



## DISCLOSURE STATEMENT

Dated: June 1, 2021

Name of Facility: GIVENS ESTATES  
Location: 2360 Sweeten Creek Road  
Asheville, North Carolina 28803  
Telephone No.: (828) 274-4800

In accordance with Chapter 58, Article 64 of the North Carolina General Statutes of the State of North Carolina:

- This Disclosure Statement may be delivered until revised, but not after October 28, 2022;
- Delivery of this Disclosure Statement to a contracting party before execution of a contract for continuing care is required;
- 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.



# TABLE OF CONTENTS

<b>I. ORGANIZATION INTRODUCTION AND INFORMATION .....</b>	<b>4</b>
ORGANIZATION AND AFFILIATION .....	4
NON-PROFIT STATUS .....	4
ACCREDITATION AND PROFESSIONAL ASSOCIATIONS .....	5
LICENSURE .....	5
FITCH RATING.....	5
VISION STATEMENT .....	6
MISSION STATEMENT .....	6
WELLNESS PHILOSOPHY .....	7
<b>II. FACILITY INTRODUCTION AND INFORMATION.....</b>	<b>8</b>
CAMPUS LOCATION AND CAPACITY .....	8
OCCUPANCY .....	8
COMMUNITY AMENITIES .....	8
SENIOR MANAGEMENT TEAM.....	8
SENIOR MANAGEMENT TEAM OF THE GIVENS ESTATES, INC. ....	9
BOARD OF DIRECTORS .....	10
EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS .....	10
BOARD OF DIRECTORS AND CONTACT INFORMATION .....	12
RESIDENT COUNCIL.....	16
GIVENS ESTATES DEVELOPMENT/STRATEGIC PLAN .....	16
<b>III. POLICIES .....</b>	<b>16</b>
ADMISSIONS .....	17
TERMINATION AND REFUND PROVISIONS .....	17
TRANSFERS OR CHANGES IN LEVELS OF CARE.....	21
TERMS OF RESIDENCY.....	21
ADDITION OF NEW OCCUPANT .....	23
<b>IV. SERVICES .....</b>	<b>24</b>
FURNISHINGS IN RESIDENCES.....	24
OPTIONS AND CUSTOM FEATURES IN YOUR RESIDENCE .....	24
COMMON AREAS AND AMENITIES.....	24
PARKING .....	24
SERVICES AND PROGRAMS .....	25

NOTICE OF CHANGE IN SCOPE OF SERVICES .....	26
HEALTH CARE ACCOMMODATIONS AND SERVICES.....	26
<b>V. FEES – ALL FEES SHOWN ARE EFFECTIVE AS OF JANUARY 1, 2020.....</b>	<b>27</b>
ENTRANCE FEE.....	27
MONTHLY FEE.....	31
ADJUSTMENTS IN THE MONTHLY FEE.....	30
AWAY ALLOWANCE.....	33
MONTHLY STATEMENTS .....	33
HEALTH CARE CHARGES.....	33
WOOD ASSISTED LIVING .....	34
GIVENS ESTATES HEALTH CENTER.....	35
INDEPENDENT CARE NON-CHARGED SERVICES.....	36
HOME CARE SERVICES .....	36
WAITLIST DEPOSIT .....	37
FINANCIAL ASSISTANCE.....	37
<b>VI. OTHER MATERIAL INFORMATION.....</b>	<b>37</b>
<b>VII. SCHEDULE OF ATTACHMENTS .....</b>	<b>38</b>
ATTACHMENT 1 - STATEMENT OF RELATIONSHIP	
ATTACHMENT 2 - CONFLICT OF INTEREST POLICY & ETHICAL CODE OF CONDUCT	
ATTACHMENT 3 - RESIDENCE AND SERVICES AGREEMENTS – INDEPENDENT LIVING & FRIENDSHIP PARK	
ATTACHMENT 4 - GIVENS ESTATES HEALTH CENTER & WOOD ASSISTED LIVING CONTRACT FOR ADMISSION AND CARE	
ATTACHMENT 5 - MISCELLANEOUS SERVICE FEES FOR 2021	
ATTACHMENT 6 - AUDITED BALANCE SHEETS AND INCOME STATEMENTS AT 12/31/19 AND 12/31/20 AND UNAUDITED BALANCE SHEET AND INCOME STATEMENT AT 4/30/21	
ATTACHMENT 7 - 5-YEAR FORECAST OF REVENUES, SUPPORT EXPENSES, CASH FLOW AND ASSUMPTIONS AND FINANCIAL PROJECTION FOR THE YEARS ENDING DECEMBER 31, 2025	
ATTACHMENT 8 - COMPARISON OF THE 2020 AUDITED FINANCIAL STATEMENTS TO THE 2020 FORECASTED STATEMENTS FOR ANY VARIANCES GREATER THAN 5% AND \$500,000	

THIS DISCLOSURE STATEMENT IS FURNISHED TO COMPLY WITH THE REQUIREMENTS OF ARTICLE 64, CHAPTER 58, OF THE GENERAL STATUTES OF NORTH CAROLINA AND SUPERSEDES DISCLOSURE STATEMENT DATED June 1, 2020.

## **I. ORGANIZATION INTRODUCTION AND INFORMATION**

### **ORGANIZATION AND AFFILIATION**

Givens Estates is a North Carolina non-profit corporation chartered in 1975. The Givens Estates, Inc. and Subsidiaries is the provider for Givens Estates, Givens Highland Farms, LLC and Gerber Park 60. Givens Estates and Givens Highland Farms are licensed in North Carolina by the Department of Insurance as continuing care retirement communities and refer to themselves as life plan communities. Givens Gerber Park 60 is 82 rental apartments and not a continuing care retirement community. The address for The Givens Estates, Inc. and Givens Estates (the facility) is 2360 Sweeten Creek Road, Asheville, North Carolina, 28803. The Givens Estates, Inc. is affiliated with the Western North Carolina Conference of the United Methodist Church (“the Conference”). The Conference elects all members of The Givens Estates, Inc. Board of Directors. The Conference is not responsible for any financial or contractual obligations of The Givens Estates, Inc. The affiliation between The Givens Estates, Inc. and the Conference is set forth in the Statement of Relationship (Attachment 1).

The Company is affiliated with The Great Laurels, Inc., the General Partner of The Senior Residences at LakeJunaluska, LP, which consists of 64 Tax Credit and 36 HUD apartments.

The Company is a member of Gerber Park of Asheville, LLC, the managing member of Gerber Park of Asheville, LLC, which consists of 42 Tax Credit and 78 HUD apartments.

The Company is a managing member of Gerber Park of Asheville III LLC, the managing member of Givens Gerber Park III LLC, which consists of 60 Tax Credit apartments.

Givens Affordable Communities, Inc., an affiliate of Givens Estates, manages and provides on-site employees for the Givens Gerber Park and Great Laurels Communities.

LifeMinistries, LLC is a wholly owned subsidiary of the Company and is a community-based, health focused outreach ministry.

None of the affiliated organizations of The Givens Estates, Inc. are responsible for any financial or contractual obligations of Givens Estates or Givens Highland Farms.

### **NON-PROFIT STATUS**

As a non-profit corporation, Givens Estates has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and comparable provisions of North Carolina law. All of its real and personal property has been exempt in previous years from ad valorem property taxation by Buncombe County and the City of Asheville.

## **ACCREDITATION AND PROFESSIONAL ASSOCIATIONS**

Givens Estates has been nationally accredited since 1993. It received its most recent accreditation in 2018 from The Commission on Accreditation of Rehabilitation Facilities (CARF). In addition, Givens Estates is an active member of LeadingAge, LeadingAge NC, AHCA (American Health Care Association), and NCHCFA (NC Health Care Facilities Association).

## **LICENSURE**

Givens Estates is licensed to provide continuing care in North Carolina in accordance with State law. The license is issued by the North Carolina Department of Insurance. Givens Estates Health Center is licensed by the North Carolina Division of Health Service Regulation to operate 70 skilled nursing facility beds and 14 Home for the Aged beds. Of the 70 skilled beds, 56 are Medicare and Medicaid certified and 14 are Medicare certified only. Givens Estates' Richard A. Wood Assisted Living Center is licensed by the North Carolina Division of Health Service Regulation to operate 56 adult care beds. Further, Givens Estates is licensed by the North Carolina Division of Health Service Regulation to operate Givens Estates Home Care agency.

## **FITCH RATING**

The Givens Estates, Inc. has received a "A-" rating by Fitch Ratings, a global investment rating agency. This rating is based on Givens Estates' high occupancy levels, strong operating performance, and sufficient liquidity.

## VISION STATEMENT

Expanding the possibilities for aging

## MISSION STATEMENT

Improving lives through communities, services, and outreach

## CORE VALUES

Our core values are Commitment, Caring, Courage and Collaboration

### COMMITMENT

- To deliver quality care and services
- To provide professional leadership
- To embrace the highest values and practices of the Christian faith
- To develop communities and services for economically diverse populations

### CARING

- To demonstrate respect, compassion, and selflessness
- To act at the highest levels of ethical behavior, financial responsibility, and fair dealing
- To provide charitable care and affordable housing with support services

### COURAGE

- To be inclusive and a place where people feel welcomed, valued and respected
- To be creative and innovative
- To take risks and overcome obstacles
- To do what is right and take action

### COLLABORATION

- To faithfully partner with the United Methodist Church
- To forge partnerships which enhance our ability to achieve the organization's mission and to share knowledge, skills and resources

## WELLNESS PHILOSOPHY

Givens believes an individual's quality of life is enhanced through a healthy and balanced lifestyle. Wellness is a continual process and includes taking personal responsibility for one's mind, body and spirit. Givens supports purposeful living by providing opportunities in the following dimensions of wellness:

- Social: Fostering meaningful interactions within a diverse community
- Physical: Promoting personal fitness and health goals
- Spiritual: Inspiring a life of meaning, value and purpose
- Emotional: Facilitating an awareness and acceptance of one's feelings
- Intellectual: Stimulating the use of one's mind
- Environmental: Exercising stewardship to our environment
- Recreational/Avocational: Encouraging self-expression and personal development

Givens provides quality resident-centered care in a Christian environment and supports residents during major life changes. Furthermore:

- Givens affirms and practices the preservation of personal dignity, individuality and the blending of support with independence.
- Givens provides a multi-disciplinary, holistic approach to meeting residents' dynamically changing needs.
- Residents are empowered to make individual choices and decisions regarding their living environment, services they receive, medical treatment and advance directives.
- Givens assists residents in making decisions by ensuring they are fully informed about their options in a respectful and sensitive manner.

## **II. FACILITY INTRODUCTION AND INFORMATION**

### **CAMPUS LOCATION AND CAPACITY**

Givens Estates is a continuing care retirement community located on a 215-acre campus in Asheville, North Carolina. Living accommodations include 86 single-family cottages, 40 duplexes, 72 Creekside apartments, 24 villas and 190 main building apartments; 47 assisted living accommodations ("Wood Assisted Living"); and an 84-bed health care facility ("Givens Estates Health Center") of which 14 beds are licensed as home for the aged beds and 70 beds are licensed as nursing care (skilled) beds (56 are Medicare and Medicaid certified and 14 are Medicare certified only). Givens Estates offers primarily fee-for-service contracts. The Memory Care clinic, UMAR Home, 5,766 square foot grounds building, and 5,000 square foot maintenance facility are located on the property.

### **OCCUPANCY**

As of December 31, 2020, Givens Estates had 549 residents occupying independent living residences, 38 residents in Wood Assisted Living, and 52 residents in Givens Estates Health Center for a total of 639 residents.

### **COMMUNITY AMENITIES**

Wellness center with indoor pool, spa, exercise rooms, aerobics room, hiking trails, performing arts center, casual dining Bistro, private dining rooms, living rooms, chapel, library media center, business center, ATM, craft room, art studio, woodworking facility, billiards room, pottery room, health clinic, pharmacy, classrooms, greenhouse, and gardens.

### **SENIOR MANAGEMENT TEAM**

Givens Estates management consists of the Executive Director, Health Services Director and twelve Department Directors primarily responsible for the daily operations.

#### **John C. Cowan, Jr., Givens Estates Executive Director**

Mr. Cowan has been Executive Director since October 2014, served as Chief Operating Officer from 1999 - 2014 and Health Care Administrator from 1988 - 1999. As Health Care Administrator he had primary responsibility for opening and operating the first licensed and certified nursing care facility for the Corporation. Mr. Cowan was significantly involved in the 1999-2001 construction of a replacement nursing facility, and renovation of the previous nursing facility to residential assisted living. Also, he was involved in the repositioning of the existing campus during the 2003-2005 expansion and reorganization of the operation which included enhanced wellness, dining, programming and social services. He is a licensed Nursing Home and Assisted Living Administrator, and is responsible for the Givens Estates independent, assisted living and health services operations. He is a past Board Member of LeadingAge North Carolina and Memory Care. Prior to coming to Givens Estates, Mr. Cowan was employed as Administrator for a for-profit firm in Reidsville, North Carolina. He is a graduate of Wofford College and has a Master of Science degree in Public Health, with a concentration in Health Policy and Administration from the University of North Carolina - Chapel Hill.

**David Moore, Health Services Director**

Mr. Moore became Health Services Director in April 2021. He has been with Givens Estates for 21 years and was Health Care Administrator from 2016-2021. Previously he was the Director of Dining Services at Givens Estates Health Center from 2000-2016. He is responsible for the ongoing operation and management of Givens Estates Health Center, Wood Assisted Living, and Givens Estates Home Care. Prior to coming to Givens Estates, Mr. Moore was a Dining Services Director at another local healthcare facility, a Restaurant general manager, and a public school teacher. He was an adjunct professor with AB Tech, served as an officer in the Dietary Managers' Association and served on the credentialing board for Dietary Manger Certification. David is a graduate of Mars Hill University with a B.S. in Biology, has a Master's Degree in Human Resources from Western Carolina University and is a licensed Nursing Home Administrator.

**David Kerestes, CPA, Controller**

Mr. Kerestes has been Controller at Givens Estates since 2020 and was Controller at Givens Highland Farms since 2014. Mr. Kerestes is a Certified Public Accountant licensed in North Carolina (2003). He is a graduate of Wilkes University with a B.S. in Accounting and received his Master of Business Administration from Western Carolina University. His experience includes 2 years in law firm industry and 13 years in public accounting. He was an auditor in the CCRC industry for 10 years at Dixon Hughes Goodman and for 7 of those years worked as the Audit Manager for both the audits of The Givens Estates, Inc., and the previous ownership of Givens Highland Farms. He is the Treasurer for the Terpsicorps Theatre of Dance, and also has served on the Audit Review Team for the United Way of Asheville and Buncombe County.

**SENIOR MANAGEMENT TEAM OF THE GIVENS ESTATES, INC.**

**Kenneth M. Partin, President and Chief Executive Officer**

Mr. Partin joined Givens Communities in 1981. He became Associate Director in 1986 and President and Chief Executive Officer in 1991. Supported by a senior management team and department managers, Mr. Partin is responsible for the overall organization, which serves approximately 1,550 residents and currently employs 570 full and part-time staff. He has been significantly involved in the planning and development of Givens Estates, a Life Plan Community in Asheville; Great Laurels, an affordable community for seniors in Waynesville; Highland Farms, a Life Plan Community in Black Mountain; Gerber Park, an affordable and middle-income community for seniors in Asheville; and LifeMinistries, a community-based, health-focused outreach program. Mr. Partin has a degree in business from the University of North Carolina. Currently, he serves on the MAHEC board in Asheville.

**Allen D. Squires, CPA, FHFMA, Chief Financial Officer**

Mr. Squires has been Chief Financial Officer since 1995. He is responsible for the financial operations of the Corporation, including the annual operating budget, financial reporting, forecasts, third party reimbursement, etc. He is a Certified Public Accountant. He serves on the Investment Committee of the United Methodist Foundation of Western North Carolina, Inc.; and the Finance Committee of LeadingAge North Carolina. Prior to coming to Givens, Mr. Squires was Assistant Controller for a hospital in Grundy, Virginia; Chief Financial Officer for a psychiatric hospital in Hickory, North Carolina; and Senior Auditor for Deloitte and Touche. He is a graduate of Appalachian State University with a BA in Business Administration.

## BOARD OF DIRECTORS

**Givens Estates is governed by a volunteer Board of Directors**, which meets quarterly. Board committees provide leadership throughout the year in support of the community's mission and vision. The Board consists of twenty-four (24) persons who are approved by the Western North Carolina Annual Conference of the United Methodist Church. The terms of these Directors are staggered so that each Class has eight (8) persons elected for a term of three (3) years and serving no more than six (6) successive years. Fourteen (14) ex-officio Directors from the Western North Carolina Annual Conference of the United Methodist Church, clergy from United Methodist Churches in the Blue Ridge and Smoky Mountain Districts, and current and recent past Presidents of Resident Council also serve as Board members.

## EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

### **Mr. G. Edward Towson, II, Chairperson**

7 Brookwood Road, Asheville, NC 28804

Mr. Towson is a Certified Public Accountant (CPA). Community service includes: Board Treasurer of the Asheville Symphony Society; Chair of the Asheville Civitan Club Foundation Board; Board Treasurer of the Community Foundation of Western North Carolina; past board member of WCQS Public Radio; and UNCA Foundation. Mr. Towson is on the Administrative Board of Central United Methodist Church, Asheville. He has served previously on the Board and has been a board member most recently since 2012 and is on the Executive Committee.

### **Mrs. Kathryn R. Durity, Vice Chairperson**

3 Fen Way Court, Asheville, NC 28803

Mrs. Durity is involved with development for Pisgah Legal Services. She is general manager of Beaverdam Investment One, a real estate development company. She is a member at Central United Methodist Church. She is also a member of the Ramble Community Association Board. She has been a board member since 2013, is on the Executive Committee and is the Vice Chair of the Resident and Health Services Committee.

### **Mrs. Donna A. Broadwell, Secretary**

392 Vanderbilt Rd., Asheville, NC 28803

Mrs. Broadwell was previously employed by Givens Estates as a Marketing Associate and is currently a community volunteer. She is a member of Central United Methodist Church, Asheville and a lay delegate to the Western North Carolina Conference of the United Methodist Church. She has served previously on the Board and been a board member most recently since 2010 and is serving on the Executive Committee, the Nominating Committee and is Chair of the Resident and Health Services Committee.

**Mr. Joseph P. McGuire, Assistant Secretary**

PO Box 3180 Asheville, NC 28802

Mr. McGuire is an attorney who is President of McGuire, Wood & Bisette, P.A. The law firm serves as general counsel for Givens Estates. Legal services are performed when requested. No retainer agreement is in effect with reference to such legal services. During 2019, the law firm billed Givens Estates a total of \$40,336.00. Mr. McGuire's community service includes: Board Member of Leadership Asheville Forum, Lenoir-Rhyne University and the Martin Luther King, Jr. Association of Asheville and Buncombe County. Mr. McGuire is a member of Central United Methodist Church, where he is an usher and a Sunday school teacher. He has been a Givens board member since 2015 and is on the Executive Committee and Audit Committee.

**Mr. Kenneth W. Swayze, Jr., Treasurer**

111 Finley Street, Hendersonville, NC 28739

Mr. Swayze is the retired Senior Vice President and the Director of Fiduciary Services of First Citizens Bank, Hendersonville. Community service includes: Treasurer of the Henderson County Salvation Army Advisory Board; serves on the Investment Committee of the Henderson County Community Foundation; board member of the Trust Education Foundation; Faculty of The Southeastern Trust School at Campbell University; and Kiwanis Club of Hendersonville. Mr. Swayze is a member of First United Methodist Church, Hendersonville and is the Treasurer of the church's Endowment Committee. He has served previously on the Board and has been a board member most recently since 2011. He is currently serving on the Executive Committee and the Investment Committee.

**Mr. Horace S. Jennings, Assistant Treasurer**

27 Forest Rd., Asheville, NC 28803

Mr. Jennings is the Vice President Finance and Administration at Stony Point Group. He is the former Vice President for Wells Fargo Corporate Bank. Mr. Jennings has served on the Finance Committee for Biltmore Forest Country Club and was previously on the Central United Methodist Church Administrative Council. He is a member of Central United Methodist Church, Asheville. He has been a board member since 2014, is on the Executive Committee and Chair of the Finance, Human Resource and Group Health Plan Committee.

**Mrs. Doris P. Loomis, Esq., Immediate Past Chair**

PO Box 3180, Asheville, NC 28802

Mrs. Loomis is an attorney with McGuire Wood & Bisette, P.A. The law firm serves as general legal counsel for Givens Estates. Legal services are performed when requested. No retainer agreement is in effect with reference to such legal services. During 2019, said law firm billed Givens a total of \$40,336.00. Community service includes: Commissioner of the Town of Biltmore Forest; President of the board of the Asheville Symphony Society; and Vice-Chair of the Board of Trustees of UNC-TV. Mrs. Loomis is a member of St. Paul's United Methodist Church, Asheville. She has served previously on the Board and been a board member most recently since 2013. She is serving on the Executive Committee.

**Mr. Kenneth M. Partin**, President and Chief Executive Officer, (see Administrative staff above).

## BOARD OF DIRECTORS AND CONTACT INFORMATION

**Mrs. Kathryn M. Atkinson** – 395 S. Garden Street, Marion, NC 28752

Mrs. Atkinson is a certified public account retired from Johnson, Price, Sprinkle, PA. She is a member of the First United Methodist Church, Marion and has joined the Board in 2017 and is on the Audit Committee.

**The Reverend Robert M. Blackburn, Jr.** – 27 Church Street, Asheville, NC 28801

Reverend Blackburn is Senior Minister of Central United Methodist Church, Asheville and a member of the Western North Carolina Conference. He has been a board member since 1998.

**Ms. Alisa J. Brown** – 385 N. Haywood Street, Suite 3. Waynesville, NC 28786

Ms. Brown is a CPA at a Ray, Bumgarner, Kingshill & Assoc., P.A. She performs tax work and governmental and nonprofit audit work. She is an active volunteer and Board Member at Wilderness Trail, a backpacking ministry. She is a member of the NC Association of CPA's and also a member of the FUMC Waynesville where she is on the Membership Team and Finance and Stewardship Committees. Alisa is Chair of the Audit Committee.

