000	140,000	140,000
Villa Homes						
Piedmont (2 Bdrm/2 Bath)	255,000	270,500	270,500	284,000	284,000	284,000

Entrance Fee Table – 50% Return-of-Capital™ Plan

Type of Residence	2015	2016	2017	2018	2019	2020
Residential Apartments						
Studio	\$70,000	\$70,000	73,500	\$75,700	\$75,700	\$75,700
Studio Deluxe	93,800	93,800	101,446	101,000	101,000	101,000
Latham, Bennette Kitchenette (1 Bedroom)	112,000	112,000	117,600	123,000	123,000	123,000
Latham, Bennette Kitchen (1 Bedroom)	123,200	130,760	137,242	144,000	144,000	144,000
Linville (1 Bedroom Renovated)	126,000	130,760	137,242	144,000	144,000	144,000
Apartment Homes						
Alamance (1 Bdrm, Full Bath)	191,000	200,500	210,525	232,260	232,260	232,260
Caswell (1 Bdrm w/Den, 1.5 Bath)	233,000	244,650	256,882	267,000	267,000	267,000
Davidson (1 Bdrm w/Den, 1.5 Bath)	245,000	257,250	270,112	295,000	295,000	295,000
Forsyth (2 Bdrm, 2 Bath)	280,000	294,000	308,700	308,000	308,000	308,000
Guilford (2 Bdrm, 2 Bath)	294,000	308,700	324,135	333,000	333,000	333,000
Randolph (2 Bdrm, 2 Bath, Sunroom)	318,000	333,900	350,595	350,595	350,595	350,595
Cottages						
1 Bedroom/1 Bath	168,000	176,610	185,430	173,000	173,000	173,000
2 Bedroom/2 Bath	196,000	206,528	216,853	202,000	202,000	202,000
Villa Homes						
Piedmont (2 Bdrm/2 Bath)	368,000	386,400	386,400	417,500	417,500	417,500

Entrance Fee Table – 90% Return-of-Capital™ Plan

Type of Residence	2015	2016	2017	2018	2019	2020
Residential Apartments						
Studio	\$90,000	\$90,000	94,500	\$75,700	\$97,000	\$97,000
Studio Deluxe*	120,600	120,600	130,432	101,000	130,000	130,000
Latham, Bennette Kitchenette (1 Bedroom)	144,000	144,000	151,200	123,000	158,000	158,000
Latham, Bennette Kitchen (1 Bedroom)	158,400	168,120	176,454	144,000	185,000	185,000
Linville (1 Bedroom Renovated)	162,000	168,120	176,454	144,000	185,000	185,000
Apartment Homes						
Alamance (1 Bdrm, Full Bath)	246,000	258,000	271,215	298,600	298,600	298,600
Caswell (1 Bdrm w/Den, 1.5 Bath)	297,000	311,850	327,442	343,000	343,000	343,000
Davidson (1 Bdrm w/Den, 1.5 Bath)	315,000	330,750	347,287	379,000	379,000	379,000
Forsyth (2 Bdrm, 2 Bath)	360,000	378,000	396,900	396,900	396,900	396,900
Guilford (2 Bdrm, 2 Bath)	378,000	397,000	416,850	442,000	442,000	442,000
Randolph (2 Bdrm, 2 Bath, Sunroom)	409,800	429,000	450,450	450,450	450,450	450,450
Cottages						
1 Bedroom/1 Bath	216,000	227,070	238,410	173,000	222,500	222,500
2 Bedroom/2 Bath	252,000	265,536	278,811	202,000	260,000	260,000
Villa Homes						
Piedmont (2 Bdrm/2 Bath)	472,500	496,125	496,126	537,000	537,000	537,000

Below is a table that reflects proposed Entrance Fees and Monthly Fees for Expansion Residences

New Independent Units	No.	Size	Entrance Fee (1)(2)	Monthly Fee (1)
1 BR Deluxe	8	839	\$174,571	\$2,600
1BR Den	21	954	208,141	2,900
2 BR Traditional	17	1,145	255,142	3,200
2 BR Sunroom	10	1,291	290,055	3,400
2 BR Den End Unit	8	1,393	336,400	3,500
1 BR Deluxe	1	885	185,600	2,950
2 BR Den End Unit	1	1,400	342,200	3,750
Penthouse	1	1,850	464,000	4,250
Total Project ILU's / Weighted Avg.	67	1,110	\$265,138	\$3,120
Second Person Fee IL				\$570
Assisted Living Units	24	-	-	\$4,500
Memory Care Units	12	-	-	\$6,642

Notes: (1) Entrance Fees and Monthly Fees shown in 2019 dollars.