**Mrs. Annette P. Coleman** – P.O. Box 6082, Asheville, NC 28816

Mrs. Coleman is a retired Vice President of Bank of America. She is a Life Member of the Asheville Chamber of Commerce. She is a member of the Groce United Methodist Church and is a former staff parish as well as a former Vice President/Chair of the Adm. Council. She is a former Board Member of Mission Foundation and Carepartners. She is on the Foundation of A-B Technical Community College Past community service includes: Audit Committee of Riverlink, the Board of Directors for Asheville Housing Authority, board member and treasurer of Mission Health Foundation, CarePartners board member and Chair of Personnel Committee. She joined the Board in 2016 and is on the Audit Committee.

**Mr. Adam K. Ennis** – 658 N. Country Club., Brevard, NC, 28712

Mr. Ennis is the Chief Financial Officer of the National Development Council. Prior to joining the National Development Council, he was a Senior Associate at Dixon Hughes PLLC (now DHG). He received his bachelor's degree in Finance and Banking from Appalachian State University and has a Master of Science in Accountancy from the University of North Carolina at Wilmington. Adam is a member of the Brevard First Methodist Church where he serves on the Foundation Board. He is on the Finance, Human Resource and Group Health Plan Committee.

**Ms. Murphy H. Fletcher** – P.O. Box 3180. Asheville, NC 28802

Ms. Fletcher is an associate with McGuire, Wood & Bissette Law Firm in Asheville helping businesses and individuals navigate local, state, and federal tax issues. She also works in the area of employment law. Her community involvement includes participation in the Litigation Section of the North Carolina Bar Association, the North Carolina Association of Women Attorneys and Pisgah Legal Services. She is on the Finance, Human Resource and Group Health Plan Committee.

**Mr. Charles L. Frederick** – 24 Powder Creek Trail., Arden, NC, 28704

Mr. Frederick is the TD Bank, North Carolina Market President. He is the past Chair of the Board of the YMCA of Western North Carolina, the Vice Chair of the AB Tech Foundation, and Vice Chair

of the N.C. Bankers Association. He is a member of Skyland United Methodist Church where he is the Chair of the Finance Committee, the Vice Chair of the Administrative Board as well as a member of the Planning Committee. He is on the Givens Investment Committee.

**Mr. Miles K. Hoffman** – 56 Wagon Trail, Black Mountain, NC 28711

Mr. Hoffman is retired from the College of Occupational Medicine and the American Medical Association and, before that, several private sector companies. He has consulted in marketing research and needs assessment for multiple social service agencies. He taught Political Science and Constitutional Law at Indiana University at South Bend. He is a member of Black Mountain UMC. He joined the Board in 2018, is a Givens Highland Farms resident, has served as the President of Givens Highland Farms' Residents Corporation and is on the Resident and Health Services Committee.

**The Reverend W. Michael Holder** – 325 N. Broad St., Brevard NC 28712

Reverend Holder is the Senior Pastor at First United Methodist Church, Brevard and a member of the Western North Carolina Conference. He has most recently become a board member since 2015 and is on the Finance, Human Resources, and Group Health Plan Committee.

**Dr. Suzanne E. Landis** – 10 W. Kensington Rd. Asheville, NC 28804

Dr. Landis is a retired MAHEC Physician who has served Givens Estates Residents. She is a Gerontologist as well as a professor. She started Project Access, one of the most innovative, successful community health programs in the country. She serves on the Medical Society Foundation Board, the Health Partners Board and the American Project Access Board. Dr. Landis is a member of the Grace Covenant Presbyterian Church. She is on the Resident and Health Services Committee and joined the Board in July 2018.

**Mr. Ronald C. Leatherwood** – P.O. Box 826, Waynesville, NC 28786

Mr. Leatherwood is the Executive Vice President, co-founder and owner of Clark & Leatherwood, Inc. He is also the President and co-founder of Smokey Mountain Lumber and Fixture Company. He currently serves as the Chair of the Haywood Advancement Foundation and the Haywood County Erosion and Sedimentation Control Committee. He and his wife currently reside in Flat Rock, NC. He joined the Board in 2016 and is on the Audit Committee.

**Mrs. Rebekah M. Lowe** – 12 Trafalgar Circle. Asheville, NC 28805

Mrs. Rebekah Lowe is the Chief Executive of FizzyWork Executive Coaching and the former Regional President of Wachovia Bank. She is the Vice President of the MemoryCare Board and a volunteer at the Room In The Inn. A former Board Member of the Chamber of Commerce, the YMCA, Brevard College, United Way Leadership in Asheville and Palm Beach Atlantic University. She is a member of the International Coach Federation and the Western Carolinas Coaches. She is a member of the First Baptist Church of Asheville, an Ordained Deacon and is a former finance committee member there. She is on the Investment Committee.

**Mrs. Connie B. Martin** – 350 Holly Hill Drive. Marion, NC 28752

Mrs. Connie B. Martin is a retired Elementary Education Teacher and has served on the McDowell County Volunteer Board, as well as the Hospice of McDowell County and Marion City Planning Boards. She is a member of the McDowell County NAACP, YMCA and TOPS. Mrs. Martin is a

member of Addie's Chapel UMC and is on the Resident and Health Services Committee.

**Mr. F. Patrick McGuire** – 645 Si Knob Road. Cullowhee NC, 28723

Mr. McGuire is a retired Dentist and has been a member of the Sylva Rotary Club since 1980 where he served as the president from 2004-2005. He is a Jackson County chapter of North Carolina Community Foundation Board Member as well as a Volunteer for Meals on Wheels. He is a former member of the American Dental Association, North Carolina Dental Society, American College of Dentists, and the American Academy of Dental Practice where he served as the President from 2005-2006. He is a lifelong member of the Sylva First United Methodist Church and is on the Audit Committee.

**Mr. Rob M. McKown** – 40 Hallett Ct., Asheville, NC, 28803

Mr. McKown is a Commercial Realtor and MAI Appraiser. Previously, he was President/CEO of Pedro Bay Corporation (real estate investment and development), and Sr. VP of First Union National Bank in Brevard, NC. Rob is active in the community and has served on numerous non-profit boards. Rob is a long-time member of 1st UMC in Brevard. He is on the Finance, Human Resource and Group Health Plan Committee.

**Mr. Charlie Pine** – 137 Spring View Drive., Black Mountain, NC, 28711

Mr. Pine is a resident of Givens Highland Farms and a retired Senior Vice President and General Manager of Belk department stores. His community service includes the WCU Board of Trustees, the Asheville Merchants Board and Foundation, the BBB, Salvation Army, the Chamber of Commerce, Care Partners, Industries for the Blind Asheville and main Board Winston Salem, Meals on Wheels, Mars Hill Foundation Board as well as various United Way Committees. He is also on the Employee Appreciation Committee at Givens Highland Farms, the Covenant Community United Methodist Church Finance Committee and the Chair of the Building and Construction Committee. He is a member of the Covenant Community United Methodist Church and is on the Nominating Committee.

**The Reverend W. Mark Ralls** – 204 Sixth Ave., West, Hendersonville, NC 28739

Reverend Ralls is the Senior Pastor at First United Methodist Church, Hendersonville and a member of the Western North Carolina Conference. He has most recently become a board member since 2015.

**Mr. Robert E. Shepherd** – 923 Sand Hill Road, Asheville, NC 28806

Mr. Shepherd is the Executive Director Emeritus of Land of Sky Regional Council. He is a member of Acton United Methodist Church, Asheville. He has served on the General Council on the Status and Role of Women and the General Board of Global Ministries. He also served for over a decade on the WNC conference council of ministries (now connectional table) as chairman and vice-chairman. He has been a board member since 1983, is an honorary life member of the Board, and is on the Audit Committee, and the Investment Committee.

**Mr. Hal F. Starnes** – Givens Estates, 400 Wesley Drive, Apartment 453, Asheville, NC 28803

Mr. Starnes was formerly Assistant Vice President of Imperial Life Insurance Company, Vice President of Wachovia Bank, and President of the Blue Ridge Savings Bank. He is a Givens Estates resident and member of Trinity United Methodist Church, Asheville. He has been a board member

since 1979 and is an honorary life member of the Board.

**Mr. Chris Taylor** – 5009 Swift Ridge Road., Raleigh, NC, 27606

Mr. Taylor is a retired Assistant Secretary of the North Carolina Medical Care Commission. Chris is a Certified Public Accountant. He is on the Board of Directors of Leading Age North Carolina Foundation as well as the Governors Presbyterian Homes of NC. Chris is a volunteer at the Osher Lifelong Learning Institute, NCSU and is a member of the Kirk of Kildaire Presbyterian Church in Cary, NC. He is on the Finance, Human Resource and Group Health Plan Committee.

**Mrs. Marjorie Tucker** – 25 Wesley Drive Apt. K., Asheville, NC, 28803

Marjorie Tucker is a Resident of Givens Estates and is also President of the Givens Estates Resident Council. She is a retired business owner and was Vice President of Tri-County Community College in Murphy, NC. She was an Elder in the Presbyterian Church. She is on the Resident and Health Services Committee.

**The Reverend Doctor R. Keith Turman** – 37 Country Club Drive, Waynesville, NC 28786

Dr. Turman is the Senior Minister at First United Methodist Church in Waynesville, NC and a member of the Western North Carolina Conference. He has been a board member since 2008 and is on the Nominating Committee.

**Mr. David C. Whilden** – 1272 Hendersonville Rd., Asheville, NC 28803

Mr. Whilden serves as Senior Trust Officer for Boys, Arnold Trust Company. He has worked in the trust and wealth management fields for the past 35 years. He is actively involved in the community and serves on the Boards of Directors for several Asheville area civic and education organizations. He joined the Board in 2016 and is on the Investment Committee.

**Mr. Alfred J. Whitesides, Jr.** – 17 West Haith Dr., Asheville, NC 28801

Mr. Whitesides is the retired Vice President of Mountain 1st Bank and Trust. He is a member of Hopkins Chapel AME Zion Church, Asheville. He has been a board member since 1979 and is an honorary life member of the Board.

None of the Board of Directors, staff, or consulting professionals, has a financial interest in The Givens Estates, Inc. None of said officers, directors or management personnel (i) have 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) are 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, Chapter 58, of the General Statutes of North Carolina or a similar law in another state. All Board members sign a Conflict of Interest Policy and Ethical Code of Conduct annually (Attachment 2).

## **RESIDENT COUNCIL**

The Givens Estates Resident Council supports the wellbeing of all residents, fosters a sense of community, keeps residents informed, and supports and works with staff in matters related to the general good and continual improvement of retirement living at Givens Estates. Each independent living residential component is part of a "cluster" group. Representatives of the 31 cluster groups, co-chairs of Resident Council committees and boards, and the Executive Committee constitute the Resident Council. The Council organizes activities, promotes outreach beyond the Givens Estates community, acts as a liaison to departments of Givens Estates, and provides assistance to Life Enrichment. The Executive Committee of the Resident Council oversees the operation of approximately 10 volunteer committees or boards which residents serve on for one-year terms. These groups collectively advise staff and Administration. Resident Council members meet on the second Wednesday of each month.

## **GIVENS ESTATES DEVELOPMENT/STRATEGIC PLAN**

Givens Estates prepares for the future through a long-range strategic planning process, which is conducted every 7 to 8 years. The strategic plan is integrated into the annual plan for implementation. The organization believes the best way to remain relevant and financially strong for the future is to constantly evolve and improve. In October 2017, the Board of Directors approved a new campus master plan for Givens Estates that will be further refined and implemented in phases over 10 years.

Improvements to Oxford Commons Dining, Wellness Center and commons areas were completed in April 2021. Givens Estates is currently developing Friendship Park which consists of Phase I with 35 apartments in one building and Phase II with 45 apartments in a second building. Phase I has 35 of 35 apartments with 10% deposits and began construction in March 2020. Phase II has 42 of 45 apartments with 10% deposits. Phase I will be completed in September 2021 and Phase II in December 2021 at which time residents will begin moving in. Friendship Park apartments range in size from 900 - 1,300 square feet.

Givens Estates is a well-established life plan community with sound operations and financially strong with an A- Fitch rating. The current operation has existing services capacity to accommodate the additional residents that will occupy the 80 Friendship Park apartments. Givens Estates has financed Friendship Park construction entirely with cash from operations and has the cash to internally finish the project. Givens did obtain a \$18,000,000 construction loan from First Horizons Bank but has not used it (other than loan closing costs) and will not use it going forward. The loan interest rate is 30-day LIBOR plus .75%. Total construction costs are anticipated to be approximately \$33,400,000. When the project opens and is occupied, Givens Estates expects to receive entrance fees that will total \$23,000,000. The occupancy rate is anticipated to be at the historic rate of 96% and there should be no effect on health services with this project.

## **III. POLICIES**

A copy of the Givens Estates Resident Handbook is provided to all residents and is available upon request. The Handbook is updated from time to time. Other policies beyond the Handbook exist and are updated from time to time. The following information summarizes certain important aspects of current policies in the Residence and Services Agreement (Attachment 3)

## ADMISSIONS

**Age:** Prospective residents shall be fifty-five (55) years of age or older to be eligible for admission. If the prospective residents are a couple, at least one member of the couple must be fifty-five (55) years of age or older at the time of occupancy.

**Application Form:** Applicants will provide an Application for Admission, a Personal Health History and a Confidential Financial Statement, all on forms furnished by Givens Estates. Applicants may be requested to update such forms at the time of admission.

**Personal Interview:** Applicants must have an interview with a Givens Estates Marketing representative prior to occupancy. Upon review of all information, additional interviews may be requested by the applicant or Givens Estates.

**Health Requirements:** Applicants must be able to live independently in the living option for which they/he/she is applying. The applicant's physician must complete a form which states that the applicant(s) is able to live independently and undertake ongoing activities of daily living.

**Financial Requirements:** Applicants must have assets and income sufficient to pay their financial obligations under the Agreement and to meet their ordinary living expenses.

**Marketing and Admission:** Givens Estates determines the admission criteria for the Marketing Department to implement. The Marketing Director reviews all applications. If the Marketing Director is satisfied the applicant meets the criteria for admission, then the health and financial information is reviewed and approved by the Executive Director to ensure the applicant meets the health and financial criteria.

## TERMINATION AND REFUND PROVISIONS

### **Termination by Resident Prior to Occupancy**

**Termination During the 30 Day Rescission Period and Before Occupancy:** The Residence and Services Agreement may be terminated by the resident by a Written Termination Notice for any reason within thirty (30) days following the later of the execution of the Agreement or the receipt of a disclosure statement (the "Rescission Period") and the resident is not required to move into the Residence during this Rescission Period. The Agreement is automatically cancelled if the resident dies before occupying the Residence, or if, on account of illness, injury, or incapacity, the resident would be precluded from occupying the Residence under the terms of this Agreement. If the Agreement is terminated within such Rescission Period, any monies paid by the resident shall be refunded in full less any non-standard costs incurred at the resident's request described in the Agreement or in amendment to this Agreement signed by the resident. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of the resident's Written Termination Notice.

**Termination After the 30 Day Rescission Period and Before Occupancy:** The Residence and Services Agreement may be terminated by the resident by a Written Termination Notice for any reason after the Rescission Period and prior to Occupancy. The Agreement is automatically cancelled if the resident dies before occupying the Residence, or if, on account of illness, injury, or incapacity, the resident would be precluded from occupying the Residence under the terms of the Agreement. In the event of such termination, the resident will receive a refund of the 10% Deposit, less (i) a nonrefundable fee equal to the greater of One Thousand Dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee for the Residence, and (ii) any non-standard costs incurred at the resident's request described in the Agreement or in amendment to the Agreement signed by the resident. The nonrefundable fee will not be charged to the resident if such termination is due to the resident's death, death of the resident's spouse, or because the resident's physical, mental or financial condition makes the resident ineligible for admission to Givens Estates.

**Termination by Resident After Occupancy**

**Termination During the 30 Day Rescission Period and After Occupancy:** The Residence and Services Agreement may be terminated by the resident by a Written Termination Notice for any reason within the Rescission Period and the resident is not required to move into the Residence during this Rescission Period. If the resident does occupy the Residence within the Rescission Period and then terminate the Agreement before the end of the Rescission Period, any monies paid by the Resident shall be refunded in full less (i) periodic charges specified in the Agreement and applicable only to the period the resident actually occupied the Residence; (ii) nonstandard costs incurred at the resident's request and described in the Agreement or in amendment to the Agreement signed by the resident; and (iii) a service charge equal to the greater of One Thousand Dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee for the Residence. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of the resident's Written Termination Notice.

**Termination After the 30 Day Rescission Period and After Occupancy:** At any time after occupancy and after the Rescission Period ends, the resident may terminate the Residence and Services Agreement by a Written Termination Notice. In the event of such termination, the resident will receive a refund, less (i) periodic charges specified in the Agreement and applicable only to the period the resident actually occupied the Residence; (ii) nonstandard costs incurred at the resident's request described in the Agreement or in amendment to the Agreement signed by the resident; and (iii) nonrefundable entrance fees as set out in paragraph VII. B. 5. (Amortization of the Entrance Fee) of the Agreement.

**Termination Upon Death After Occupancy:** In the event of death of a single Resident, or of the survivor of two Residents, at any time after Occupancy, the Residence and Services Agreement shall terminate and the refund of the Entrance Fee shall be determined according to Paragraph VII. B. 5. of the Agreement.

**Termination by Givens Estates After Occupancy:** Givens Estates may terminate the Residence and Services Agreement at any time if there has been a material misrepresentation or omission made by the resident in their Application for Admission, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if the resident fails to make payment to Givens Estates of any fees or charges due within sixty (60) days of the date when due; or if the resident does not abide by the rules and regulations adopted by Givens Estates, or breach any of the terms and conditions of the Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid to the resident shall be determined according to Paragraph VII. B. 5. of the Agreement.

**Amortization of the Entrance Fee:** The Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to the resident will decline over time, at a rate of six percent (6%) upon the date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until the selected refund percentage remains at zero percent (0%), fifty percent (50%), or ninety percent (90%). Regardless of the reason for termination, the resident is entitled to their Entrance Fee refund, less (1) any non-standard costs requested by the resident and (2) any per diem Health Care Residence fees for Givens Estates Health Center incurred by the resident during any period of Occupancy of a Health Care Residence in Givens Estates Health Center, except as otherwise provided by the Agreement.

**Payment of Refunds:** Unless otherwise provided in the Agreement, Entrance Fee refunds will be paid upon the resident vacating the then current Residence covered by the Agreement or in case of dual occupancy upon both residents vacating the then current Residence, the removal of all personal property, and upon the receipt by Givens Estates of a replacement Entrance Fee for the Residence, or the expiration of twenty-four (24) months after Termination of the Agreement by the Resident (whichever occurs first).

Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of the resident's Written Termination Notice to:

**Director of Marketing  
Givens Estates  
2360 Sweeten Creek Road  
Asheville, NC 28803**

**Condition of Residence:** Upon vacating the Residence, the resident shall leave it in good condition except for normal wear and tear. The resident or their estate shall be liable to Givens Estates for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee due to the resident.

**Changes to Residence:** After the Date of Occupancy, any structural or physical changes to the Residence directed by the resident (including alterations such as construction of

bookshelves or redecoration such as painting or wallpapering) will require the prior approval of Givens Estates and will be made only under Givens Estates supervision and direction. The resident shall make no structural or physical changes to any Wood Assisted Living Residence; Givens Estates shall maintain and decorate any Wood Assisted Living Residence in accordance with Givens Estates then-current literature. The cost of any change requested by the resident shall be at the resident's expense. Givens Estates may require, as a condition of approval of a requested change, that the resident either (i) agree to bear the cost of restoring the Residence to its original condition upon termination of occupancy of the Residence or (ii) prepay the estimated cost of restoring the Residence to its original condition. All structural improvements shall belong to Givens Estates.

## TRANSFERS OR CHANGES IN LEVELS OF CARE

**Transfer to a Health Care Residence:** Givens Estates recognizes the right of self-determination of the Resident and will attempt to involve the resident or the resident's representative in all decisions related to transfers and changes in level of care. Givens Estates shall have authority to determine whether the resident should be transferred from their residence to a Health Care Residence, or from one level of care to another within Givens Estates, in cases of potential harm to the resident or others, to assure the health and wellbeing of the resident and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Givens Estates administration and/or the Givens Estates Medical Director and shall be made after consultation with the resident and/or their representative and their attending physician. Such decisions shall be made only in the resident's best interest and in the best interest of the larger community as determined by Givens Estates.

**Transfer to Other Facility:** If it is determined by Givens Estates that the resident needs care beyond that which can be provided by Givens Estates, the resident may be transferred to a hospital or institution equipped to give such care at the resident's expense. Such transfer will be made only after consultation with the resident and/or their representative and attending physician.

**Surrender of Residence:** If a reasonable determination is made by Givens Estates that any transfer for a change in level of care is or is highly likely to be permanent; the resident agrees to surrender the residence.

## TERMS OF RESIDENCY

**Policies and Procedures:** All residents shall abide by Givens Estates policies and procedures, including such amendments, modifications and changes to the Resident Handbook as may be adopted by Givens Estates. Such Handbook shall be made readily available to all residents.

**Changes in the Residence and the Agreement:** Givens Estates has the right to change the residence and/or the Agreement when and to the limited extent required to comply with the requirements of any applicable statutes, laws or regulations. The residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.

**Visitors:** Short-term visitors and guests may stay in a residence for limited stays. No person other than the resident may reside in the residence without the approval of Givens Estates.

**Occupancy by Two Residents:** When two (2) residents occupy a residence and one of them is no longer domiciled in the residence, whether as a result of death or otherwise, or in the event of the termination of the Agreement with respect to one of the residents, the Agreement shall continue in effect for the remaining resident. The remaining resident will thereafter pay the single person monthly fee associated with the residence. No Entrance Fee refunds shall be paid to the remaining resident until the residence is vacated as described in the Residence and Service Agreement.

**Request by a Resident for Change in Residence:** A resident may request a change in residence at any time. Givens Estates carefully considers such requests, including but not limited to such factors as resident's health and finances, availability of requested type of residence, and waiting lists. The resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested residence and the current residence. Givens Estates may require the resident to enter into a new or amended Residence and Services Agreement for the new residence. The Entrance Fee refund percentage selected at initial occupancy remains in effect during a change in residence and is applicable to any additional amounts paid as a result of the change.

**Move to Another Residence:** Should a move to a subsequent residence be approved by Givens Estates, the resident will pay the Monthly Fee associated with the subsequent residence. The Entrance Fee paid for the original residence will be retained by Givens Estates and held as part of the Entrance Fee for the subsequent residence. Even if the Entrance Fee for the original residence, at initial occupancy, was greater than the current Entrance Fee for the subsequent residence, the resident will not be entitled to a refund as a result of the difference between such Entrance Fees. If, however, the Entrance Fee for the original residence, at initial occupancy, was less than the current Entrance Fee for the subsequent residence, the resident will pay an amount equal to the difference between the Entrance Fee of the original residence that they paid and the current Entrance Fee of the subsequent residence.

**Change in Residence at Option of Givens Estates:** If Givens Estates reasonably determines that a residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the residence, or as a result of any other circumstances reasonably determined by Givens Estates to justify such transfer, Givens Estates may move the resident to a new residence of a similar size provided that Givens Estates (i) advises the resident prior to undertaking any such move, (ii) gives the resident reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of the resident's personal furnishings, and (v) either provides in such new residence optional custom improvements comparable to those provided in the original residence or, at the resident's option, reimburses the resident for the value of such improvements.

**Loss of Property:** Givens Estates shall not be responsible for the loss of any property belonging to residents due to theft, mysterious disappearance, fire or any other cause. All residents are responsible for securing personal property insurance.

**Medical Insurance:** Residents shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to Givens Estates (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield) and shall furnish Givens Estates with evidence of such coverage and notify Givens Estates of changes in medical insurance.

**Right of Entry:** The Residence and Services Agreement authorizes employees or agents of Givens Estates to enter the residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Estates will always endeavor to maintain the privacy of the residence. Residents are not allowed to replace or add any locks to the residence.

**Residents' Organizations:** Residents of Givens Estates are members of a Residents' Association that is open to all residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to all residents.

**Prohibition of Certain Activities:** The Givens Estates campus and residences, including but not limited to Wood Assisted Living and Givens Estates Health Center, are smoke free. Residents shall not engage or permit any guest or licensee of the resident to engage in any obnoxious or offensive activity in their Residence or on the Givens Estates campus. No family member or other guest or invitee of the resident shall be permitted to occupy their Residence on a regular basis, provided that such restriction shall not apply to another Resident in a semi-private WAL Residence.

## ADDITION OF NEW OCCUPANT

**Addition of Resident Occupant:** Should the resident choose to share occupancy of their Residence with a person who is also a resident of Givens Estates, the two may occupy either Residence and shall surrender the unoccupied Residence. They will pay the Double Person Monthly Fee upon Occupancy by both residents in the chosen Residence. No Entrance Fee refund for the unoccupied Residence shall be paid until Givens Estates receives a replacement Entrance Fee for the vacated Residence or twenty-four (24) months after Termination by Resident (whichever occurs first), and removal of all personal belongings from such vacated Residence. However, if neither resident was an original occupant of the selected Residence when the original Residence and Services contract was signed, an additional Entrance Fee will be required equal to the difference between the then current Entrance Fee and the original Entrance Fee paid at the same refund percentage originally selected.

**Addition of Non-Resident Occupant:** If a resident should choose to share occupancy of their Residence with a person who is not already a resident of Givens Estates, the Non-Resident Occupant may become a resident if they meet all the requirements for admission, enter into a Residence and Services Agreement with Givens Estates, and pay an Entrance Fee equal to the then-current Double Person Entrance Fee. The Resident and the Non-Resident occupant shall pay the Double Person Monthly Fee. If the Non-Resident Occupant does not meet the requirements of Givens Estates for admission as a resident,

the resident may terminate the Agreement in the same manner as provided in Paragraph VII. B. with respect to a voluntary termination, or the Non-Resident Occupant may be approved for admission under special circumstances as agreed to in writing by Givens Estates and the resident. However, if neither the current resident nor the Non-Resident Occupant were the original occupants of the residence when the original Residence and Services contract was signed, an additional entrance fee will be required equal to the difference between the then current Entrance Fee and the original Entrance Fee paid at the same refund percentage originally selected.

#### **IV. SERVICES**

##### **FURNISHINGS IN RESIDENCES**

Givens Estates will provide in all Residences appropriate flooring, refrigerator with ice maker, stove, range, microwave, hood vent, washer and dryer, garbage disposal, rewiring for telephone and cable services, and other features and fixtures as described in Givens Estates' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by the resident. Asbury Commons Apartments and Wood Assisted Living residences may not include refrigerator, stove, oven, hood vent, garbage disposal, microwave, or washer and dryer.

##### **OPTIONS AND CUSTOM FEATURES IN RESIDENCE**

Residents may select certain options and custom features in their Residence for an additional charge. Givens Estates will present the resident with a written quote specific to the options and custom feature request detailing the prices. The cost of options and custom features selected will be paid by the resident at the time of selection and will become part of the residence and the property of Givens Estates. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to the Residence and Services Agreement. All options and custom features must be approved by Givens Estates administration in advance of the changes made.

##### **COMMON AREAS AND AMENITIES**

Givens Estates common areas and amenities are for the use and benefit of all residents and include the dining rooms, private dining rooms, performing arts center, library, mail boxes, chapel, wellness center, indoor swimming pool, meeting rooms, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas, on-site assisted living center, and health center for nursing care.

##### **PARKING**

Givens Estates will provide lighted parking areas for resident vehicles (a minimum of one space for each residence). Residents of Oxford Commons desiring parking in an under-building, covered parking space may reserve such (if available) for an extra fee as described in Givens Estates current literature and documented in an Addendum to the Residence and Services Agreement.

## SERVICES AND PROGRAMS

**Utilities:** The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, and standard municipal services. Residents are responsible for any costs related to telephone, cable television and internet service.

**Meals:** Givens Estates will make available to each resident a declining "dining dollars" amount equal to \$248.00 per month. A maximum carryover of \$496.00 dining dollars per person is allowed from month to month; any dining dollars in excess of such maximum carryover will expire at the month's end. Any dining cost the resident incurs in excess of their-remaining dining dollars will be added to the Monthly Fee. Givens Estates may change the monthly dining dollars amount from time to time during the term of this Agreement. The resident will receive a thirty (30) day advance notice before such change is effective.

*The Social Brew* is a gathering place designed to be a social hub for the community offering smoothies, coffees, bakery items, and quick-order breakfast fare in the mornings and small plates, petite desserts, craft beer, and wine available in the evenings.

*Market + Craft* is a handcrafted eatery with multiple stations that provides made-to-order stations for pizzas, grilled items, soups, salads sandwiches and daily chef's creations.

*Terrene* is a full service, waited restaurant featuring an open kitchen where selections are prepared as ordered by guests.

Each venue offers a variety of price points. Menus with pricing are advertised via the Gazette, Resident App, and GTV. Paper copies of menus are found in each venue. Residents are notified via the Gazette, Resident App, and GTV of any menu/pricing updates.

- Meal Delivery Charge: \$3.50
- Holiday/Theme Meals: Prices will vary by venue and be posted via the Gazette, Resident App, and GTV

In Wood Assisted Living, Givens Estates will make available three meals each day. In between meals, snacks are provided and available in the kitchenettes located on each floor. Physician ordered nutritional supplements are not included in the monthly fee but can be provided at an additional cost to the resident.

**Housekeeping Services:** The Monthly Fee includes weekly housekeeping services. Services include vacuuming, light dusting, dusting and damp mopping hard surface flooring, wipe-down of kitchen countertops, cleaning of bathrooms, changing of bed linens provided by you. Additional housekeeping may be available for an extra fee.

**Groundskeeping:** Givens Estates will furnish basic groundskeeping service, including lawn, tree and shrubbery care. Subject to prior approval by Givens Estates, residents may plant and maintain certain garden areas adjacent to their residence (for cottages, houses or duplexes) and elsewhere as designated by Givens Estates.

**Maintenance and Repairs:** Givens Estates will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Estates. Residents will be responsible for the cost of repairing damage to property of Givens Estates caused by the resident or their guests, ordinary wear and tear excepted.

**Transportation:** The monthly fee will include local group transportation for residents on a regular, scheduled basis for shopping and activities. Transportation for personal or special group trips may be available for an extra fee.

**Security:** Givens Estates provides security, an emergency call system with emergency response and smoke detectors in each Residence.

**Activities:** Givens Estates provides scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts; exercise and health programs; and other activities designed to meet residents' interests. Some activities may require an extra fee.

**Other Services and Programs at Additional Charge:** Other services and programs are available to residents at their own expense, including, but not limited to: guest rooms, beauty and barber services, home care services, personal laundry or dry cleaning, special transportation, catering, guest meals, repairs of personal property, and other special services performed for the resident beyond the normal scope of services offered by Givens Estates. The charges for additional services are listed in this Disclosure Statement as Attachment 5.

## **NOTICE OF CHANGE IN SCOPE OF SERVICES**

Except for changes required by law, Givens Estates will notify residents of any proposed change in the scope of services provided in the Residence and Services Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the monthly fee under the terms of this Agreement shall be effective unless (a) consented to by Resident or (b) a reasonable adjustment is made in the monthly fee.

## **HEALTH CARE ACCOMMODATIONS AND SERVICES**

Givens Estates will make available health care accommodations and services as follows:

**Care in Health Care Residences:** Givens Estates will have accommodations, equipment, staffing, programs, services and supervision necessary for licensed assisted living, and licensed skilled nursing care (the "Health Care Residences"). The Health Care Residences and services are available to residents either temporarily or permanently on a space available basis, if needed, as determined by Givens Estates. Residents of Givens Estates have priority access to all Health Care Residences and services before non-residents. Fees and charges for Health Care Residences are listed on pages 33-35 of this Disclosure

Statement.

**Wellness Clinic:** A wellness clinic for certain consultations, screenings, and appointments is available to residents as scheduled and provided by Givens Estates.

**Staffing:** Nursing care appropriate to the resident's needs will be provided by Givens Estates.

**Medical Director:** The overall coordination and supervision of health care services within Givens Estates will be provided by a Medical Director, who will be a licensed physician selected by Givens Estates.

**Fees and Charges:** Fees and charges for Health Care Residences are listed on pages 33-35 of this Disclosure Statement and are set forth in Paragraph III. G. of the Residence and Services Agreement (Attachment 3).

**Additional Charges for Ancillary Health Care Services:** Residents are responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Estates. Ancillary services will include all services not provided by the staff of Givens Estates and not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.

**Personal Physician:** Residents choose a personal physician who has admission privileges at a local hospital, in the event that they need to be hospitalized. Residents are responsible for the cost of physician services and all related medical and non-Medical expenses.

**V. FEES – All Fees shown are effective as of January 1, 2021**

The Residence and Services Agreement (Attachment 3) of this Disclosure Statement makes the following provisions:

**ENTRANCE FEE**

Residents agree to pay to Givens Estates an Entrance Fee as set forth in Schedule I of the Residence and Services Agreement. The Entrance Fee assures the resident a place at Givens Estates for a term of years or for life. The initial Entrance Fee that the resident pays for the original Residence shall continue to be held as and applied against the Entrance Fee required for any subsequent Residence the resident may transfer to on the Givens Estates campus

**Terms of Payment of the Entrance Fee**

- a. **10 Percent Deposit:** Upon entering this Agreement, the resident will pay ten percent (10%) of the total Entrance Fee for their Residence (the "10% Deposit"), less any Wait List Deposit previously paid pursuant to a Future Residency Wait List Agreement between the resident and Givens Estates.

- b. **Balance of the Entrance Fee:** The Balance of the total Entrance Fee for the Residence (being ninety percent (90%) of the total Entrance Fee) will be due and payable on or prior to the Date of Occupancy, unless otherwise agreed to in writing by Givens Estates.

The following tables show Independent Living Entrance Fees by Residence Type.

**Asbury Commons  
Apartments**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Studio	\$40,500	\$59,800	\$96,800
Studio w/Kitchen*	\$47,100 - \$53,800	\$69,500 - \$79,400	\$112,600 - \$128,600
One Bedroom	\$98,700 - \$101,000	\$145,700 - \$149,100	\$235,900 - \$241,400
Two Bedroom*	\$128,000 - \$142,200	\$189,000 - \$209,900	\$306,000 - \$339,900

**Oxford Commons  
Apartments**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Aster	\$182,000 - \$186,500	\$268,700 - \$275,300	\$435,000 - \$445,800
Buttercup	\$185,500 - \$186,500	\$273,800 - \$275,300	\$443,400 - \$445,800
Aster Deluxe*	\$223,300 - \$226,100	\$329,600 - \$333,800	\$533,700 - \$540,400
Azalea*	\$242,300 - \$246,900	\$357,700 - \$364,500	\$579,100 - \$590,100
Camellia*	\$252,800 - \$257,100	\$373,200 - \$379,500	\$604,200 - \$614,500
Daisy*	\$260,500 - \$267,400	\$384,500 - \$394,700	\$622,600 - \$639,100
Iris*	\$269,800 - \$285,600	\$398,300 - \$421,600	\$644,900 - \$682,600
Laurel*	\$310,100 - \$316,900	\$457,800 - \$467,800	\$741,200 - \$757,800
Orchid*	\$350,900 - \$355,200	\$518,000 - \$524,300	\$838,700 - \$849,000
Primrose*	\$352,200 - \$357,000	\$519,900 - \$527,000	\$841,800 - \$853,300
Tulip*	\$347,200 - \$365,200	\$512,500 - \$539,100	\$830,000 - \$872,900
Violet*	\$376,800 - \$381,600	\$556,200 - \$563,300	\$900,600 - \$912,100

**Creekside  
Apartment Homes**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Wisteria	\$329,400	\$486,200	\$787,300
Willow	\$379,100	\$559,600	\$906,100
Magnolia	\$417,000	\$615,500	\$996,700

**Duplexes**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Lady Huntingdon Lane*	\$224,400 - \$234,900	\$331,300 - \$346,800	\$536,400 - \$561,500
Cokesbury Lane*	\$395,300 - \$406,000	\$583,500 - \$599,300	\$944,800 - \$970,400

**Houses**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Houses*	\$214,300 - \$280,100	\$316,400 - \$413,500	\$512,200 - \$669,500

**Cottage Homes**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Dogwood*	\$391,600 - \$590,100	\$578,000 - \$871,000	\$936,000 - \$1,410,400
Redbud*	\$385,000 - \$570,100	\$568,300 - \$841,500	\$920,200 - \$1,362,300
Silverbell*	\$405,300 - \$619,500	\$598,300 - \$914,400	\$968,700 - \$1,480,600

**Friendship Park  
Apartment Homes**

**2021 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Aspen	\$194,000 - \$235,000	\$287,000 - \$347,000	\$463,000 - \$559,000
Aspen Deluxe	\$204,000 - \$241,000	\$301,000 - \$356,000	\$486,000 - \$574,000
Birch	\$213,000 - \$230,000	\$315,000 - \$339,000	\$509,000 - \$548,000
Birch Deluxe	\$204,000 - \$219,000	\$301,000 - \$323,000	\$486,000 - \$522,000
Buckeye	\$205,000 - \$219,000	\$303,000 - \$323,000	\$489,000 - \$522,000
Cedar	\$250,000 - \$296,000	\$370,000 - \$438,000	\$597,000 - 706,000

Chestnut	\$249,000 - \$264,000	\$368,000 - \$390,000	\$593,000 - \$630,000
Elm	\$275,000 - \$291,000	\$406,000 - \$431,000	\$656,000 - \$695,000
Hickory	\$295,000 - \$341,000	\$436,000 - \$504,000	\$705,000 - \$814,000
Maple	\$299,000 - \$313,000	\$441,000 - \$462,000	\$712,000 - \$746,000
Walnut	\$307,000 - \$355,000	\$454,000 - \$524,000	\$733,000 - \$846,000
Whistlewood	\$306,000 - \$347,000	\$452,000 - \$513,000	\$729,000 - \$829,000
Winterberry	\$311,000 - \$358,000	\$460,000 - \$529,000	\$743,000 - \$854,000

\* Prices increase according to finishes, square footage, design, and location.

\*\* For a 90% refund only, a premium fee of \$5,000 for every year over 85 is applied if over 85 years of age.

- Second person Entrance Fee is an additional \$15,000
- Entrance Fee is zero, fifty or ninety percent refundable
- Independent living residents receive priority access to the continuance of care (in Home Care, Wood Assisted Living and Givens Estates Health Center).

**MONTHLY FEE**

In addition to the Entrance Fee, the resident agrees to pay a Monthly Fee upon Occupancy for the term of the Agreement, except as provided in Paragraph III.G.1. The Monthly Fee shall be payable in advance by the fifth (5th) business day of each month. Payment of the first month’s Monthly Fee is due prior to the Date of Occupancy. The resident’s Monthly Fee will be as set forth in Schedule I of the Residence and Services Agreement, subject to adjustments and additional costs described in the Agreement.

The Monthly Fee covers:

- Monthly meal allowance \$248.00 per person per month (as of January 1, 2021)
- Weekly housekeeping
- All utilities including telephone, cable TV and internet for Cottages, Creekside, Oxford Commons, and Asbury Commons. Telephone is not included for duplexes, and houses.
- Maintenance
- Wellness Center (programs, assessment and instruction)
- 24 hour campus security and urgent call response by trained personnel
- Scheduled group transportation
- Use of all common areas and amenities
- Social, recreational, spiritual, educational and cultural activities

The following table presents the 2021 Independent Living Monthly Service Fees by unit type.

<b>Asbury Commons Apartments</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Studio	\$1,514	N/A
Studio w/Kitchen	\$1,668	N/A
One Bedroom	\$2,176	\$2,961
Two Bedroom	\$2,651	\$3,436

<b>Oxford Commons Apartments</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Aster	\$3,016	\$4,250
Buttercup	\$3,056	\$4,290
Aster Deluxe	\$3,368	\$4,602
Azalea	\$3,633	\$4,867
Camellia	\$3,633	\$4,867
Daisy	\$3,770	\$5,004
Iris	\$3,782	\$5,016
Laurel	\$4,001	\$5,235
Orchid	\$4,163	\$5,397
Primrose	\$4,196	\$5,430
Tulip	\$4,211	\$5,455
Violet	\$4,324	\$5,558

<b>Creekside Apartment Homes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Wisteria	\$3,759	\$4,993
Willow	\$4,088	\$5,322
Magnolia	\$4,176	\$5,410

<b>Duplexes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Lady Huntingdon Lane	\$3,097	\$4,128
Cokesbury Lane	\$3,991	\$5,214

<b>Houses</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Houses***	\$2,942 - \$3,467	\$3,973 - \$4,498

<b>Cottage Homes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Dogwood***	\$4,252 - \$4,628	\$5,486 - \$5,862
Redbud***	\$4,284 - \$4,689	\$5,518 - \$5,923
Silverbell***	\$4,353 - \$4,773	\$5,587 - \$6,007

<b>Friendship Park Apartment Homes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Aspen	\$2,700	\$3,945
Aspen Deluxe	\$2,700	\$3,945
Birch	\$2,700	\$3,945
Birch Deluxe	\$2,700	\$3,945
Buckeye	\$2,700	\$3,945
Cedar	\$2,900	\$4,145
Chestnut	\$2,900	\$4,145
Elm	\$2,900	\$4,145
Hickory	\$3,200	\$4,445
Maple	\$3,200	\$4,445
Walnut	\$3,200	\$4,445
Whistlewood	\$3,200	\$4,445
Winterberry	\$3,200	\$4,445

\*\*\* Monthly Fee increase according to square footage.

#### **ADJUSTMENTS IN THE MONTHLY FEE**

The Monthly Fee is paid to provide the facilities, programs, and services described in the Residence and Services Agreement, and are intended to cover costs of the expenses associated with the operation and management of Givens Estates. With the approval of its Board of Directors, Givens Estates may increase the Monthly Fee from time to time during the term of this Agreement. The Monthly Fee will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. Residents will receive a thirty (30) day advance notice of increases in the Monthly Fee or other charges.

The following table shows average changes in the monthly service fees and health center daily charges over time. Note that it is the average dollar amount of the CHANGE in fees from year to year that is shown - NOT the fees themselves. All changes during this period occurred once per year on January 1. This data demonstrates Givens Estates' commitment to responsible changes in fees over time.

Average Monthly Service Fees	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
One Occupant (\$'s per month)	74	114	341	95	77
Two Occupants (\$'s per month)	30	37	34	30	25
Approximate Percentage Increase	2.9%	3.9%	7.5%	2.8%	2.2%

Health Care Room Charges					
Givens Health Center - skilled care (\$'s per day 7 approx. % increase)	17 6.49%	18 6.77%	15 4.98%	21 6.74%	15 4.54%
Wood Assisted Living (\$'s per month & approx. % increase)	295 6%	210 4%	265 5%	262 3.5%	215 3.5%

### AWAY ALLOWANCE

If a resident is away from Givens Estates for at least thirty (30) consecutive days and they complete an "Away Form" in advance, they are eligible for an Away Allowance, which will be credited to their monthly service fee. The Away Allowance is in accordance with the prevailing Away from Givens Estates Policy, which is subject to change. The amount of the credit is included in Givens Estates' current literature.

### MONTHLY STATEMENTS

Givens Estates will furnish residents a monthly statement showing the monthly fee payable for the month in advance, and any additional charges from the previous month, payable by the fifth (5<sup>th</sup>) business day of the current month. Givens Estates may charge, and residents must pay promptly, interest at a rate of one and one-half percent per month on any unpaid balance owed thirty 30 days after the monthly statement is dated.

### HEALTH CARE CHARGES

- a. **Fee for Services:** Upon permanently occupying a Health Care Residence, the resident will surrender their prior Residence and will no longer pay the Monthly Fee for the Residence; instead, the resident will pay the per diem fee for such Health Care Residence, as established by Givens Estates then-current literature. Upon temporarily occupying a Health Care

Residence, the resident will continue to pay the Monthly Fee for the Residence (less any credit that may be given by Givens Estates) and the resident will pay the per diem fee for such Health Care Residence, as established by Givens Estates then-current literature, for the period of time that they occupy same. Such per diem fee shall cover the cost of services described in Paragraph I. F.11.a-d. the resident may pay additional charges for ancillary services as described in Paragraph III. G. 4.