(2) The Community will offer a blended refundable entrance fee plan.

2020 Ancillary Services Rates

Caregiver Assistance (2 hr min)	\$21/hr	Roll-away bed usage	\$10/night
Caregiver Assistance (under 2hrs)	\$8/15 mins	Carpet Spot Cleaning	\$26/hr
Nursing Visits	\$78/hr	Transportation Service (round trip) City of Greensboro	\$37/trip
Monthly Laundry Charge	\$40/month	Outside City of Greensboro (15 miles radius)	\$45/trip+\$0.50/mile over 15 miles
Additional request for weekly housekeeping	\$47/cleaning	If Caregiver stays with you additional (2 hr min)	\$21/hr
Medication Management (starting at)	\$228/month	Personal Shopping Services (2 hr min)	\$21/hr
Case Management Services (starting at)	\$253/month		

EXHIBIT 1

Communities Managed by Life Care Services LLC

EXHIBIT A
SENIOR LIVING COMMUNITIES MANAGED
BY LIFE CARE SERVICES

AS OF 06/05/2020

Alabama, Birmingham – Galleria Woods
Alabama, Hoover – Danberry at Inverness
Arizona, Chandler – Clarendale of Chandler
Arizona, Peoria – Sierra Winds
Arizona, Phoenix – Sagewood
Arizona, Tempe (Phoenix) – Friendship Village of Tempe
California, Cupertino – Forum at Rancho San Antonio, The
California, San Diego – Casa de las Campanas
California, San Luis Obispo – Villaggio at San Luis Obispo
California, San Rafael – Aldersly
California, Santa Rosa – Arbol Residences of Santa Rosa
Connecticut, Essex – Essex Meadows
Connecticut, Mystic – StoneRidge
Connecticut, Redding – Meadow Ridge
Connecticut, Southbury – Pomperaug Woods
Florida, Boca Raton – Toby & Leon Cooperman Sinai Residences of Boca Raton
Florida, Bradenton – Freedom Village of Bradenton
Florida, Celebration – Windsor at Celebration
Florida, Clearwater – Regency Oaks
Florida, Jacksonville – Cypress Village
Florida, Leesburg – Lake Port Square
Florida, Naples – The Glenview at Pelican Bay
Florida, Palm City – Sandhill Cove
Florida, Port Charlotte – South Port Square
Florida, Seminole – Freedom Square of Seminole
Florida, Seminole – Lake Seminole Square
Florida, Sun City Center – Freedom Plaza
Florida, The Villages – Freedom Point at The Villages
Georgia, Columbus – Spring Harbor at Green Island
Georgia, Evans – Brandon Wilde
Georgia, Savannah – Marshes of Skidaway Island, The
Georgia, Stone Mountain – Park Springs
Hawaii, Honolulu – Hale Ola Kino
Illinois, Addison – Clarendale of Addison
Illinois, Algonquin – Clarendale of Algonquin
Illinois, Chicago – Clare, The
Illinois, Godfrey – Asbury Village
Illinois, Lincolnshire – Sedgebrook
Illinois, Long Grove – Arboria of Long Grove
Illinois, Mokena – Clarendale of Mokena
Illinois, Naperville – Monarch Landing
Illinois, St. Charles – River Glen of St. Charles
Illinois, Wheaton – Wyndemere