- b. **Level of Care Fee:** If pursuant to Paragraph VI.A Givens Estates determines that the resident requires additional care and services beyond the basic level of care provided at the Health Care Residence the resident shall pay to Givens Estates a daily Level of Care Fee, as established by Givens Estates then-current literature for such level of care, in addition to the per diem fee described in Paragraph III.G.1.
- c. **Use of Refundable Portion of the Entrance Fee:** Should the resident move to Givens Estates Health Center, the remaining refundable portion of the Entrance Fee can be applied to the cost of care upon the receipt of a replacement Entrance Fee for the Residence by a new resident. If the resident moves from another Residence to Wood Assisted Living, no Entrance Fee refund shall be paid to the resident at that time and no part of the remaining refundable portion of the Entrance Fee will be applied to the cost of care in Wood Assisted Living. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Estates
- d. **Additional Charges for Ancillary Health Care Services:** The resident is responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Estates. Ancillary services will include all services not provided by the staff of Givens Estates and not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physician services, laboratory tests, home health care, physical therapy, occupational therapy, speech therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
- e. **Care in Another Facility:** Should a resident need a level of care or health services beyond that provided at Givens Estates, as determined by Givens Estates, and require transfer to another facility, the resident will be responsible for all expenses of such transfer and services.

## WOOD ASSISTED LIVING

Wood Assisted Living at Givens Estates provides assisted living in a residential setting. The center is part of a complete continuum of care provided by Givens Estates. Residents can actively pursue their interests and enjoy friendships within the community while staff tends to the details of daily living. The facility includes several bright and attractively decorated common areas, including living and activity rooms. Spacious carpeted hall ways provide an ideal indoor walking area. Residents can take walks in the beautiful gardens and relax in covered outdoor terraces. Each residence has a keyed entry and residential decor, including crown moldings, recessed lighting, window treatments, an emergency call system, phone jacks, and cable TV outlets. Residents provide their own furnishings.

2021 Assisted Living Monthly Rates	
<b>BASIC LEVEL OF CARE</b>	
Studio Apartment	\$5,590
Deluxe Studio Apartment	\$6,126
One Bedroom Apartment - Single Occupancy	\$9,193
One Bedroom Apartment - Double Occupancy	\$11,228
<b>Additional Daily Charges for Services at Other Levels of Care</b>	
Level 2	\$50/Day
Level 3	\$90/Day

### GIVENS ESTATES HEALTH CENTER

Givens Estates Health Center provides continuous and professional long term, skilled nursing care by Registered Nurses, Licensed Practical Nurses, Medication Aides, and Certified Nursing Assistants in a comfortable, residential and choice driven environment. The unique and residential design of Givens Estates Health Center provides residents with privacy and residential comforts along with the choice of long-term care services and short-term rehabilitation services.

- a. **Starnes Wing** provides an environment designed specifically for skilled and short term rehabilitation residents. Amenities include 16 private rooms and 5 semi-private rooms with private full baths, residential furniture, flat panel televisions with cable, telephones, and wireless internet.
- b. **Sales Wing** provides an environment for ongoing skilled care and daily supervision with a focus on assisting each resident to maintain the highest level of independence and individual well-being and comfort. Amenities include 8 private rooms, and 25 semi private rooms with private half baths, residential furniture, cable television, and spa tubs for bathing.

Health Center Daily Room Rates	2021 Private Room	2021 Semi-Private Room	2021 Suite
Sales Wing	\$350	\$310	\$360
Starnes Wing	\$400	\$325	\$425

**INDEPENDENT CARE NON-CHARGED SERVICES**

- Daily Wellness Clinic 1:00 PM – 2:00 PM
- Emergency call follow-up by licensed nurse
- Post-hospitalization visit by licensed nurse
- House calls by licensed nurse as directed by the Director of Nursing or Independent Care Coordinator

**HOME CARE SERVICES**

(Services do not include the cost of supplies. Medical supplies are billed separately.)

**Services Provided by a Licensed Nurse**

Clinical assistance (Licensed Nurse)	\$52.50 per hour
Home Care Initial Assessment	\$80.00 each
Home Care Reassessment	\$60.00 each
Dressing – Simple	\$23.00 per dressing
Dressing – Complex	\$42.00 per dressing
Injections and suture removal	\$23.00 each
Ear wax removal, w/o irrigation	\$23.00 per service
Ear wax removal w/irrigation	\$30.00 per service
Medication Coaching	\$52.50 per hour
Medication set-up, Level 1	\$52.50 per set-up
Medication set-up, Level 2	\$63.00 per set-up
Medication Adjustment	\$25.00 per service
Nail clipping	\$26.00 per service
Venipuncture for laboratory testing	\$21.00 per service

**Services Provided by a Certified Nursing Assistant**

Certified Nursing Assistant	\$36.50 per hour
Finger-stick for blood draw	\$21.00 per service
Medication administration	\$20.00 per visit
Blood pressure check, non-clinic hours	\$18.00 each
Pulse oximetry reading	\$18.00 per service

**Other Services**

Laundry	\$23.00 per load
Personal Emergency Transmitter	\$222.00 each
We Care Program	\$26.00 per month
Asbury Advantage, Level 1	\$450.00 per month
Asbury Advantage, Level 2	\$880.00 per month

### **WAITLIST DEPOSIT**

The Waitlist Deposit of \$1,000 is submitted with a Future Residency Waitlist Agreement to establish a chronological waitlist date by which future residents are offered various types of residences at Givens Estates. In addition to the priority established for residency, all Future Residents may enjoy the following benefits of the Future Residency Wait List Program: Meals in Givens Estates' Dining Rooms or Private Dining Rooms with prior reservations at established meal rates; use of the common and recreational areas within Givens Estates; and participation in present and future planned programming and events. The Wait List Deposit is a non-interest bearing deposit associated with the Future Residency Waitlist Agreement and will be credited toward the Entrance Fee due at the time of occupancy. The Wait List Deposit does not lock-in the Entrance Fee amount for a residence.

### **FINANCIAL ASSISTANCE**

The Residence and Services Agreement makes the following provisions: Givens Estates has established a Financial Assistance Fund to allow a limited number of residents to continue to live at Givens Estates after their assets may have been depleted. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual resident.

### **VI. OTHER MATERIAL INFORMATION**

Givens Estates has no past or current litigation, bankruptcy filings, receivership, liquidation, anticipated actions or perils of any manner significant enough to be reported herein.

Givens Estates maintains an operating reserve fund. Investments for the fund are overseen by Givens Investment Committee (comprised of Givens Board members) and managed by Morgan Stanley. Givens Board of Directors has adopted an investment policy that provides the framework for the management and investment of the operating reserve fund.

## VII. SCHEDULE OF ATTACHMENTS

Attachment 1 - Statement of Relationship

Attachment 2 - Conflict of Interest Policy & Ethical Code of Conduct

Attachment 3 - Residence and Services Agreements – Independent Living & Friendship Park

Attachment 4 - Givens Estates Health Center & Wood Assisted Living Contract for Admission and Care

Attachment 5 - Miscellaneous Service Fees for 2021

Attachment 6 - Audited Balance Sheets and Income Statements at 12/31/19 and 12/31/20 and Unaudited Balance sheet and Income Statement at 4/30/21

Attachment 7 - 5-Year forecast of Revenues, Support Expenses, Cash Flow and Assumptions and Financial Projection for the Years Ending December 31, 2025

Attachment 8 - Comparison of the 2020 Audited Financial Statements to the 2020 Forecasted Statements for any variances greater than 5% and \$500,000.

**STATEMENT OF RELATIONSHIP**

THIS STATEMENT OF RELATIONSHIP is made and entered into as of the 21st day of January, 1995 by and between the Western North Carolina Annual Conference of the United Methodist Church (the "Conference") and The Givens Estates, Inc. a nonprofit corporation organized and existing under the laws of the State of North Carolina (the "Affiliated Organization").

**PRELIMINARY STATEMENT**

The Conference is one of the annual conferences of The United Methodist Church. The term "The United Methodist Church" refers to the overall denomination and connectional relation and identity between its many local churches, the various conferences and their respective councils, boards and agencies, and other church units, which collectively constitute the religious system known as United Methodism. Under the Constitution and disciplinary procedures set forth in *The Book of Discipline of The United Methodist Church* (the "*Discipline*"), "The United Methodist Church" as a denominational whole is not an entity, nor does it possess legal capacities and attributes. It does not and cannot hold title to property, nor does it have any officer, agent, employee, office or location. Conferences, councils, boards, agencies, local churches and other units bearing the name "United Methodist" are, for the most part, legal entities capable of suing and being sued and possessed of legal capacities.

The connectional structure of the Church is maintained through the conferences. Each of the Annual Conferences (of which the Conference is one) is composed of an equal number of ministers and lay members elected by the local churches. In turn, there is one General Conference, composed of an equal number of ministers and lay members elected by the Annual Conferences. The *Discipline* is the book of law of the Church. The *Discipline* is the product of more than 200 years of the General Conferences of the denominations which now form the Church. Each General Conference amends, perfects, clarifies, and adds its own contribution to the *Discipline*. The *Discipline* reflects what is expected of its laity and clergy as they seek to be effective witnesses in the world as a part of the whole Body of Christ. (See paragraph 114 of the 1992 *Discipline*). The relationship set forth in this Statement of Relationship is solely and

exclusively between the Conference and the Affiliated Organization.

United Methodists give high priority to helping and healing ministries as a vital part of their Christian mission. In the United States alone, there are hundreds of helping and healing programs related to local churches, and there are also hundreds of institutional ministries of which the Affiliated Organization is one. United Methodists recognize the importance of operating, maintaining and protecting those institutional ministries as a vital means of carrying out the Christian mission of United Methodism. The health and welfare ministries embraced within this mission include services in the areas of child care, aging, health care and handicapping conditions.

United Methodists, the Conference and the various institutional ministries share a common interest that health and welfare ministries bearing the name United Methodist shall be demonstrably caring, quality missions of Christian service that operate in a manner consistent with the Social Principles and other pertinent provisions of the *Discipline*.

The Affiliated Organization is one of the health and welfare ministries of United Methodism within the boundaries of and affiliated with the Conference. The Affiliated organization was organized with the encouragement and approval of the Conference by individual members of the Church who were committed to the belief that the Affiliated Organization was needed to perform the ministry set forth in its charter (the "Ministry"). The Conference and the Affiliated Organization continue in that belief. The Ministry is among the Christian missions of United Methodism and of the Conference.

The purpose of this Statement of Relationship is to set forth an accurate statement of the relationship between the Conference and the Affiliated Organization.

NOW, THEREFORE, the Conference covenants and agrees with the Affiliated Organization and the Affiliated Organization covenants and agrees with the Conference that this Statement of Relationship, including the foregoing Preliminary Statement, is an accurate statement of the relationship between the Conference and the Affiliated Organization.

## COVENANTS

1. Although the Conference and the Affiliated Organization share a common interest in carrying out the Christian mission of United Methodism and in the purposes of the Ministry of the Affiliated Organization, the Conference and the Affiliated Organization are separate, self-governing and independent. Neither is owned by the other nor is either the partner or agent of the other. The sole purpose of each of the parties in affiliating with the other as herein set out is that each believes this affiliation with the other is mutually beneficial to parties in the performance of their respective missions of Christian service. The parties hereto agree that under this affiliation:

a. The members of the governing board of the Affiliated Organization shall be confirmed, elected, and/or selected by the Conference in accordance with the charter and bylaws, present and future, of the Affiliated Organization. The governing board of the Affiliated Organization includes among its members both United Methodist Ministers and laity within the Conference, and may include other persons as provided in its charter or bylaws.

b. The Conference provides: (i) encouragement and support, including financial support to the extent deemed appropriate and feasible by the Conference; (ii) opportunities for the interchange of information and ideas among persons and institutions performing similar work and for the development of the Ministry goals and criteria; (iii) authorization for the Affiliated Organization to identify itself as an organization affiliated with the Conference; and (iv) an opportunity for the Affiliated Organization to report on the Ministry to each regular session of the Conference.

c. The Affiliated Organization undertakes: (i) to fulfill its mission of Christian service in a manner that is consistent with the Social Principles and other pertinent provisions of the *Discipline*, and acceptable to those whom it would serve and to members of the Church in the Conference; and (ii) to the extent it deems appropriate, to utilize services of the Conference and the Church available to the Affiliated Organization in performing its Ministry.

d. The Affiliated Organization, desirous of gaining maximum benefit from its affiliation with the Conference and to satisfy the Conference that it continues to operate

in a manner worthy of a United Methodist ministry, will continue to provide to the Conference such of the following as may be requested or desired by the Conference: (i) information that may be of interest to other similar ministries; (ii) copies of regular operational and financial reports; and (iii) other information regarding plans, services and ministries of the Affiliated Organization.

2. The Conference is not contractually or legally committed to provide any particular level or amount of financial support to the Affiliated Organization. Any support that the Conference does or may provide to the Affiliated Organization is, and shall be, voluntary, as determined, from time to time, solely by the Conference. The Conference has no authority to require the Affiliated Organization to assume any contractual, financial or other obligation; nor may the Conference accept or assume any such obligation in the name of the Affiliated Organization. Similarly, the Affiliated Organization has no authority to accept or assume any such obligation in the name of the Conference. Both agree that the Conference shall have no obligation or responsibility for or with respect to any contract, commitment or liability of the Affiliated Organization.

3. Church-wide solicitation (that is, solicitations addressed to the general membership of a local church) within or through local United Methodist churches of the Conference are not to be made by the Affiliated Organization except as heretofore or hereafter approved by the Conference or the resident bishop. Other solicitations, such as solicitations of individuals and entities, whether or not church members or church-related, are matters between the Affiliated Organization and the parties solicited and do not require the approval of the Conference.

4. If the affiliation between the Conference and the Affiliated Organization should at any time become unacceptable to them, or to one of them, they or either of them may sever the affiliation between them and thereafter operate entirely independently of the other. If action to sever the relationship is taken by one party only, that party shall give prompt written notice of the severance of the relationship to the other party.

5. In the event of the dissolution of the Affiliated Organization, its assets may be conveyed to the Conference or as otherwise provided in the charter of the Affiliated Organization.

6. This Statement of Relationship shall be subject to review and amendment as such times and in such manner as may be mutually agreeable to the Conference and the Affiliated Organization.

This Statement of Relationship supersedes the Statement of Relationship between the parties that was executed by the Conference on the 15th day of August, 1986 and by the Affiliated Organization on the 25th day of July, 1986.

IN WITNESS WHEREOF, each of the parties hereto has caused this Statement of Relationship to be executed in its name on the date set opposite its name below.

WESTERN NORTH CAROLINA ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH

Date: 4/27/95

By: [Signature]  
Its: CFA President

By: [Signature]  
Its: Bishop

CONFERENCE

ATTEST:

By: [Signature]  
Its: Treasurer

THE GIVENS ESTATES, INC.

Date: January 21, 1995

By: [Signature]  
Its: President and Chairperson

AFFILIATED ORGANIZATION

ATTEST:

By: [Signature]  
Its: Secretary

(Corporate Seal)



## Conflict of Interest Policy and Ethical Code of Conduct

### Conflict of Interest Policy

The Board of Directors (the “Board”) of The Givens Estates, Inc., Givens Housing Corporation, and Givens Affordable Communities, Inc. (“Givens” or “Corporations”) are entrusted with responsibilities which require integrity, competence and caring concern in supervising the affairs of the Corporations. The Board has the duty to place the interest of the Corporations before anything else when acting in their fiduciary capacity. This undivided loyalty means Board members are to be objective in decision making, unbiased in their approach to issues, free from ulterior motives or external control, and lack any conflict of interest when choosing between options. Pursuant to the Internal Revenue Code of 1986 as amended (the “Code”), and with conflict of interest policies recommended by the Internal Revenue Service for 501(c)(3) tax exempt organizations, the Board establishes the policy that service on the Board of Givens or as an officer or employee of these Corporations, shall not be used as a means for securing excessive private benefit or inurement to the detriment of the mission of the Corporations.

*Section 1 Procedure for Directors.* No Director who is a vendor of goods or services to the Corporations or is affiliated (as defined below) with any vendor of goods or services to the Corporations shall vote on, or participate in the administration of, any contract or other arrangement with such vendor. No Director who is a recipient of goods or services from the Corporations or is affiliated (as defined below) with a recipient of goods or services from the Corporations shall vote on, or participate in the administration of, any contract or other arrangement with such recipient. A Director shall, upon request of any other Director, leave any meeting for the period of time the Board is discussing any arrangement with which he or she has a financial interest or affiliation. Nothing herein shall prevent a Director who has a financial interest or is affiliated with a recipient of goods or services from the Corporations from participating in discussions or decisions relating to the scope or quality of goods or services provided generally to such recipient and other clients similarly situated.

*Section 2 Disclosure.* A Director shall disclose to the Board any financial interest or affiliation with an existing or proposed vendor or recipient of goods or services at any time when such Director becomes aware of a financial interest or affiliation that has not previously been disclosed. Where a Director is unsure whether a financial interest or affiliation exists, he or she shall disclose the relevant facts to the Board, and shall abide by the decision of the Board as to the existence or non-existence of an interest or affiliation and any conflict of interest.

*Section 3 Procedure for Officers and Employees.* No officer or employee of the Corporations shall, without previous approval of the Board, be, or be affiliated with, either a vendor of goods or services to, or recipient of goods or services from the Corporations.

*Section 4 Definitions.*

(a) A person shall be deemed to be affiliated with an entity if the person

- (i) serves as a member of a governing body of the entity,
- (ii) serves as an officer or employee of the entity,
- (iii) has a material economic relationship with the entity, or
- (iv) has a spouse, parent, sibling, child, or member of the immediate household who holds such a position or has such a relationship. However, no person shall be deemed to be affiliated with the Director or officer or any other affiliate of the Corporations so long as his or her relationship with the Director or officer or affiliate is known to the Board.

(b) A person shall be deemed to be affiliated with an individual if such individual is a spouse, parent, sibling, child, or member of the immediate household of such individual or has a material economic relationship with such individual.

(c) If a person is an interested person or affiliated with an interested person with respect to any entity in which the Corporations are a part, he or she is an interested person with respect to all entities in the Corporations.

(d) An interested person is any Director, officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below in Section 4e.

(e) A person has a financial interest if the person has, directly or indirectly, through business, investment or family, or through an affiliated person:

- (i) An ownership or investment interest in any entity with which the Corporations have a transaction or arrangement;
- (ii) A compensation arrangement with the Corporations or with any entity or individual with which the Corporations have a transaction or arrangement; or
- (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporations are negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

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 decides that a conflict exists under the procedures set forth in Sections 2, 3 or 4 above.

## Code of Conduct

All Board Members:

- Shall perform their duties in good faith and to the best of their ability, refrain from any illegal conduct and seek guidance from the Board Chair, Chief Executive Officer or the Compliance Officer when uncertain of the meaning or application of a statute, regulation, or policy, or the legality of a certain practice or activity.
- No Director should accept any gift, gratuity, or service of any special favor from any person or persons, agents, or businesses which provide or receive goods and services or which seek to provide or receive goods and services to or from Givens organizations. However, minor courtesies such as luncheons, dinners or similar arrangements in connection with business discussions may be received.
- Shall not destroy or alter Givens information or documents in anticipation of, or in response to, a request for documents by any applicable government agency or from a court of competent jurisdiction;
- Shall not engage in any business practice intended to unlawfully obtain favorable treatment or business from any government entity, physician, resident, vendor, or any other party in a position to provide such treatment or business;
- Shall not enter into loans or other matters of personal financial interest with Givens.
- Shall not use confidential or proprietary information of Givens, for their own personal benefit or for the benefit of any other person or entity; except Givens, during or after serving as a Board Member for Givens;
- Shall not disclose confidential or personal information pertaining to a resident, without the express written consent of the resident or appropriate legal representative, and in accordance with applicable law and Givens' policies and procedures;
- Shall not participate in any agreement or understanding (including agreements based on a course of conduct) with a competitor of Givens, to illegally fix prices, agree on labor costs, allocate markets, or engage in group boycotts. Before considering any agreements or entering into discussions with competitor concerning any of these issues, all Board Members shall first speak with the Board Chair, Chief Executive Officer or the Compliance Officer, regarding the matter, and obtain the advice of the Compliance Officer concerning anti-trust issues;
- Shall participate in scheduled training regarding Givens compliance program and applicable state and federal laws and standards;
- Shall comply with all Givens policies governing the workplace. These include, among others, Givens policies governing:
  - Sexual harassment; drug and alcohol use and testing; confidentiality of medical, personnel, and similar information; political contributions; personal use of company equipment, products, and/or services; conflicts of interest; trading in securities (where applicable); and/or compliance with specific federal laws;
- Shall promptly report all violations of this Code of Conduct to Givens' Compliance Officer through a written report, telephone call to the hotline at 828-771-2220, or via email to

corporatecompliance@givensestates.org. The caller or author may report such information anonymously;

- Shall notify the Board Chair, Chief Executive Officer, or the Compliance Officer, immediately upon receipt (at work or home) of an inquiry, subpoena, or other agency or government request for information regarding Givens;
- Shall not fail to report an accident involving a resident, visitor, or employee;
- Shall not, engage in any action, activity or enterprise, that is inconsistent, incompatible, or in moral, legal, or practical conflict with duties, functions and responsibilities as a Givens Board Member; and
- Shall not violate a resident's rights as granted in the "Resident's Bill of Rights".

**GIVENS**  
**BOARD OF DIRECTORS**  
**2014-2015**

James E. Aydelotte  
Robert M. Blackburn, Jr.  
John S. Boggs  
Donna A. Broadwell  
William B. Cagle  
Amy L. Coles  
Daniel B. Cook  
Kathryn R. Durity  
Jane H. Fuller  
Sanford L. Giles  
Larry M. Goodpaster  
Constance M. Haire  
C. Roger Hibbard  
Marvin L. Holland  
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Horace S. Jennings  
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Della J. Watson  
Alfred J. Whitesides, Jr.  
Charles W. Wilson, II  
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Sandra T. Yost

**Officers and Key Employees**

Gregory D. Hutchins - Chairperson  
Doris P. Loomis - Vice-Chairperson  
Donna A. Broadwell - Secretary  
G. Edward Towson, II - Assistant Secretary  
Kenneth W. Swayze - Treasurer  
George W. Wooten - Assistant Treasurer  
Patricia S. Smith - Immediate Past Chair  
Kenneth M. Partin - President and Chief Executive Officer  
Allen D. Squires - Chief Financial Officer  
John C. Cowan, Jr. - Executive Director, Givens Estates  
Robin J. Suddreth - Health Care Administrator  
Ken W. Kramer - Executive Director, Givens Highland Farms

# ATTACHMENT 3

## RESIDENCE AND SERVICES AGREEMENT

### Givens Estates Asheville, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between The Givens Estates, Inc., a North Carolina non-profit corporation (hereinafter called "Givens Estates") and \_\_\_\_\_ (hereinafter called "Resident" or "You") for occupancy of the residence located on the Givens Estates campus shown on Schedule I attached (hereinafter called the "Residence").

Residences on the Givens Estates campus consist of Apartments, Villas, Houses, Cottages, Duplexes, and Wood Assisted Living ("WAL"). Community amenities include: wellness center with indoor pool, spa, exercise and aerobics rooms, performing arts center, casual dining bistro, private dining rooms, library and living rooms and administrative space.

You and Givens Estates agree as follows:

#### **I. RESIDENCE, COMMON AREAS AND AMENITIES, PROGRAMS AND SERVICES**

**A. Your Residence.** You shall have the exclusive right and license to occupy, use, and enjoy the Residence pursuant to the terms of this Agreement and Schedule I, attached.

**B. Furnishings in Your Residence.** Unless the Residence is an Asbury Commons Apartment or WAL, Givens Estates will provide appropriate flooring in the Residence, refrigerator with ice maker, range, microwave, hood vent, washer and dryer, garbage disposal, rewiring for telephone and cable services, and other features and fixtures as described in Givens Estates' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Asbury Commons Apartments and WAL Residences may not include refrigerator, stove, oven, hood vent, garbage disposal, microwave, or washer and dryer.

**C. Options and Custom Features in Your Residence.** You may select certain options and custom features in Your Residence for an additional charge. Givens Estates will present You with a written quote specific to Your options and custom feature request detailing the prices. The cost of options and custom features selected will be paid by You at the time of selection and will become part of the Residence and the property of Givens Estates. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by Givens Estates administration in advance of the changes made.

**D. Common Areas and Amenities.** Givens Estates common areas and amenities are

for the use and benefit of all residents and include the dining rooms, private dining rooms, performing arts center, library, mail boxes, chapel, wellness center, indoor swimming pool, meeting rooms, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas, on-site assisted living center, and health center for nursing care.

**E. Parking.** Givens Estates will provide lighted parking areas for Your personal vehicle (a minimum of one space for each Residence). Residents of Oxford Commons desiring parking in an under-building, covered parking space may reserve such (if available) for an extra fee as described in Givens Estates current literature and documented in an Addendum to this Agreement.

**F. Services and Programs.**

**1. Utilities.** The Monthly Fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, internet, cable television service and standard municipal services. Residences located in Oxford Commons, Asbury Commons, Creekside, Strawbridge Court, and Lovely Lane also have telephone services included in the Monthly Fee. Residences on Aldersgate Drive, Wesley Drive, Lady Huntingdon Lane, Cokesbury Lane, and Far Horizons Lane do not have telephone service included in the Monthly Fee and are responsible for any costs related to telephone service.

**2. Meals.** Givens Estates will make available to each resident a declining "dining dollars" amount equal to \$248.00 per month. A maximum carryover of \$496.00 dining dollars per person is allowed from month to month; any dining dollars in excess of such maximum carryover will expire at the month's end. Any dining cost You incur in excess of Your then-remaining dining dollars will be added to the Monthly Fee. Givens Estates may change the monthly dining dollars amount from time to time during the term of this Agreement. You will receive a thirty (30) day advance notice before such change is effective.

In WAL, Givens Estates will make available three meals each day. In between meals, snacks are provided and available in the kitchenettes located on each floor. Physician ordered nutritional supplements are not included in the monthly fee but can be provided at an additional cost to You.

**3. Housekeeping Services.** The Monthly Fee includes weekly housekeeping services. The amount of time allotted for housekeeping of the Residence is determined by the size of the Residence. Additional housekeeping may be available for an extra fee.

**4. Grounds-keeping.** Givens Estates will furnish basic grounds-keeping services, including lawn, tree and shrubbery care, as part of the Monthly Fee. Subject to prior approval by Givens Estates, You may plant and maintain certain garden areas adjacent to Your Residence (for cottages,

duplexes or houses) and elsewhere as designated by Givens Estates.

5. **Maintenance and Repairs.** Givens Estates will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Estates as part of the Monthly Fee. You will be responsible for the cost of repairing damage to property of Givens Estates caused by You or any of Your guests, ordinary wear and tear excepted.
6. **Transportation.** The Monthly Fee will include local group transportation for residents on a regular, scheduled basis for shopping and activities. Transportation for personal or special group trips may be available for an extra fee.
7. **Security.** Givens Estates will provide security, an emergency call system with emergency response, and smoke detectors in each Residence.
8. **Activities.** Givens Estates will provide scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts; exercise and health programs; and other activities designed to meet residents' interests. Some activities may require an extra fee.
9. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense, including, but not limited to those previously mentioned, beauty and barber services, home care, personal laundry and dry cleaning, special transportation, catering, guest meals, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Estates. The availability and charges for additional services are itemized in Givens Estates current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Estates will notify You of any proposed change in the scope of services provided in this Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by You or (b) a reasonable adjustment is made in the Monthly Fee.
11. **Health Care Accommodations and Services.** Givens Estates may make available health care accommodations and services as follows:
  - a. **Health Care Residences.** Givens Estates may choose to provide accommodations, equipment, staffing, programs, services and supervision necessary for licensed assisted living and licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services, if and when provided by Givens Estates, are available to You either temporarily or permanently on a space available basis, if needed, as determined by

Givens Estates. During any period You occupy a Health Care Residence, Givens Estates will make three meals available to You each day, and snacks will be available from kitchenettes located on each floor. You shall remain entitled to the services described in Paragraph I.F.1 and I.F.3–8, to the extent appropriate for the Health Care Residence You occupy. Charges will be in accordance with Paragraph I.F.11.e. Residents of Givens Estates have priority access to all Health Care Residences and services before non-residents.

- b. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and appointments is available to You as scheduled and provided by Givens Estates.
- c. **Staffing.** Nursing care appropriate to Your needs will be provided by Givens Estates.
- d. **Medical Director.** The overall coordination and supervision of health care services within Givens Estates will be provided by a Medical Director, who will be a licensed physician selected by Givens Estates.
- e. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. G. 1. of this Agreement.
- f. **Health Care Services for an Additional Fee.** Other health services may be available to You at Your expense, including but not limited to pharmacy services, home care services, laboratory tests, physical therapy, occupational therapy, speech therapy, therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The costs of such services are in addition to the charges described in Paragraph III. G. 1.
- g. **Personal Physician.** You will choose a personal physician who has admission privileges at a local hospital, in the event that You need to be hospitalized. You are responsible for the cost of physician services and all related medical and non-medical expenses.

## II. **DATE OF OCCUPANCY AND OCCUPANCY**

- A. **Date of Occupancy.** The Date of Occupancy will be the date established by Givens Estates based on when the Residence chosen by You is available for occupancy and You pay the 10% Deposit, as described in Paragraph III.B.1, and sign this Agreement. If the unit is ready for occupancy when You pay the 10% Deposit and sign this Agreement, the Date of Occupancy will be no later than thirty (30) days from the date of this Agreement. If the unit is not ready for occupancy when You pay the 10% Deposit and sign this Agreement, then the Date of Occupancy will be no later than thirty (30) days from the date the unit is ready for occupancy. You

will be expected to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy. The Balance of the Entrance Fee is due on or prior to the Date of Occupancy, as described in Paragraph III.B.2.

- B. **Occupancy.** As used in this Agreement, "Occupancy" will have occurred when You have signed this Agreement, have paid the Entrance Fee in full as described in Paragraph III.B.2 and have paid a full month Monthly Fee, as described in Paragraph III. C. Upon Occupancy, Givens Estates will be obligated to provide You with the Residence and services outlined in this Agreement.
- C. **Finish Selections Process.** You will have the opportunity to customize your residence within the guidelines provided by Givens Estates for Your residence. Selection of standard finishes and custom options will be completed by You within thirty (30) days of your 10% Deposit Date. Givens Estates will provide You with quotes for any custom work prior to Your final decision due date. Payment for custom options will be collected in advance of commencing work. Givens reserves the right to complete custom work after the closing date.

### III. **FINANCIAL ARRANGEMENTS**

- A. **Entrance Fee.** You agree to pay to Givens Estates an Entrance Fee as set forth in Schedule I, attached. The Entrance Fee assures You a place at Givens Estates for a term of years or for life. The initial Entrance Fee that You pay for the original Residence shall continue to be held as and applied against the Entrance Fee required for any subsequent Residence You may transfer to on the Givens Estates campus.
- B. **Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee shall be as follows:
  - 1. **10 Percent Deposit.** Upon entering this Agreement, You will pay ten percent (10%) of the total Entrance Fee for Your Residence (the "10% Deposit"), less any Wait List Deposit previously paid pursuant to a Future Residency Wait List Agreement between You and Givens Estates.
  - 2. **Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence (being ninety percent (90%) of the total Entrance Fee) will be due and payable on or prior to the Date of Occupancy, unless otherwise agreed to in writing by Givens Estates.
- C. **Monthly Fee.** In addition to the Entrance Fee, You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement, except as provided in Paragraph III.G.1. The Monthly Fee shall be payable in advance by the fifth (5<sup>th</sup>) business day of each month. Payment of the first month's Monthly Fee is due prior to the Date of Occupancy. Your Monthly Fee will be as set forth in Schedule I, attached, subject to adjustments and additional costs described in this Agreement.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and are intended to

cover costs of the expenses associated with the operation and management of Givens Estates. With the approval of its Board of Directors, Givens Estates may increase the Monthly Fee from time to time during the term of this Agreement. The Monthly Fee will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. You will receive a thirty (30) day advance notice of increases in the Monthly Fee or other charges.

- E. Away Allowance.** If You are away from Givens Estates for at least thirty (30) consecutive days and complete an “Away Form” in advance, You may be eligible for an Away Allowance, which will be credited to Your Monthly Fee, in accordance with Givens Estates policies, which are subject to change. The amount of any credit shall be established by Givens Estates then-current literature.
- F. Monthly Statements.** Givens Estates will furnish You a Monthly Statement showing the Monthly Fee payable for the month in advance, and any additional charges from the previous month, payable by the fifth (5<sup>th</sup>) business day of the current month. Givens Estates may charge, and You agree to pay promptly, interest at a rate of one and one-half percent per month on any unpaid balance owed by You thirty (30) days after the monthly statement is dated.
- G. Health Care Charges.**
- 1. Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender Your prior Residence and will no longer pay the Monthly Fee for the Residence; instead, You will pay the per diem fee for such Health Care Residence, as established by Givens Estates then-current literature. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence (less any credit that may be given by Givens Estates) and You will pay the per diem fee for such Health Care Residence, as established by Givens Estates then-current literature, for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I. F.11.a–d. You may pay additional charges for ancillary services as described in Paragraph III. G. 4.
  - 2. Level of Care Fee.** If pursuant to Paragraph VI.A Givens Estates determines that You require additional care and services beyond the basic level of care provided at the Health Care Residence You shall pay to Givens Estates a daily Level of Care Fee, as established by Givens Estates then-current literature for such level of care, in addition to the per diem fee described in Paragraph III.G.1.
  - 3. Use of Refundable Portion of the Entrance Fee.** Should You move to Givens Estates Health Center, the remaining refundable portion of the Entrance Fee can be applied to the cost of care upon the receipt of a replacement Entrance Fee for the Residence by a new resident. If You move from another Residence to WAL, no Entrance Fee refund shall be paid to You at that time and no part of the remaining refundable portion of the

Entrance Fee will be applied to the cost of care in WAL. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Estates.

4. **Additional Charges for Ancillary Health Care Services.** You will be responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Estates. Ancillary services will include all services not provided by the staff of Givens Estates and/or not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
5. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Estates, as determined by Givens Estates, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.
6. **Terms of Payment.** The per diem fees described in Paragraph III.G.1 and any Level of Care Fees You incur shall be payable in advance by the fifth (5th) business day of each month. Payment of such fees for the first calendar month or partial calendar month of occupancy of a Health Care Residence is due upon occupying a Health Care Residence. Givens Estates will credit Your account for any per diem fee paid pursuant to this Paragraph III.G for any day or days after You cease to occupy the Health Care Residence.

#### IV. **ADMISSION REQUIREMENTS AND PROCEDURES**

- A. **Age.** If You are single, You must be fifty-five (55) years of age or older at the time of Occupancy. If You are a couple, at least one member of the couple must be fifty-five (55) years of age or older at the time of Occupancy.
- B. **Application Forms.** You will provide an Application for Admission, a Personal Health History and a Confidential Financial Statement, all on forms furnished by Givens Estates for initial approval by Givens Estates.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative from Givens Estates prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Estates.
- D. **Approval Process.** You will submit completed Application Forms provided to You by Givens Estates in Your 10% deposit packet within thirty (30) days of Your deposit date. Upon receipt of the completed Application Forms and the personal interview with a Marketing Representative, Givens Estates will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Estates will approve or deny the application for initial

admission within thirty (30) days after receiving the completed forms and will provide You with a written decision thereafter.

- E. Health Requirements.** Within thirty (30) days of Your execution of this Agreement, You will provide Givens Estates with a Physician's Examination Report completed by Your personal physician. Such report shall include a statement by the physician that You are able to live independently and undertake ongoing activities of daily living. Givens Estates may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Estates may require You to have another physical examination by a physician approved by Givens Estates if additional information is necessary. You shall be responsible for the cost of such physical examinations. If You do not meet the criteria for independent living established by Givens Estates, You may move to other accommodations within Givens Estates more suitable to Your needs, or terminate this Agreement.
- F. Financial Requirements.** You must have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. Givens Estates may require You to furnish additional or updated financial information prior to Occupancy. Financial assistance may be available to residents who qualify, as determined by Givens Estates.
- G. Representations.** You affirm that the representations made in all information furnished by You to Givens Estates, including the Application for Admission, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Estates as a basis for entering into this Agreement.
- H. Statement as to Non-Discrimination.** Givens Estates shall not limit residency to persons on the basis of gender, gender identity, age, marital status, sexual orientation, race, color, religion, national origin, disability or military status. We are committed to providing an inclusive and welcoming environment for all members of our residents, staff, volunteers, subcontractors and vendors.

## **V. TERMS OF RESIDENCY**

- A. Rights of Resident.** This Agreement is and shall be construed only as a revocable license. Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Givens Estates during the term of this Agreement. It is understood that this Agreement does not transfer or grant any right, title or interest in the real or personal property owned or administered by Givens Estates other than the rights and privileges as described in this Agreement. Nothing in this Agreement shall be construed to create a lease or the relationship of landlord and tenant between Givens Estates and You.
- B. Policies and Procedures.** All residents shall abide by Givens Estates policies and procedures, including such amendments, modifications and changes to the Resident

Handbook as may be adopted by Givens Estates. Such Handbook shall be made readily available to You.

- C. **Changes in the Residence and the Agreement.** Givens Estates has the right to change the Residence and/or the Agreement when and to the limited extent required to comply with the requirements of any applicable statutes, laws or regulations. The Residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.
- D. **Visitors.** Short-term visitors and guests may stay in Your Residence for limited stays. No person other than You may reside in the Residence without the approval of Givens Estates.
- E. **Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them is no longer domiciled in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Person Monthly Fee associated with the Residence. No Entrance Fee refunds shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII. B. 6.
- F. **Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Estates carefully considers such requests, including but not limited to such factors as Your health, Your finances, availability of requested type of Residence and waiting lists. You must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Estates may require You to enter into a new or amended Residence and Services Agreement for the new Residence. The Entrance Fee refund percentage selected at initial occupancy remains in effect during a change in residence and is applicable to any additional amounts paid as a result of the change.
  - 1. **Move to Another Residence.** Should You be approved by Givens Estates to move to a subsequent Residence, You will pay the Monthly Fee associated with the subsequent Residence. The Entrance Fee paid for Your current Residence will be retained by Givens Estates and be held as part of the Entrance Fee for a subsequent Residence. Even if the Entrance Fee for the original Residence, when You began to occupy it, was greater than the current Entrance Fee for the subsequent Residence, You will not be entitled to a refund as a result of the difference between such Entrance Fees. If, however, the Entrance Fee for the original Residence, when You began to occupy it, was less than the current Entrance Fee for the subsequent Residence, You will pay an amount equal to the difference between the Entrance Fee of the original Residence that You paid and the current Entrance Fee of the subsequent Residence.
- G. **Change in Residence at Option of Givens Estates.** If Givens Estates reasonably

determines that Your Residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the Residence, or as a result of any other circumstances reasonably determined by Givens Estates to justify such transfer, Givens Estates may move You to a new Residence of a similar size provided that Givens Estates (i) advises You prior to undertaking any such move, (ii) gives You reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of Your personal furnishings, and (v) either provides in such new Residence optional custom improvements comparable to those provided in Your original Residence.

- H. Loss of Property.** Givens Estates shall not be responsible for the loss of any property belonging to You or to any guest due to theft, mysterious disappearance, fire or any other cause. You will be responsible for securing personal property insurance.
- I. Medical Insurance.** You shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to Givens Estates (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield) and shall furnish Givens Estates with evidence of such coverage.
- J. Addition of New Occupant.**
- Addition of Resident Occupant.** Should You choose to share occupancy of Your Residence with a person who is also a resident of Givens Estates, the two of You may occupy either Residence and shall surrender the unoccupied Residence. You will pay the Double Person Monthly Fee upon Occupancy by both of You in the chosen Residence. No Entrance Fee refund for the unoccupied Residence shall be paid until Givens Estates receives a replacement Entrance Fee for the vacated Residence or twenty-four (24) months after Termination by Resident (whichever occurs first), and removal of all personal belongings from such vacated Residence. However, if neither resident was an original occupant of the selected Residence when the original Residence and Services contract was signed, an additional entrance fee will be required equal to the difference between the then current Entrance Fee and the original Entrance Fee paid at the same refund percentage originally selected.
  - Addition of Non-Resident Occupant.** If You should choose to share occupancy of Your Residence with a person who is not already a resident of Givens Estates, the Non-Resident Occupant may become a resident if they meet all the requirements for admission, enter into a Residence and Services Agreement with Givens Estates, and pay an Entrance Fee equal to the then-current Double Person Entrance Fee. You and the Non-Resident occupant shall pay the Double Person Monthly Fee. If the Non-Resident Occupant does not meet the requirements of Givens Estates for admission as a resident, You may terminate this Agreement in the same manner as

provided in Paragraph VII. B. with respect to a voluntary termination, or the Non-Resident Occupant may be approved for admission under special circumstances as agreed to in writing by Givens Estates and You. However, if neither the current resident nor the Non-Resident Occupant were the original occupants of the residence when the original Residence and Services contract was signed, an additional entrance fee will be required equal to the difference between the then current Entrance Fee and the original Entrance Fee paid at the same refund percentage originally selected.

- K. Right of Entry.** You authorize employees or agents of Givens Estates to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Estates will always endeavor to maintain Your privacy and the privacy of the Residence. For Your safety, You agree not to replace or add any locks to the Residence.
- L. Residents' Organization.** Residents of Givens Estates are members of a Residents' Association that is open to all residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to residents.

## **VI. TRANSFERS OR CHANGES IN LEVELS OF CARE**

- A. Transfer to a Health Care Residence.** Givens Estates recognizes Your right of self-determination and will attempt to involve You or Your representative in all decisions related to transfers and changes in level of care. Givens Estates shall have authority to determine whether You should be transferred from Your Residence to a Health Care Residence, or from one level of care to another within Givens Estates, in cases of potential harm to Yourself or others, to assure the health and wellbeing of You and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Givens Estates administration and/or the Givens Estates Medical Director and shall be made after consultation with You and Your representative and Your attending physician. Such decisions shall be made only in Your best interest and in the best interest of the larger community as determined by Givens Estates. You will have priority to move to such Health Care Residence as Givens Estates determines to best meet Your needs, as soon as such is available.
- B. Transfer to Other Facility.** If it is determined by Givens Estates that You need care beyond that which can be provided by Givens Estates, You may be transferred to a hospital or institution equipped to give such care at Your expense. Such transfer will be made only after consultation with You and/or Your representative and attending physician.
- C. Surrender of Residence.** If a reasonable determination is made by Givens Estates that any transfer described in Paragraph VI. A. is or is highly likely to be permanent, You agree to surrender Your Residence.

## **VII. TERMINATION AND REFUND PROVISIONS**

### **A. Termination by Resident Prior to Occupancy.**

#### **1. Termination During 30 Day Rescission Period and Before Occupancy.**

This Agreement may be terminated by You by a Written Termination Notice for any reason within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement (the "Rescission Period") and You are not required to move into the Residence during this Rescission Period. The Agreement is automatically cancelled if You die before occupying the Residence, or if, on account of illness, injury, or incapacity, You would be precluded from occupying the Residence under the terms of this Agreement. If this Agreement is terminated within such Rescission Period, any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of Your Written Termination Notice.

#### **2. Termination After the 30 Day Rescission Period and Before Occupancy.**

This Agreement may be terminated by You by a Written Termination Notice for any reason after the Rescission Period and prior to Occupancy. The Agreement is automatically cancelled if You die before occupying the Residence, or if, on account of illness, injury, or incapacity, You would be precluded from occupying the Residence under the terms of this Agreement. In the event of such termination, You will receive a refund of Your 10% Deposit, less (i) a nonrefundable fee equal to the greater of One Thousand Dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee for Your Residence, and (ii) any non-standard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You. The nonrefundable fee will not be charged to You if such termination is due to Your death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Estates. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of Your Written Termination Notice.

### **B. Termination by Resident After Occupancy.**

#### **1. Termination During the 30 Day Rescission Period and After Occupancy.**

This Agreement may be terminated by You by a Written Termination Notice for any reason within the Rescission Period and You are not required to move into the Residence during this Rescission Period. If You do occupy the Residence within the Rescission Period and then terminate this Agreement before the end of the Rescission Period, any monies paid by the Resident shall be refunded in full less (i) periodic charges specified in this Agreement and applicable only to the period You actually occupied the Residence; (ii) nonstandard costs incurred at Your request described in this Agreement or in amendment to this Agreement

signed by You; and (iii) a service charge equal to the greater of One Thousand Dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee for Your Residence. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of Your Written Termination Notice.