Indiana, Carmel – Magnolia Springs at Bridgewater
Indiana, Greenwood (Indianapolis) – Greenwood Village South
Indiana, Indianapolis – Magnolia Springs Southpointe
Indiana, Indianapolis – Marquette
Indiana, North Manchester – Peabody Retirement Community
Indiana, Schererville – Clarendale of Schererville
Indiana, Terre Haute – Westminster Village
Indiana, West Lafayette – Westminster Village West Lafayette
Iowa, Ames – Green Hills Retirement Community
Iowa, Cedar Rapids – Cottage Grove Place
Kansas, Atchison – Dooley Center
Kansas, Bel Aire – Catholic Care Center
Kentucky, Florence – Magnolia Springs Florence
Kentucky, Lexington – Magnolia Springs Lexington
Kentucky, Lexington – Richmond Place Senior Living
Kentucky, Louisville – Magnolia Springs East
Kentucky, Louisville – Magnolia Springs at Whipps Mill
Maryland, Annapolis – Baywoods of Annapolis
Maryland, Columbia – Residences at Vantage Point
Maryland, Pikesville (Baltimore) – North Oaks
Maryland, Timonium – Mercy Ridge
Maryland, Towson (Baltimore) – Blakehurst
Michigan, Battle Creek – NorthPointe Woods
Michigan, Dearborn – Henry Ford Village
Michigan, East Lansing – Burcham Hills
Michigan, Holland – Freedom Village
Michigan, Kalamazoo – Friendship Village
Michigan, Waterford – Canterbury-on-the-Lake
Minnesota, Champlin – Champlin Shores
Minnesota, Plymouth – Trillium Woods
Minnesota, Vadnais Heights – Gable Pines
Missouri, Higginsville – John Knox Village East
Missouri, Kansas City – Kingswood Senior Living Community
Missouri, St. Peters – Clarendale of St. Peters
Nebraska, Lincoln – Woodlands at Hillcrest, The
New Hampshire, Keene – Hillside Village
New Jersey, Bridgewater – Delaney of Bridgewater, The
New Jersey, Bridgewater – Laurel Circle
New Jersey, Lakewood – Harrogate
New York, Levittown – Village Green A Carlisle Assisted Living Community
New York, Patchogue – Village Walk Patchogue
New York, Rye Brook – Broadview Senior Living at Purchase College
North Carolina, Chapel Hill – Cedars of Chapel Hill, The
North Carolina, Charlotte – Cypress of Charlotte, The
North Carolina, Durham – Croasdaile Village
North Carolina, Greensboro – WhiteStone
North Carolina, Greenville – Cypress Glen Retirement Community
North Carolina, Lumberton – Wesley Pines Retirement Community
North Carolina, Raleigh – Cypress of Raleigh, The
North Carolina, Wilmington – Plantation Village

Ohio, Dublin – Friendship Village of Dublin
Ohio, Mason – Magnolia Springs Loveland
Oklahoma, Bartlesville – Green Country Village
Oregon, Dallas – Dallas Retirement Village
Oregon, Salem – Capital Manor
Pennsylvania, Coatesville – Freedom Village at Brandywine
Pennsylvania, Reading – Heritage of Green Hills, The
Pennsylvania, Warrington – Solana Doylestown, The
South Carolina, Greenville – Rolling Green Village
South Carolina, Hilton Head Island – Bayshore on Hilton Head Island
South Carolina, Hilton Head Island – Cypress of Hilton Head, The
Tennessee, Brentwood – Heritage at Brentwood, The
Tennessee, Hendersonville – Clarendale at Indian Lake
Tennessee, Nashville – Clarendale at Bellevue Place
Texas, Austin – Westminster
Texas, Bedford – Parkwood Healthcare
Texas, Bedford – Parkwood Retirement
Texas, Dallas – Autumn Leaves
Texas, Dallas – Monticello West
Texas, Dallas – Signature Pointe
Texas, Dallas – Walnut Place
Texas, Georgetown – Delaney at Georgetown Village, The
Texas, League City – Delaney at South Shore, The
Texas, Lubbock – Carillon
Texas, Richmond – Delaney at Parkway Lakes, The
Texas, Spring – Village at Gleannloch Farms, The
Texas, Temple – Meridian of Temple
Texas, The Woodlands – Village at the Woodlands Waterway, The
Texas, Victoria – Copperfield Village
Texas, Victoria – Greatwood Homes of Victoria
Texas, Waco – Delaney at Lake Waco, The
Utah, Taylorsville – Summit Vista
Vermont, White River – Village at White River Junction, The
Virginia, Fairfax – Virginian, The
Virginia, Gainesville – Heritage Village Assisted Living and Memory Care
Virginia, Virginia Beach – Atlantic Shores
Washington, Issaquah – Timber Ridge at Talus
Wisconsin, Greendale – Harbour Village
Wisconsin, Mequon – Newcastle Place
Wisconsin, Milwaukee – Eastcastle Place

EXHIBIT 2

Current Certified Financial Statements December 31, 2019

EXHIBIT 3

Certified Five Year Projection Statements (2020-2024)

EXHIBIT 4

Interim Financial Statements March 2020

- ❖ Balance Sheet**
- ❖ Statement of Operations**
- ❖ Statement of Cash Flows**

EXHIBIT 5

Explanation of Material Differences

Balance Sheet

Statement of Operations

Statement of Cash Flows

EXHIBIT 6

50% Return-of-Capital™ Residency Agreement

EXHIBIT 7

90% Return-of-Capital™ Residency Agreement

EXHIBIT 8

Traditional Residency Agreement