2. **Termination After the 30 Day Rescission Period and After Occupancy.** At any time after Occupancy and after the Rescission Period ends, You may terminate this Agreement by a Written Termination Notice. In the event of such termination, You will receive a refund, less (i) periodic charges specified in this Agreement and applicable only to period You actually occupied the Residence; (ii) nonstandard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You; and (iii) nonrefundable entrance fees as set out in paragraph VII. B. 5. below.
3. **Termination Upon Death After Occupancy.** In the event of death of a single Resident, or of the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee shall be determined according to Paragraph VII. B. 5. below.
4. **Termination by Givens Estates After Occupancy.** Givens Estates may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Admission, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Estates of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by Givens Estates, or breach any of the terms and conditions of this Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid to You shall be determined according to Paragraph VII. B. 5. below.
5. **Amortization of the Entrance Fee.** Your Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to You will decline over time, at a rate of six percent (6%) upon the date of Occupancy of the Residence and two percent (2%) on the first (1<sup>st</sup>) day of each calendar month thereafter until Your selected refund percentage remains at zero percent (0%) \_\_\_\_\_, fifty percent (50%) \_\_\_\_\_, or ninety percent (90%) \_\_\_\_\_. Regardless of the reason for termination, You are entitled to Your Entrance Fee refund, less (1) any non-standard costs requested by You and (2) any per diem Health Care Residence fees for Givens Health Center incurred by You during any period of Occupancy of a Health Care Residence in Givens Health Center, except as otherwise provided by this Agreement.
6. **Payment of Refunds.** Unless otherwise provided in this Agreement, Entrance Fee refunds will be paid upon You vacating the then current

Residence covered by this Agreement or in case of dual occupancy upon both of You vacating the then current Residence, the removal of all personal property, and upon the receipt by Givens Estates of a replacement Entrance Fee for the Residence, or the expiration of twenty-four (24) months after Termination of this Agreement by the Resident (whichever occurs first).

7. **Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You or Your estate shall be liable to Givens Estates for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee due to You.
  
8. **Changes to Residence.** After the Date of Occupancy, any structural or physical changes to the Residence directed by You (including alterations such as construction of bookshelves or redecoration such as painting or wallpapering) will require the prior approval of Givens Estates and will be made only under Givens Estates supervision and direction. You shall make no structural or physical changes to any WAL Residence; Givens Estates shall maintain and decorate any WAL Residence in accordance with Givens Estates then-current literature. The cost of any change requested by You shall be at Your expense. Givens Estates may require, as a condition of approval of a requested change, that You either (i) agree to bear the cost of restoring the Residence to its original condition upon termination of Your occupancy of the Residence or (ii) prepay the estimated cost of restoring the Residence to its original condition. All structural improvements shall belong to Givens Estates.
  
9. **Notification of Termination.** For the purposes of this Paragraph VII, the term "Written Termination Notice" shall mean a written or printed notice from You or from Your representative, delivered to the following address either personally or by mail:

Director of Marketing  
Givens Estates, Inc.  
2360 Sweeten Creek Road  
Asheville, NC 28803

## **VIII. FINANCIAL ASSISTANCE**

Givens Estates has established a Financial Assistance Fund to allow a limited number of residents to continue to live at Givens Estates after their assets may have been depleted. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual resident.

## IX. GENERAL

- A. **Prohibition of Certain Activities.** The Givens Estates campus and residences, including but not limited to WAL and Givens Estates Health Center, are smoke-free. You shall not engage or permit any guest or licensee of Yours to engage in any obnoxious or offensive activity in Your Residence or on the Givens Estates campus. No family member or other guest or invitee of Yours shall be permitted to occupy Your Residence on a regular basis, provided that such restriction shall not apply to another Resident in a semi-private WAL Residence.
- B. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Estates are personal to You and may not be transferred or assigned by You.
- C. **Indemnification.** You agree to indemnify and hold Givens Estates harmless from any and all personal injuries sustained by You or by any guest or invitee of Yours throughout the Givens Estates campus, except for any intentional or reckless acts by Givens Estates.
- D. **Management of Givens Estates.** The absolute rights of management are reserved by Givens Estates, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Estates reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other resident.
- E. **Entire Agreement.** This Agreement constitutes the entire contract between Givens Estates and You. Givens Estates shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent Givens Estates, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- F. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Estates and Your heirs, executors, administrators, and assigns.
- G. **Subordination to Financing.** Your rights under this Agreement shall at all times be subordinate to the rights of any bona fide lender under any mortgage, deed of trust or other security interest, now existing or hereafter created, on any of the property or assets of Givens Estates and to all amendments, modifications, replacements or refinancing thereof. You shall execute and deliver any documents reasonably required by Givens Estates or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- H. **Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations. You also agree to comply with all of Givens Estates policies prohibiting and/or regarding the making

of gifts or donations to or for the benefit of Givens Estates employees or such employees' spouses and/or relatives.

- I. **Affiliation with Religious Organization.** Givens Estates is affiliated with the Western North Carolina Conference of the United Methodist Church. Such Conference has no responsibility for any of the obligations of Givens Estates under this Agreement.
- J. **Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- K. **Ad Valorem Taxes.** Should Givens Estates ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes will be added to the Monthly Fee for Your Residence.
- L. **Rights of the Resident.** Under this Agreement, Resident's rights and privileges are only those herein expressly granted and do not include any proprietary interest in the properties or assets of Givens Estates or any membership in Givens Estates.
- M. **Disclosure Statement.** You hereby acknowledge that You have received the current Givens Estates Disclosure Statement prior to or simultaneously with Your execution of this Agreement.

IN WITNESS WHEREOF, Givens Estates and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Estates Disclosure Statement and the 10% Deposit has been paid by the Resident.

Addenda Attached: Schedule I

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Resident Date

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Resident Date

THE GIVENS ESTATES, INC.

---

Executive Director Date

**RESIDENCE AND SERVICES AGREEMENT  
SCHEDULE I**

**Givens Estates  
Asheville, North Carolina**

Resident(s) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Residence Type/Number: \_\_\_\_\_ Occupancy Date: \_\_\_\_\_

**ENTRANCE FEE**

**Refund Option Amount:** \_\_\_\_\_

Single Person	Double Person
Entrance Fee .....\$	Entrance Fee .....\$

*If Applicable:*

90% Refund Premium .....\$

Total Entrance Fee .....\$

x .10

10 Percent of Total Entrance Fee .....\$

Less Wait List Deposit (if applicable) .....\$

10% Deposit Payable .....\$

Balance of Entrance Fee .....\$  
(payable prior to Date of Occupancy)

Notes:

**MONTHLY FEE**

**Estimated 20\_\_ Monthly Fee:**

Single Person	Double Person
Monthly Fee .....\$	Monthly Fee .....\$

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# RESIDENCE AND SERVICES AGREEMENT

## Givens Estates Asheville, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between The Givens Estates, Inc., a North Carolina non-profit corporation (hereinafter called "Givens Estates") and \_\_\_\_\_ (hereinafter called "Resident" or "You") for occupancy of the residence located on the Givens Estates campus shown on Schedule I attached (hereinafter called the "Residence").

Residences on the Givens Estates campus consist of Apartments, Villas, Houses, Cottages, Duplexes, and Wood Assisted Living ("WAL"). Community amenities include: wellness center with indoor pool, spa, exercise and aerobics rooms; performing arts center; casual dining bistro; private dining rooms; library and living rooms; and administrative space.

You and Givens Estates agree as follows:

### **I. RESIDENCE, COMMON AREAS AND AMENITIES, PROGRAMS AND SERVICES**

**A. Your Residence.** You shall have the exclusive right and license to occupy, use, and enjoy the Residence pursuant to the terms of this Agreement and Schedule I, attached.

**B. Furnishings in Your Residence.** Unless the Residence is an Asbury Commons Apartment or WAL, Givens Estates will provide appropriate flooring in the Residence, refrigerator with ice maker, range, microwave, hood vent, washer and dryer, garbage disposal, rewiring for telephone and cable services, and other features and fixtures as described in Givens Estates' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Asbury Commons Apartments and WAL Residences may not include refrigerator, stove, oven, hood vent, garbage disposal, microwave, or washer and dryer.

**C. Options and Custom Features in Your Residence.** You may select certain options and custom features in Your Residence for an additional charge. Givens Estates will present You with a written quote specific to Your options and custom feature request detailing the prices. The cost of options and custom features selected will be paid by You at the time of selection and will become part of the Residence and the property of Givens Estates. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by Givens Estates administration in advance of the changes made.

- D. Common Areas and Amenities.** Givens Estates common areas and amenities are for the use and benefit of all residents and include the dining rooms, private dining rooms, performing arts center, library, mail boxes, chapel, wellness center, indoor swimming pool, meeting rooms, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas, on-site assisted living center, and health center for nursing care.
- E. Parking.** Givens Estates will provide lighted parking areas for Your personal vehicle (a minimum of one space for each Residence). Residents of Oxford Commons desiring parking in an under-building, covered parking space may reserve such (if available) for an extra fee as described in Givens Estates current literature and documented in an Addendum to this Agreement.
- F. Services and Programs.**
- 1. Utilities.** The Monthly Fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, telephone, internet, cable television, and standard municipal services.
  - 2. Meals.** Givens Estates will make available to each resident a declining "dining dollars" amount equal to \$248.00 per month. A maximum carryover of \$496.00 dining dollars per person is allowed from month to month; any dining dollars in excess of such maximum carryover will expire at the month's end. Any dining cost You incur in excess of Your then-remaining dining dollars will be added to the Monthly Fee. Givens Estates may change the monthly dining dollars amount from time to time during the term of this Agreement. You will receive a thirty (30) day advance notice before such change is effective.  
  
In WAL, Givens Estates will make available three meals each day. In between meals, snacks are provided and available in the kitchenettes located on each floor. Physician ordered nutritional supplements are not included in the monthly fee but can be provided at an additional cost to You.
  - 3. Housekeeping Services.** The Monthly Fee includes weekly housekeeping services. Services include vacuuming, light dusting, dusting and damp mopping hard surface flooring, wipe-down of kitchen countertops, cleaning of bathrooms, changing of bed linens provided by you. Additional housekeeping may be available for an extra fee.
  - 4. Grounds-keeping.** Givens Estates will furnish basic grounds-keeping services, including lawn, tree and shrubbery care, as part of the Monthly Fee. Subject to prior approval by Givens Estates, You may plant and maintain certain garden areas adjacent to Your Residence (for cottages, duplexes or houses) and elsewhere as designated by Givens Estates.

5. **Maintenance and Repairs.** Givens Estates will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Estates as part of the Monthly Fee. You will be responsible for the cost of repairing damage to property of Givens Estates caused by You or any of Your guests, ordinary wear and tear excepted.
6. **Transportation.** The Monthly Fee will include local group transportation for residents on a regular, scheduled basis for shopping and activities. Transportation for personal or special group trips may be available for an extra fee.
7. **Security.** Givens Estates will provide security, an emergency call system with emergency response, and smoke detectors in each Residence.
8. **Activities.** Givens Estates will provide scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts; exercise and health programs; and other activities designed to meet residents' interests. Some activities may require an extra fee.
9. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense, including, but not limited to those previously mentioned, beauty and barber services, home care, personal laundry and dry cleaning, special transportation, catering, guest meals, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Estates. The availability and charges for additional services are itemized in Givens Estates current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Estates will notify You of any proposed change in the scope of services provided in this Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by You or (b) a reasonable adjustment is made in the Monthly Fee.
11. **Health Care Accommodations and Services.** Givens Estates will make available health care accommodations and services as follows:
  - a. **Health Care Residences.** Givens Estates will have accommodations, equipment, staffing, programs, services and supervision necessary for licensed assisted living and licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services are available to You either temporarily or permanently on a space available basis, if needed, as determined by Givens Estates. During any period You occupy a Health Care Residence, Givens Estates will make three meals available to You each day, and snacks will be available from

kitchenettes located on each floor. You shall remain entitled to the services described in Paragraph I.F.1 and I.F.3–8, to the extent appropriate for the Health Care Residence You occupy. Charges will be in accordance with Paragraph I.F.11.e. Residents of Givens Estates have priority access to all Health Care Residences and services before non-residents.

- b. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and appointments is available to You as scheduled and provided by Givens Estates.
- c. **Staffing.** Nursing care appropriate to Your needs will be provided by Givens Estates.
- d. **Medical Director.** The overall coordination and supervision of health care services within Givens Estates will be provided by a Medical Director, who will be a licensed physician selected by Givens Estates.
- e. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. G. 1. of this Agreement.
- f. **Health Care Services for an Additional Fee.** Other health services may be available to You at Your expense, including but not limited to pharmacy services, home care services, laboratory tests, physical therapy, occupational therapy, speech therapy, therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The costs of such services are in addition to the charges described in Paragraph III. G. 1.
- g. **Personal Physician.** You will choose a personal physician who has admission privileges at a local hospital, in the event that You need to be hospitalized. You are responsible for the cost of physician services and all related medical and non-medical expenses.

## II. **DATE OF OCCUPANCY AND OCCUPANCY**

- A. **Date of Occupancy.** The Date of Occupancy will be the date established by Givens Estates based on when the Residence chosen by You is available for occupancy and You pay the 10% Deposit, as described in Paragraph III.B.1, and sign this Agreement. If the residence is ready for occupancy when You pay the 10% Deposit and sign this Agreement, the Date of Occupancy will be no later than sixty (60) days from the date of this Agreement. If the residence is not ready for occupancy when You pay the 10% Deposit and sign this Agreement, then the Date of Occupancy will be no later than thirty (30) days from the date the

residence is ready for occupancy. At least thirty (30) days prior to the date the residence is ready for occupancy, Givens Estates will give You notice of such date. You will be expected to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy. The Balance of the Entrance Fee is due on or prior to the Date of Occupancy, as described in Paragraph III.B.2.

- B. Occupancy.** As used in this Agreement, “Occupancy” will have occurred when You have signed this Agreement, have paid the Entrance Fee in full as described in Paragraph III.B.2 and have paid a full month Monthly Fee, as described in Paragraph III. C. Upon Occupancy, Givens Estates will be obligated to provide You with the Residence and services outlined in this Agreement.

### **III. FINANCIAL ARRANGEMENTS**

- A. Entrance Fee.** You agree to pay to Givens Estates an Entrance Fee as set forth in Schedule I, attached. The Entrance Fee assures You a place at Givens Estates for a term of years or for life. The initial Entrance Fee that You pay for the original Residence shall continue to be held as and applied against the Entrance Fee required for any subsequent Residence You may transfer to on the Givens Estates campus.
- B. Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee shall be as follows:
- 1. 10 Percent Deposit.** Upon entering this Agreement, You will pay ten percent (10%) of the total Entrance Fee for Your Residence (the "10% Deposit"), less any Wait List Deposit previously paid pursuant to a Future Residency Wait List Agreement between You and Givens Estates and less any Priority Reservation Deposit previously paid pursuant to a Priority Reservation Agreement between You and Givens Estates.
  - 2. Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence (being ninety percent (90%) of the total Entrance Fee) will be due and payable on or prior to the Date of Occupancy, unless otherwise agreed to in writing by Givens Estates.
- C. Monthly Fee.** In addition to the Entrance Fee, You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement, except as provided in Paragraph III.G.1. The Monthly Fee shall be payable in advance by the fifth (5<sup>th</sup>) business day of each month. Payment of the first month’s Monthly Fee is due prior to the Date of Occupancy. Your Monthly Fee will be as set forth in Schedule I, attached, subject to adjustments and additional costs described in this Agreement.
- D. Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and are intended to cover costs of the expenses associated with the operation and management of Givens Estates. With the approval of its Board of Directors, Givens Estates may increase the Monthly Fee from time to time during the term of this Agreement. The Monthly Fee will be adjusted as required, consistent with operating on a

sound financial basis and maintaining quality service. You will receive a thirty (30) day advance notice of increases in the Monthly Fee or other charges.

- E. Away Allowance.** If You are away from Givens Estates for at least thirty (30) consecutive days and complete an “Away Form” in advance, You may be eligible for an Away Allowance, which will be credited to Your Monthly Fee, in accordance with Givens Estates policies, which are subject to change. The amount of any credit shall be established by Givens Estates then-current literature.
- F. Monthly Statements.** Givens Estates will furnish You a Monthly Statement showing the Monthly Fee payable for the month in advance, and any additional charges from the previous month, payable by the fifth (5<sup>th</sup>) business day of the current month. Givens Estates may charge, and You agree to pay promptly, interest at a rate of one and one-half percent per month on any unpaid balance owed by You thirty (30) days after the monthly statement is dated.
- G. Health Care Charges.**
- 1. Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender Your prior Residence and will no longer pay the Monthly Fee for the Residence; instead, You will pay the per diem fee for such Health Care Residence, as established by Givens Estates then-current literature. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence (less any credit that may be given by Givens Estates) and You will pay the per diem fee for such Health Care Residence, as established by Givens Estates then-current literature, for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I. F.11.a–d. You may pay additional charges for ancillary services as described in Paragraph III. G. 4.
  - 2. Level of Care Fee.** If pursuant to Paragraph VI.A Givens Estates determines that You require additional care and services beyond the basic level of care provided at the Health Care Residence You shall pay to Givens Estates a daily Level of Care Fee, as established by Givens Estates then-current literature for such level of care, in addition to the per diem fee described in Paragraph III.G.1.
  - 3. Use of Refundable Portion of the Entrance Fee.** Should You move to Givens Estates Health Center, the remaining refundable portion of the Entrance Fee can be applied to the cost of care upon the receipt of a replacement Entrance Fee for the Residence by a new resident. If You move from another Residence to WAL, no Entrance Fee refund shall be paid to You at that time and no part of the remaining refundable portion of the Entrance Fee will be applied to the cost of care in WAL. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Estates.

4. **Additional Charges for Ancillary Health Care Services.** You will be responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Estates. Ancillary services will include all services not provided by the staff of Givens Estates and/or not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
5. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Estates, as determined by Givens Estates, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.
6. **Terms of Payment.** The per diem fees described in Paragraph III.G.1 and any Level of Care Fees You incur shall be payable in advance by the fifth (5th) business day of each month. Payment of such fees for the first calendar month or partial calendar month of occupancy of a Health Care Residence is due upon occupying a Health Care Residence. Givens Estates will credit Your account for any per diem fee paid pursuant to this Paragraph III.G for any day or days after You cease to occupy the Health Care Residence.

#### IV. **ADMISSION REQUIREMENTS AND PROCEDURES**

- A. **Age.** If You are single, You must be fifty-five (55) years of age or older at the time of Occupancy. If You are a couple, at least one member of the couple must be fifty-five (55) years of age or older at the time of Occupancy.
- B. **Application Forms.** You will provide an Application for Admission, a Personal Health History and a Confidential Financial Statement, all on forms furnished by Givens Estates for initial approval by Givens Estates.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative from Givens Estates prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Estates.
- D. **Approval Process.** Upon receipt of the completed Application Forms and the personal interview with a Marketing Representative, Givens Estates will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Estates will approve or deny the application for initial admission within thirty (30) days after receiving the completed forms, and will provide You with a written decision thereafter.
- E. **Health Requirements.** Within three (3) months before the Date of Occupancy, You will provide Givens Estates with a Physician's Examination Report completed by Your personal physician. Such report shall include a statement by

the physician that You are able to live independently and undertake ongoing activities of daily living. Givens Estates may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Estates may require You to have another physical examination by a physician approved by Givens Estates if additional information is necessary. You shall be responsible for the cost of such physical examinations. If You do not meet the criteria for independent living established by Givens Estates, You may move to other accommodations within Givens Estates more suitable to Your needs, or terminate this Agreement.

- F. Financial Requirements.** You must have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. Givens Estates may require You to furnish additional or updated financial information prior to Occupancy. Financial assistance may be available to residents who qualify, as determined by Givens Estates.
- G. Representations.** You affirm that the representations made in all information furnished by You to Givens Estates, including the Application for Admission, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Estates as a basis for entering into this Agreement.
- H. Statement as to Non-Discrimination.** Givens Estates shall not limit residency to persons on the basis of gender, race, color, religion, national origin or disability.

**V. TERMS OF RESIDENCY**

- A. Rights of Resident.** This Agreement is and shall be construed only as a revocable license. Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Givens Estates during the term of this Agreement. It is understood that this Agreement does not transfer or grant any right, title or interest in the real or personal property owned or administered by Givens Estates other than the rights and privileges as described in this Agreement. Nothing in this Agreement shall be construed to create a lease or the relationship of landlord and tenant between Givens Estates and You.
- B. Policies and Procedures.** All residents shall abide by Givens Estates policies and procedures, including such amendments, modifications and changes to the Resident Handbook as may be adopted by Givens Estates. Such Handbook shall be made readily available to You.
- C. Changes in the Residence and the Agreement.** Givens Estates has the right to change the Residence and/or the Agreement when and to the limited extent required to comply with the requirements of any applicable statutes, laws or regulations. The Residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.

- D. Visitors.** Short-term visitors and guests may stay in Your Residence for limited stays. No person other than You may reside in the Residence without the approval of Givens Estates.
- E. Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them is no longer domiciled in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Person Monthly Fee associated with the Residence. No Entrance Fee refunds shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII. B. 6.
- F. Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Estates carefully considers such requests, including but not limited to such factors as Your health, Your finances, availability of requested type of Residence and waiting lists. You must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Estates may require You to enter into a new or amended Residence and Services Agreement for the new Residence. The Entrance Fee refund percentage selected at initial occupancy remains in effect during a change in residence and is applicable to any additional amounts paid as a result of the change.
- 1. Move to Another Residence.** Should You be approved by Givens Estates to move to a subsequent Residence, You will pay the Monthly Fee associated with the subsequent Residence. The Entrance Fee paid for Your current Residence will be retained by Givens Estates and be held as part of the Entrance Fee for a subsequent Residence. Even if the Entrance Fee for the original Residence, when You began to occupy it, was greater than the current Entrance Fee for the subsequent Residence, You will not be entitled to a refund as a result of the difference between such Entrance Fees. If, however, the Entrance Fee for the original Residence, when You began to occupy it, was less than the current Entrance Fee for the subsequent Residence, You will pay an amount equal to the difference between the Entrance Fee of the original Residence that You paid and the current Entrance Fee of the subsequent Residence.
- G. Change in Residence at Option of Givens Estates.** If Givens Estates reasonably determines that Your Residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the Residence, or as a result of any other circumstances reasonably determined by Givens Estates to justify such transfer, Givens Estates may move You to a new Residence of a similar size provided that Givens Estates (i) advises You prior to undertaking any such move, (ii) gives You reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of Your personal furnishings, and (v) provides in such new Residence optional custom

improvements comparable to those provided in Your original Residence.

- H. Loss of Property.** Givens Estates shall not be responsible for the loss of any property belonging to You or to any guest due to theft, mysterious disappearance, fire or any other cause. You will be responsible for securing personal property insurance.
- I. Medical Insurance.** You shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to Givens Estates (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield) and shall furnish Givens Estates with evidence of such coverage.
- J. Addition of New Occupant.**
- 1. Addition of Resident Occupant.** Should You choose to share occupancy of Your Residence with a person who is also a resident of Givens Estates, the two of You may occupy either Residence and shall surrender the unoccupied Residence. You will pay the Double Person Monthly Fee upon Occupancy by both of You in the chosen Residence. No Entrance Fee refund for the unoccupied Residence shall be paid until Givens Estates receives a replacement Entrance Fee for the vacated Residence or twenty-four (24) months after Termination by Resident (whichever occurs first), and removal of all personal belongings from such vacated Residence. However, if neither resident was an original occupant of the selected Residence when the original Residence and Services contract was signed, an additional entrance fee will be required equal to the difference between the then current Entrance Fee and the original Entrance Fee paid at the same refund percentage originally selected.
  - 2. Addition of Non-Resident Occupant.** If You should choose to share occupancy of Your Residence with a person who is not already a resident of Givens Estates, the Non-Resident Occupant may become a resident if they meet all the requirements for admission, enter into a Residence and Services Agreement with Givens Estates, and pay an Entrance Fee equal to the then-current Double Person Entrance Fee. You and the Non-Resident occupant shall pay the Double Person Monthly Fee. If the Non-Resident Occupant does not meet the requirements of Givens Estates for admission as a resident, You may terminate this Agreement in the same manner as provided in Paragraph VII. B. with respect to a voluntary termination, or the Non-Resident Occupant may be approved for admission under special circumstances as agreed to in writing by Givens Estates and You. However, if neither the current resident nor the Non-Resident Occupant were the original occupants of the residence when the original Residence and Services contract was signed, an additional entrance fee will be required equal to the difference between the then current Entrance Fee and the original Entrance Fee paid at the same refund percentage originally selected.

- K. **Right of Entry.** You authorize employees or agents of Givens Estates to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Estates will always endeavor to maintain Your privacy and the privacy of the Residence. For Your safety, You agree not to replace or add any locks to the Residence.
- L. **Residents' Organization.** Residents of Givens Estates are members of a Residents' Association that is open to all residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to residents.

## VI. **TRANSFERS OR CHANGES IN LEVELS OF CARE**

- A. **Transfer to a Health Care Residence.** Givens Estates recognizes Your right of self-determination and will attempt to involve You or Your representative in all decisions related to transfers and changes in level of care. Givens Estates shall have authority to determine whether You should be transferred from Your Residence to a Health Care Residence, or from one level of care to another within Givens Estates, in cases of potential harm to Yourself or others, to assure the health and wellbeing of You and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Givens Estates administration and/or the Givens Estates Medical Director and shall be made after consultation with You and Your representative and Your attending physician. Such decisions shall be made only in Your best interest and in the best interest of the larger community as determined by Givens Estates. You will have priority to move to such Health Care Residence as Givens Estates determines to best meet Your needs, as soon as such is available.
- B. **Transfer to Other Facility.** If it is determined by Givens Estates that You need care beyond that which can be provided by Givens Estates, You may be transferred to a hospital or institution equipped to give such care at Your expense. Such transfer will be made only after consultation with You and/or Your representative and attending physician.
- C. **Surrender of Residence.** If a reasonable determination is made by Givens Estates that any transfer described in Paragraph VI. A. is or is highly likely to be permanent, You agree to surrender Your Residence.

## VII. **TERMINATION AND REFUND PROVISIONS**

- A. **Termination by Resident Prior to Occupancy.**
  - 1. **Termination During 30 Day Rescission Period and Before Occupancy.** This Agreement may be terminated by You by a Written Termination Notice for any reason within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement (the "Rescission Period") and You are not required to move into the Residence

during this Rescission Period. The Agreement is automatically cancelled if You die before occupying the Residence, or if, on account of illness, injury, or incapacity, You would be precluded from occupying the Residence under the terms of this Agreement. If this Agreement is terminated within such Rescission Period, any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of Your Written Termination Notice.

2. **Termination After the 30 Day Rescission Period and Before Occupancy.** This Agreement may be terminated by You by a Written Termination Notice for any reason after the Rescission Period and prior to Occupancy. The Agreement is automatically cancelled if You die before occupying the Residence, or if, on account of illness, injury, or incapacity, You would be precluded from occupying the Residence under the terms of this Agreement. In the event of such termination, You will receive a refund of Your 10% Deposit, less (i) a nonrefundable fee equal to the greater of One Thousand Dollars (\$1,000) or six percent (6%) of the total amount of the Entrance Fee for Your Residence, and (ii) any non-standard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You. The nonrefundable fee will not be charged to You if such termination is due to Your death, death of Your spouse, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Estates. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of Your Written Termination Notice.

**B. Termination by Resident After Occupancy.**

1. **Termination During the 30 Day Rescission Period and After Occupancy.** This Agreement may be terminated by You by a Written Termination Notice for any reason within the Rescission Period and You are not required to move into the Residence during this Rescission Period. If You do occupy the Residence within the Rescission Period and then terminate this Agreement before the end of the Rescission Period, any monies paid by the Resident shall be refunded in full less (i) periodic charges specified in this Agreement and applicable only to the period You actually occupied the Residence; (ii) nonstandard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You; and (iii) a service charge equal to the greater of One Thousand Dollars (\$1,000) or six percent (6%) of the total amount of the Entrance Fee for Your Residence. Any such refund shall be paid by Givens Estates within five (5) business days following its receipt of Your Written Termination Notice.
2. **Termination After the 30 Day Rescission Period and After**

**Occupancy.** At any time after Occupancy and after the Rescission Period ends, You may terminate this Agreement by a Written Termination Notice. In the event of such termination, You will receive a refund, less (i) periodic charges specified in this Agreement and applicable only to period You actually occupied the Residence; (ii) nonstandard costs incurred at Your request described in this Agreement or in amendment to this Agreement signed by You; and (iii) nonrefundable entrance fees as set out in paragraph VII. B. 5. below.

3. **Termination Upon Death After Occupancy.** In the event of death of a single Resident, or of the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee shall be determined according to Paragraph VII. B. 5. below.
4. **Termination by Givens Estates After Occupancy.** Givens Estates may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Admission, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Estates of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by Givens Estates, or breach any of the terms and conditions of this Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid to You shall be determined according to Paragraph VII. B. 5. below.
5. **Amortization of the Entrance Fee.** Your Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to You will decline over time, at a rate of six percent (6%) upon the date of Occupancy of the Residence and two percent (2%) on the first (1<sup>st</sup>) day of each calendar month thereafter until Your selected refund percentage remains at zero percent (0%) \_\_\_\_\_, fifty percent (50%) \_\_\_\_\_, or ninety percent (90%) \_\_\_\_\_. Regardless of the reason for termination, You are entitled to Your Entrance Fee refund, less (1) any non-standard costs requested by You and (2) any per diem Health Care Residence fees for Givens Health Center incurred by You during any period of Occupancy of a Health Care Residence in Givens Health Center, except as otherwise provided by this Agreement.
6. **Payment of Refunds.** Unless otherwise provided in this Agreement, Entrance Fee refunds will be paid upon You vacating the then current Residence covered by this Agreement or in case of dual occupancy upon both of You vacating the then current Residence, the removal of all personal property, and upon the receipt by Givens Estates of a replacement Entrance Fee for the Residence, or the expiration of twenty-four (24) months after Termination of this Agreement by the Resident (whichever occurs first).

7. **Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You or Your estate shall be liable to Givens Estates for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee due to You.
8. **Changes to Residence.** After the Date of Occupancy, any structural or physical changes to the Residence directed by You (including alterations such as construction of bookshelves or redecoration such as painting or wallpapering) will require the prior approval of Givens Estates and will be made only under Givens Estates supervision and direction. You shall make no structural or physical changes to any WAL Residence; Givens Estates shall maintain and decorate any WAL Residence in accordance with Givens Estates then-current literature. The cost of any change requested by You shall be at Your expense. Givens Estates may require, as a condition of approval of a requested change, that You either (i) agree to bear the cost of restoring the Residence to its original condition upon termination of Your occupancy of the Residence or (ii) prepay the estimated cost of restoring the Residence to its original condition. All structural improvements shall belong to Givens Estates.
9. **Notification of Termination.** For the purposes of this Paragraph VII, the term "Written Termination Notice" shall mean a written or printed notice from You or from Your representative, delivered to the following address either personally or by mail:

Director of Marketing  
Givens Estates, Inc.  
2360 Sweeten Creek Road  
Asheville, NC 28803

## **VIII. FINANCIAL ASSISTANCE**

Givens Estates has established a Financial Assistance Fund to allow a limited number of residents to continue to live at Givens Estates after their assets may have been depleted. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual resident.

## **IX. GENERAL**

- A. **Prohibition of Certain Activities.** The Givens Estates campus and residences, including but not limited to WAL and Givens Estates Health Center, are smoke-free. You shall not engage or permit any guest or licensee of Yours to engage in any obnoxious or offensive activity in Your Residence or on the Givens Estates campus. No family member or other guest or invitee of Yours shall be permitted

to occupy Your Residence on a regular basis, provided that such restriction shall not apply to another Resident in a semi-private WAL Residence.

- B. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Estates are personal to You and may not be transferred or assigned by You.
- C. **Indemnification.** You agree to indemnify and hold Givens Estates harmless from any and all personal injuries sustained by You or by any guest or invitee of Yours throughout the Givens Estates campus, except for any intentional or reckless acts by Givens Estates.
- D. **Management of Givens Estates.** The absolute rights of management are reserved by Givens Estates, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Estates reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other resident.
- E. **Entire Agreement.** This Agreement constitutes the entire contract between Givens Estates and You. Givens Estates shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent Givens Estates, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- F. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Estates and Your heirs, executors, administrators, and assigns.
- G. **Subordination to Financing.** Your rights under this Agreement shall at all times be subordinate to the rights of any bona fide lender under any mortgage, deed of trust or other security interest, now existing or hereafter created, on any of the property or assets of Givens Estates and to all amendments, modifications, replacements or refinancing thereof. You shall execute and deliver any documents reasonably required by Givens Estates or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- H. **Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations. You also agree to comply with all of Givens Estates policies prohibiting and/or regarding the making of gifts or donations to or for the benefit of Givens Estates employees or such employees' spouses and/or relatives.
- I. **Affiliation with Religious Organization.** Givens Estates is affiliated with the Western North Carolina Conference of the United Methodist Church. Such Conference has no responsibility for any of the obligations of Givens Estates under this Agreement.

- J. **Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- K. **Ad Valorem Taxes.** Should Givens Estates ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes will be added to the Monthly Fee for Your Residence.
- L. **Rights of the Resident.** Under this Agreement, Resident's rights and privileges are only those herein expressly granted and do not include any proprietary interest in the properties or assets of Givens Estates or any membership in Givens Estates.
- M. **Disclosure Statement.** You hereby acknowledge that You have received the current Givens Estates Disclosure Statement prior to or simultaneously with Your execution of this Agreement.

IN WITNESS WHEREOF, Givens Estates and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Estates Disclosure Statement and the 10% Deposit has been paid by the Resident.

Addenda Attached: Schedule I

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Resident Date

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Resident Date

THE GIVENS ESTATES, INC.

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Executive Director Date

**RESIDENCE AND SERVICES AGREEMENT  
SCHEDULE I**

**Givens Estates  
Asheville, North Carolina**

Resident(s) Name: \_\_\_\_\_

Address: Friendship Park \_\_\_\_\_

Residence Type/Number: \_\_\_\_\_ Occupancy Date: \_\_\_\_\_

**ENTRANCE FEE**

**Refund Option Amount:** \_\_\_\_\_

Single Person	Double Person
Entrance Fee .....\$	Entrance Fee .....\$

*If Applicable:*

90% Refund Premium .....\$

Total Entrance Fee .....\$

x .10

10 Percent of Total Entrance Fee .....\$

Less Wait List Deposit (if applicable) .....\$

10% Deposit Payable .....\$

Balance of Entrance Fee .....\$  
(payable prior to Date of Occupancy)

Notes:

**MONTHLY FEE**

**Estimated 20\_\_ Monthly Fee:**

Single Person	Double Person
Monthly Fee .....\$	Monthly Fee .....\$

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**Contract for Admission and Care**

Resident Name: \_\_\_\_\_

Health Insurance: \_\_\_\_\_

Medicare Number: \_\_\_\_\_

Admission Date: \_\_\_\_\_

Level of Care at Admission: \_\_\_\_\_

\_\_\_\_\_, is herein referred to as the "Resident".

Givens Estates, Inc. is herein referred to as the "Facility".

Givens Estates, Inc., (the "Facility"), agrees to provide skilled or assisted living care and ancillary services to Resident at Givens Estates' standard charges. A list of the current charges is incorporated into this Agreement by reference.

Resident or, in the event Resident is unable to execute this Agreement, Resident Representative and Givens Estates agree that the following terms, conditions, and policies shall apply with regard to the care provided Resident during Resident's stay at Givens Estates:

**I. Consent to Treatment**

I hereby authorize my attending physician, Dr. \_\_\_\_\_, or his/her designee, or in the absence of both, an on call emergency physician to prescribe and administer medical treatment while I am a Resident of this facility. I certify that I and/or my representative have been made aware of my medical condition and authorize this facility to perform necessary nursing and medical care. I understand that I may refuse any medication, treatment or therapy in entirety or partially at any time and release the facility and its employees or agents from any and all responsibility of consequences, which may result from my refusal.

Unless a copy of a properly executed Do Not Resuscitate (DNR) agreement or Living Will/Advance Directive for a Natural Death (LW) is provided to Givens Estates, all parties to

the Agreement represent that the facility has no agreement or understanding which would require the denial or cessation of medical treatment or procedures necessary to prolong the natural life of the Resident. If no such DNR or LW is provided, the Resident and/or Resident Representative hereby hold the facility harmless for any steps taken that prolong the natural life of the Resident.

## II. Release of Information

Givens Estates is authorized to release medical or other information concerning the Resident named above to Medicare/Medicaid agencies, private insurance companies and other sources from which payment of services is to be provided. Information may be released to hospitals and other treatment facilities to which the Resident may be transferred for health care services. Independent health care professionals treating the Resident outside of Givens Estates will be provided with medical and financial information necessary for treatment and billing purposes. Medical information will be transmitted to the state and federally approved data bank, which is required for care of Residents within a certified nursing facility. The Resident or Resident Representative may provide written authorization to disclose confidential information to other individuals.

Information released may be submitted verbally, by mail, fax, or electronic transmission. I release Givens Estates from any liability, which may arise from the release of such information. I request the payment of authorized benefits on by behalf be made to Givens Estates.

## III. Charges and Fees

The Resident agrees to pay the facility promptly when billed all fees and charges imposed by the Facility hereunder which are not covered under the Medicare or Medicaid program. If part or all of the Resident's stay at the Facility is not covered under the Medicare or Medicaid program, then in consideration of the Facility furnishing adult care or skilled nursing care to the Resident, the Resident shall pay, promptly when billed, for each day during the period set forth in the following sentence, an amount equal to the standard daily rate for such care as shown on the Facility Rate Schedule in effect. Charges and fees are subject to change with (30) days' notice. The period referred to in the preceding sentence shall commence on the date of the Resident's admission to the Facility if no part of the Resident's stay at the Facility is covered under the Medicare or Medicaid program (the "Admission Date"), or the date on which coverage for such stay terminates (the "Coverage

Termination Date”), whichever is applicable, and shall conclude on the day on which the Resident is discharged, but in no event shall such period be less than (3) days. The monthly equivalent of the aforesaid daily rate shall be payable in advance, on the Admission Date or the Coverage Termination Date, whichever is applicable, and by the 20th day of each month thereafter. Givens Estates may charge interest on outstanding accounts not received by the 30th of each month thereafter. The current charge for such care, as shown on Schedule I (a copy of which is attached hereto), is \$\_\_\_\_\_ per day/month.

The Resident also shall pay, promptly when billed, the daily co-insurance under the Medicare program, or monthly co-pay under the Medicaid program, if applicable and all charges for additional items and services furnished to the Resident which are not covered under the Medicare or Medicaid program. Such additional items and services include but are not limited to clothing, personal dry cleaning, or services furnished while the Resident’s stay at the Facility is not covered under the Medicare and Medicaid program. The charges therefore shall be only those which are permitted pursuant to section 1866 (a) of the Social Security Act and applicable regulations there under, and (b) no such additional item or service shall be furnished hereunder except at specific request of the Resident.

*Facility will advise the Resident of the amount of the Charge for Requested Services prior to furnishing those services. Refunds of any amounts paid in excess of the charges under Paragraph 3 above and this Paragraph shall be made by Facility as expeditiously as possible and in no event more than thirty (30) days after all Medicare program and Medicaid program payments as well as co-insurance payments have been collected.*

If the Resident has long term care or private insurance policies, the Facility will gladly assist the Resident in filing for reimbursement of such covered charges as long as arrangements are made for payment to come to the Facility. However, these charges are billed and treated as private charges. The Resident agrees to pay the Facility promptly when billed.

In the event the Resident fails to or refuses to pay any fees and charges due the Facility in accordance with this Agreement and it becomes necessary to place the account in the hands of a collection agency or an attorney for collection, the Resident shall pay all collection agency charges and other expenses for collection incurred by the Facility, including reasonable attorney’s fees (not exceeding 15% of the amount due to Facility) and court costs.

The acceptance of a partial payment on any occasion does not constitute any waiver of the payment requirements of this Agreement or otherwise limit the Facility's rights under this Agreement.

Resident and/or Resident Representative agree to pay for any services provided not covered by Medicare including all services provided when and if Medicare coverage should no longer be available.

Initial: \_\_\_\_\_

Medicare pays all charges for the 1st through 20th day of skilled care when the Resident meets the Medicare eligibility requirements. Beginning with the 21st to 100th day of covered care, Medicare may pay all charges except the co-insurance, (see Charge List for Medicare Co-insurance rate), this is billed to the Resident/Resident Representative. No discount is allowed on co-insurance.

Medicare coverage is determined by a Resident's diagnosis, medication, and/or treatment ordered by the physician. If at any time during the stay it is determined that a Resident's condition does not qualify for covered care under Medicare regulations, notification will be made in writing to the Resident or Resident Representative that Medicare coverage has been terminated. At this time, the Resident or Resident Representative must make satisfactory financial arrangements for continued care at the Facility. Default in payment for one (1) month will result in termination of agreement to provide care.

Ancillary charges will be billed at the end of each month.

Medicaid approved Residents must pay current monthly liability in advance. Medicaid covered residents are allowed 60 days per year for therapeutic leave for which the program will pay to hold their beds.

*Therapeutic leaves are arranged on the following basis:*

- The leave must be approved by the attending physician.
- Departure and return dates must be pre-arranged.
- The facility staff must coordinate the leave with the family.
- Resident must return at the pre-determined time or notify the facility of any extension.

- The maximum number of days for a therapeutic leave without prior approval from Medicaid is two (2) weeks.

Initial: \_\_\_\_\_ The medical needs of the above-named Resident do not meet the criteria for Medicare Part A coverage; therefore, Medicare will not cover any portion of the care. Some services, however, may be covered under Medicare Part B.

Initial: \_\_\_\_\_ The medical needs of the above-named Resident do meet the criteria for Medicare Part A coverage. I also understand if the Resident's condition changes and the medical criteria are no longer met, Medicare Part A coverage will cease.

#### IV. Trust Fund

The Trust Fund is a "petty cash" account that is maintained on behalf of Givens Estates residents. Examples of items purchased from the Trust Fund would be beautician and barber services, and sundry items. It is necessary for each Resident to maintain a balance in the account of at least as much funds as will be used by that Resident in any given month.

Givens Estates is authorized to maintain and disburse personal funds on Resident's behalf as outlined in the Policies Governing Resident's Care under "Trust Fund".

Yes \_\_\_\_\_ No \_\_\_\_\_

#### V. Personal Belongings

While Givens Estates encourages the use of personal belongings in the Resident's room, Givens Estates is not responsible for the safekeeping or replacement of such personal belongings. Items of monetary value or those items to which there is a high sentimental value should not be maintained in the Resident's room. Because of close living arrangements, memory issues for many Residents, the large number of individuals daily in and out of the Resident's living area, items such as valuable jewelry (including wedding rings), checkbooks, credit cards, antiques, cash, etc. should not be brought.

Unless delivered to the custody of the Administrator of Facility for safekeeping, the Facility shall not be responsible for any money, valuables or personal effects brought into the Facility by the Resident or by relatives or friends of the Resident. Cash is best deposited into the Trust Fund.

VI. Discharge Notice

The Resident shall give the Administrator of the Facility seven (7) days prior written notice of his/her intention to terminate their stay at the Facility, unless such notice would be due when such stay is covered under the Medicare and Medicaid program. All accrued charges shall be paid prior to such termination.

The Facility may involuntarily transfer or discharge the Resident for medical reasons, the Resident's own or other patients' welfare, or nonpayment. In the event of an involuntary transfer or discharge, the Resident shall be given at least five (5) days' notice unless a physician orders an immediate transfer and said order is documented in the medical record.

VIII. Laundry Services

Residents and families are requested to provide clothing that is easily cleaned. Clothing should be labeled with the Resident's name for identification. Residents should have a sufficient quantity of clothing to allow time for laundering.

Resident's laundry is to be done by the Facility.  Yes  No

IX. Restrictions and Liabilities

The Resident hereby agrees to indemnify and hold the Facility and its officers, directors, employees and agents harmless from and against any liability for personal injuries, death or property damage caused by the Resident, except in the case of negligence of the Facility or its officers, directors, employees or agents.

X. Documents Received

The undersigned has received a copy of the following material and accepts responsibility for cooperation with Givens Estates in these respects:

- a) Health Services Resident Handbook
- b) Information and Policies Governing Resident Care
- c) List of Charges
- d) Access to Medical Records Statement
- e) Contract for Admission and Care



- f) Advance Directives information
- g) Notice of Privacy Practices
- h) Notice of Entitlement Benefits (Information regarding Medicare/Medicaid coverage)
- i) Givens Estates Bed Hold Policy
- j) Givens Estates Nondiscrimination Policy
- k) Resident’s Bill of Rights

Resident agrees to abide by all rules and regulations established by Facility for the operation and maintenance of Facility. This includes family members and visitors of the Resident being respectful to all residents and staff members of Givens Estates.

This Agreement and any attachments constitute the entire agreement between the Resident or Resident Representative and Givens Estates. There are no other agreements, understandings, restrictions, warranties, or representations. This Agreement supersedes any prior agreements and understandings regarding admission to Givens Estates. All captions and headings are for convenience only and have no independent meaning. If any provision of this Agreement becomes invalid, the remaining provisions shall remain in full force and effect. This Agreement shall be construed according to the laws of the State of North Carolina. Other than as noted for a resident’s responsible party, the resident may not assign or otherwise transfer his or her interests in this Agreement.

This Agreement shall be binding upon Givens Estates and upon Resident and/or Resident Representative, their respective heirs, successors and assigns.

\_\_\_\_\_  
Signature of Resident or Resident Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Givens Estates Admissions Director

\_\_\_\_\_  
Date



GIVENS ESTATES HEALTH CENTER  
WOOD ASSISTED LIVING

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Contract for Admission and Care  
Schedule I

Resident(s) Name: \_\_\_\_\_

Type of Residence: \_\_\_\_\_

Residence Number: \_\_\_\_\_

Occupancy Date: \_\_\_\_\_

Refurbishment Fee: \_\_\_\_\_

Monthly/Daily Fee: \_\_\_\_\_

\_\_\_\_\_  
Signature of Resident or Resident Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Resident or Resident Representative

\_\_\_\_\_  
Date



**2021 SERVICE FEES**

**INDEPENDENT LIVING DINING OPTIONS**

*The Social Brew* is a gathering place designed to be a social hub for our community. Here, you will find smoothies, coffees, and quick-order breakfast fare in the mornings. Tapas, petite desserts, craft beer, and wine will be available in the evenings.

*Market + Craft* is a handcrafted eatery with multiple stations that provides a variety of choices. Made-to-order stations offer pizzas, grilled items, soups, salads and sandwiches to name a few. It is a casual aura and houses our Givens 2 Go and Gift Shop.

*Terrene* is an elegant and intimate restaurant offering fresh seasonal ingredients. Watch and interact with the chefs as they prepare your meals in an open-style kitchen. This venue resembles a Downtown Asheville dining experience.

Each venue offers a variety of price points to suit your needs. Menus with pricing will be advertised via the Gazette, Resident App, and GTV; menu paper copies can be found in each venue. Residents will be notified via the Gazette, Resident App, and GTV of any menu/pricing updates.

- Meal Delivery Charge: \$3.50
- Holiday/Theme Meals: Prices will vary by venue and be posted via the Gazette, Resident App, and GTV
- Residents have 248.00 per person in dining dollars credited to their meal plan accounts each dining dollar billing cycle and 496.00 per person can be carried over from billing cycle to billing cycle. Any balance exceeding that amount will expire at the end of your dining dollar billing cycle
- Any purchases in excess of your dining dollars balances will be charged to your resident account and included on your monthly statement.

## EXTRA SERVICES

Housekeeping .....	\$36 per hour
Maintenance .....	\$36 per hour
Grounds .....	\$36 per hour
Telephone (includes long distance) .....	\$28 per month
Cable Television .....	\$39 per month
Data/Internet .....	\$45 per month

## BEAUTY/BARBER SHOP

Ladies Dry Haircut .....	\$27.00
Men's Haircut .....	\$18.00
Shampoo and Set .....	\$22.00
Shampoo, cut, blow-dry .....	\$32.00
Shampoo, cut, blow-dry, set or curling iron .....	\$47.00
Color .....	\$42.00
Permanent .....	\$70.00
Highlight .....	\$55.00
Foils start at.....	\$75.00
Eyebrow Wax .....	\$ 9.00
Facial Wax .....	\$11.00 - \$16.00

## MANICURES/PEDICURES

Manicure .....	\$17.00	
Gel Manicure .....	\$30.00	
Polish Change .....	\$10.00	
File & Polish Only .....	\$12.00	
Nail Trim & File .....	\$14.00	
House Calls* .....	\$10.00	
<i>*(Upon request for an additional fee)</i>		
		Basic Pedicure* .....
		<i>*(Includes a foot soak, nail clip and file, lotion, &amp; polish)</i>
		Hand & Foot Massage
		15 Minutes .....
		30 Minutes .....

These enhancements are available to complement any of our nail services.

French or American-style polishes .....	\$5.00
Polish Refresher or Touch-Up .....	\$10.00
Gel Polish Refresher or Touch-Up.....	\$15.00
Nail Repair .....	\$3 per nail

## **GUEST ROOMS**

Asbury Commons .....	\$115.00 per day
Oxford Commons .....	\$145.00 per day
Roll-Away Bed .....	\$ 16.00 per day
Extra Linens (Towel, Washcloth, Set of Sheets) .....	\$ 5.00 per set

## **WOOD ASSISTED LIVING FEES**

Studio Apartment .....	\$5,590 per month
Deluxe Studio Apartment .....	\$6,126 per month
One Bedroom Apartment – Single Occupancy .....	\$9,193 per month
One Bedroom Apartment – Double Occupancy .....	\$11,228 per month
Level of Care Charges:	
Level of Care – 2 .....	\$50.00 per day
Level of Care – 3 .....	\$90.00 per day

Some apartments are equipped with kitchenette.

A one-time Community Fee may be applicable.

## **GIVENS ESTATES HEALTH CENTER FEES**

Sales	
Private Room .....	\$350.00
Semi-Private Room .....	\$310.00
Suite .....	\$360.00

Starnes	
Private Room .....	\$400.00
Semi-Private Room .....	\$325.00
Suite .....	\$425.00

**INDEPENDENT CARE NON-CHARGED SERVICES**

- Daily Wellness Clinic 1:00 PM – 2:00 PM
- Emergency call follow-up by licensed nurse
- Post-hospitalization visit by licensed nurse
- House calls by licensed nurse as directed by the Director of Nursing or Independent Care Coordinator

**HOME CARE SERVICES**

**Services Provided By a Licensed Nurse:**

Clinical assistance provided by a Licensed Nurse .....	\$52.50 per hour
Home Care Initial Assessment .....	\$80.00 each
Home Care Reassessment .....	\$60.00 each
Care Management .....	\$52.50 per hour
Dressing – Simple .....	\$23.00 per dressing
Dressing – Complex .....	\$42.00 per dressing
Injections and suture removal .....	\$23.00 each
Ear wax removal, w/o irrigation .....	\$23.00 per service
Ear wax removal w/irrigation .....	\$30.00 per service
Medication Coaching .....	\$52.50 per hour
Medication Set-up, Level 1 .....	\$52.50 per set-up
Medication Set-up, Level 2 .....	\$63.00 per set-up
Medication Adjustment .....	\$25.00 per service
Nail clipping .....	\$26.00 per service
Venipuncture for laboratory testing .....	\$21.00 per service

**Services Provided By a Certified Nursing Assistant:**

Certified Nursing Assistant .....	\$36.50 per hour
Finger-stick for blood sugar .....	\$21.00 per service
Medication administration .....	\$20.00 per visit
Blood pressure check, non-clinic hours .....	\$18.00 each
Pulse oximetry reading .....	\$18.00 per service

**Services Provided By a Certified Aging in Place Specialist:**

Certified Aging in Place Specialist .....	\$60.00 per hour
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**Other Services:**

Laundry .....	\$23.00 per load
Personal Emergency Transmitter .....	\$222.00 each
We Care Program .....	\$26.00 per month
Asbury Advantage, Level 1 .....	\$450.00 per month
Asbury Advantage, Level 2 .....	\$880.00 per month

**SERVICES DO NOT INCLUDE COST OF SUPPLIES WHICH ARE BILLED SEPARATELY.**

## PERSONAL TRANSPORTATION SERVICE FEES

(Per Person – Round Trip)

All Destinations on Campus .....\$ 4.00

### Skyland Area:

Long Shoals Road to Rock Hill Road .....\$21.00

### Arden Area:

Long Shoals Road to Old Airport Road .....\$26.00

### Biltmore Forest/Park/Village Area:

Rock Hill Road to Swannanoa River Road .....\$26.00

### Fletcher Area:

North Fletcher – Old Airport Rd. to Cane Creek Rd. (5 to 6 miles) .....\$27.00

South Fletcher – Cane Creek Rd. to Smiley Flea Market Area (6 to 10 miles) .....\$32.00

Park Ridge Hospital area (12 miles) .....\$42.00

Airport (*ONE WAY*) Monday - Friday only .....\$31.00

### Mission Hospital Area:

Swannanoa River Rd. to Hilliard St (5 to 6 miles) .....\$27.00

### Downtown Area:

South of Interstate 240 to Hilliard St (6 to 10 miles) .....\$32.00

### North Asheville:

North of Interstate 240 to Beaver Lake (6 to 10 miles) .....\$32.00

### West Asheville Area:

Interstate 40 to Enka Exit/Patton Ave (6 to 10 miles) .....\$32.00

### Fairview Area:

Interstate 40 to Exit 55 (6 to 10 miles) .....\$32.00

A single fee will be charged if a spouse or immediate family member must, of necessity, accompany a resident to medical appointments. Otherwise, there is a per person charge.

The driver's time is charged at \$32.00 per hour, as time permits, if a resident requests driver to wait, assist with personal shopping, etc. This charge is in addition to the round-trip charge.

The driver can shop/pick up medications in the Skyland/Arden area from a limited (10 or fewer items) resident-provided list (resident does not accompany) for the flat fee of \$20.00 per errand.

**24-hour notice is requested. No appointments should be scheduled before 8:00 a.m. or after 4:30 p.m., in order to allow for pick-up before 6:00 p.m.**

**ATTACHMENT 6**

Audited Balance Sheets and Income Statements at 12/31/19 and 12/31/20

Unaudited Balance Sheet and Income Statement at 4/30/21



# **The Givens Estates, Inc. and Subsidiaries**

## **Consolidated Financial Statements and Supplementary Information**

**Years Ended December 31, 2020 and 2019**



## Table of Contents

<b>Independent Auditors' Report</b> .....	1
<b>Financial Statements:</b>	
Consolidated Balance Sheets .....	3
Consolidated Statements of Operations.....	5
Consolidated Statements of Changes in Net Assets.....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements .....	9
<b>Supplementary Information:</b>	
Consolidating Balance Sheet.....	27
Consolidating Statement of Operations and Changes in Net Assets .....	31
Consolidating Statement of Cash Flows .....	33



## Independent Auditors' Report

The Board of Directors  
The Givens Estates, Inc. and Subsidiaries  
Asheville, NC

### ***Report on Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of The Givens Estates, Inc. and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Givens Estates, Inc. and Subsidiaries as of December 31, 2020 and 2019, and the results of operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



***Report on Consolidating Information***

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supplemental information listed in the foregoing table of contents is presented for purposes of additional analysis rather than to present the financial position and results of operations, and cash flows of the individual organizations, and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Dixon Hughes Goodman LLP*

Greenville, SC  
April 8, 2021

The Givens Estates, Inc. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 27,121,359	\$ 21,533,091
Assets limited as to use, current portion	27,613	27,436
Accounts receivable, net	1,689,855	1,777,565
Contributions receivable net, current portion	130,420	65,357
Other receivables	1,970,329	1,895,544
Escrow deposits	1,104,431	-
Prepaid expenses	532,013	580,806
	<u>32,576,020</u>	<u>25,879,799</u>
Non-current assets:		
Property and equipment, net	173,245,895	153,785,643
Assets limited as to use, less current portion	2,934,090	2,428,778
Investments restricted for statutory operating reserve	11,893,000	11,548,000
Investments	37,526,330	40,425,393
Contributions receivable net, less current portion	126,196	178,092
Other assets	806,961	806,961
Intangibles, net	4,095,207	6,110,965
	<u>230,627,679</u>	<u>215,283,832</u>
Total non-current assets	<u>230,627,679</u>	<u>215,283,832</u>
Total assets	<u>\$ 263,203,699</u>	<u>\$ 241,163,631</u>

The Givens Estates, Inc. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2020 and 2019

(Continued)

	<u>2020</u>	<u>2019</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 7,264,170	\$ 3,714,423
Payroll accruals and related withholdings	3,319,878	2,546,221
Interest payable	128,501	167,115
Agency funds	27,613	27,436
Escrow deposits	1,104,431	-
Unearned revenue	373,290	-
Estimated resident refunds payable, current portion	5,442,000	4,928,000
Long-term debt, current portion	4,005,090	5,916,371
	<u>21,664,973</u>	<u>17,299,566</u>
Total current liabilities		
Long-term liabilities:		
Long-term debt, net	57,653,336	61,563,164
Resident refunds payable, net of current portion	50,239,523	48,800,633
Deferred revenue from entrance fees	72,157,578	67,374,191
Interest rate swap liability	708,145	305,722
Advance admission deposits	1,051,495	999,434
	<u>181,810,077</u>	<u>179,043,144</u>
Total long-term liabilities		
Total liabilities		
	<u>203,475,050</u>	<u>196,342,710</u>
Net assets:		
Without donor restrictions	50,468,361	36,015,347
With donor restrictions	9,260,288	8,805,574
	<u>59,728,649</u>	<u>44,820,921</u>
Total net assets		
Total liabilities and net assets		
	<u>\$ 263,203,699</u>	<u>\$ 241,163,631</u>

The Givens Estates, Inc. and Subsidiaries  
Consolidated Statements of Operations  
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues, gains and other support:		
Long-term care revenue, net	\$ 14,709,015	\$ 14,709,317
Residential revenue, including amortization of entrance fees of \$9,400,000 and \$9,040,000 in 2020 and 2019, respectively	34,486,309	33,152,863
Assisted living revenue, net	5,124,231	5,428,721
Residential food service revenue	2,772,637	2,735,202
Contributions and grants	2,315,520	406,381
Interest and dividend income	999,171	1,105,294
Realized gain on investments	772,334	121,334
Net assets released from restrictions—operations	558,337	512,908
Other revenue	2,409,466	2,364,757
	<u>64,147,020</u>	<u>60,536,777</u>
Total revenues, gains and other support		
Expenses:		
Long-term care	14,584,489	14,240,743
Residential	22,439,784	23,275,548
Assisted living	4,028,100	3,905,094
Outreach	1,038,834	1,108,035
Bad debts	55,880	34,160
Depreciation	7,184,857	7,015,670
Amortization	2,047,825	2,135,633
Interest	1,829,832	2,175,240
	<u>53,209,601</u>	<u>53,890,123</u>
Total expenses		
Operating income	<u>10,937,419</u>	<u>6,646,654</u>
Non-operating gain (loss):		
Unrealized gain on investments	3,593,675	4,481,738
Gain (loss) on disposal of property and equipment	(152,748)	34,521
Change in interest rate swap value	(402,423)	(361,850)
	<u>3,038,504</u>	<u>4,154,409</u>
Total non-operating gain, net		
Excess of revenues over expenses	13,975,923	10,801,063
Other changes in net assets without donor restrictions:		
Net assets released from restrictions—capital projects	477,091	484,887
	<u>477,091</u>	<u>484,887</u>
Change in net assets without donor restrictions	<u>\$ 14,453,014</u>	<u>\$ 11,285,950</u>

See accompanying notes.

The Givens Estates, Inc. and Subsidiaries  
Consolidated Statements of Changes in Net Assets  
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Excess of revenues over expenses	\$ 13,975,923	\$ 10,801,063
Net assets released from restrictions—capital projects	<u>477,091</u>	<u>484,887</u>
Change in net assets without donor restrictions	<u>14,453,014</u>	<u>11,285,950</u>
Net assets with donor restrictions:		
Contributions	565,113	992,719
Net investment income	775,245	1,134,534
LifeMinistries income	149,784	47,031
Net assets released from restrictions—operating	(558,337)	(512,908)
Net assets released from restrictions—capital	<u>(477,091)</u>	<u>(484,887)</u>
Change in net assets with donor restrictions	<u>454,714</u>	<u>1,176,489</u>
Change in net assets	14,907,728	12,462,439
Net assets, beginning of year	<u>44,820,921</u>	<u>32,358,482</u>
Net assets, end of year	<u>\$ 59,728,649</u>	<u>\$ 44,820,921</u>

The Givens Estates, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 14,907,728	\$ 12,462,439
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,184,857	7,015,670
Amortization of deferred financing costs	56,853	44,143
Amortization of intangible assets	2,015,759	2,116,278
Realized and unrealized gain on investments	(4,366,009)	(4,603,072)
Gain (loss) on disposal of property and equipment	152,748	(34,521)
Change in swap value	402,423	361,850
Proceeds from entrance fees	12,145,333	13,647,585
Amortization of entrance fees	(9,408,719)	(9,037,822)
Bad debts	55,880	34,160
Contributions restricted for capital projects	-	129,616
Net change in assets and liabilities:		
Change in receivables, prepaids and other assets	(1,111,760)	(531,443)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	1,441,150	305,363
	<u>23,476,243</u>	<u>21,910,246</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Property and equipment purchases	(23,077,169)	(7,299,806)
Proceeds from sale of property and equipment	7,500	9,730
Reimbursement of development costs paid for related parties	-	96,031
Change in assets limited as to use and investments	6,414,583	(2,924,610)
	<u>(16,655,086)</u>	<u>(10,118,655)</u>
Net cash used by investing activities		

See accompanying notes.

The Givens Estates, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2020 and 2019

(Continued)

	<u>2020</u>	<u>2019</u>
Cash flows from financing activities:		
Repayment of long-term debt	\$ (8,894,773)	\$ (3,811,680)
Proceeds from long-term debt	3,016,811	2,029,691
Financing costs incurred	-	(44,490)
Refunds of entrance fees	(5,326,220)	(4,453,857)
Refundable portion of entrance fees received	3,008,003	2,832,100
Entrance fee received from initial units	6,963,290	4,266,580
Contributions restricted for capital projects	-	(129,616)
	<u>(1,232,889)</u>	<u>688,728</u>
Net cash (used) provided by financing activities		
Change in cash and cash equivalents	5,588,268	12,480,319
Cash and cash equivalents, beginning of year	<u>21,533,091</u>	<u>9,052,772</u>
Cash and cash equivalents, end of year	<u>\$ 27,121,359</u>	<u>\$ 21,533,091</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,868,446</u>	<u>\$ 2,194,411</u>
Non-cash activities:		
Purchase of property and equipment in accounts payable at year-end	<u>\$ 4,273,634</u>	<u>\$ 545,445</u>
Resident refunds in accounts payable at year-end	<u>\$ 645,410</u>	<u>\$ 828,824</u>

## 1. Summary of Significant Accounting Policies

### ***Organization***

The Givens Estates, Inc. is a non-profit, North Carolina corporation. The Company owns and operates two continuing care retirement communities ("CCRC") which includes Givens Estates and Givens Highland Farms. Givens Estates consists of 409 independent living units (cottages, villas, houses, duplexes, and apartments), a 47 unit assisted living facility, and an 84 bed health care facility, as well as a wellness center, on a 215 acre campus in Asheville, North Carolina. Givens Highland Farms (Givens Highland Farms, LLC) consists of 271 independent living units (homes and apartments), 30 assisted living beds, and a 60 bed health care facility on 75 acres in Black Mountain, North Carolina. The Company also owns and operates Givens Gerber Park II, LLC, which consists of 82 apartment homes with supportive services for seniors with modest incomes located on Gerber Road in Asheville, North Carolina.

### ***Principles of consolidation***

The accompanying consolidated financial statements include the accounts of The Givens Estates, Inc. and its wholly owned subsidiaries: Givens Highland Farms, LLC ("Givens Highland Farms"), LifeMinistries Outreach, LLC, and Givens Gerber Park II, LLC, collectively "The Company." All significant intercompany accounts and transactions have been eliminated in consolidation.

### ***Use of estimates***

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

### ***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, amounts on deposit in banks, and highly liquid debt instruments with a maturity of 90 days or less when purchased, excluding amounts whose use is limited.

### ***Assets limited as to use***

These assets include resident funds and assets set aside by the board of directors to provide supplemental assistance to residents for payment of the residents' initial contribution and monthly rentals for the life occupancy residential complex, over which the board retains control and may at its discretion subsequently use for other purposes.

### ***Accounts receivable***

Accounts receivable arise from the sale of residential and healthcare services and products, for which the Company grants credit on an unsecured basis. Accounts are considered past due after 30 days. The Company estimates allowance for doubtful accounts by evaluating the collectability of accounts greater than 120 days past due. Once a charge has been determined to be uncollectible, it is charged-off.

**The Givens Estates, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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***Contributions receivable***

Unconditional contributions are recorded at net present value as contributions in the consolidated balance sheets or direct additions to net assets with restrictions, if restricted by the donor or time, net of any allowances for uncollectible pledges.

***Investments***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses.

***Fair value measurements***

Fair value as defined under generally accepted accounting principles (“GAAP”) is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used when measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

***Property and equipment***

Property and equipment is stated at cost or at fair value at date of donation. The Company capitalizes all assets over \$1,000 and depreciates the assets using the straight-line method over their estimated useful lives as follows:

Land improvements	10-20 years
Buildings	15-40 years
Furniture and equipment	3-10 years
Vehicles	3-5 years

Expenditures for repairs and maintenance are charged to expenses as incurred. The costs of major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition of equipment, the asset and related accumulated depreciation accounts are relieved and any related gain or loss is recorded. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Buildings for Givens Highland Farms include condominiums, cluster homes (which are groups of individual residences connected by adjoining walls), houses (collectively referred to as “housing units”), and rental property. Givens Highland Farms’ contracts with the residents provide that either upon death or at the resident’s option, Givens Highland Farms has the option to purchase; and the resident or his estate must sell the housing unit at a specified price. It is the intention of Givens Highland Farms to always choose the option to repurchase the housing units and once repurchased to not resale them. The repurchase price (the “Repurchase Obligation”) is 94% of the resident’s original purchase price, reduced 3% per year for each year beyond the first year that the resident occupies the unit. The minimum repurchase price after seven years of occupancy is 76% of the original purchase price.

Because Givens Highland Farms maintains an active role in the management of housing units, placing significant restrictions on purchasers that limit the privileges of ownership, and has the option to repurchase the units upon relocation or death of the resident, the housing units are recorded in a manner similar to rental property. The units are carried as assets on the Company’s consolidated balance sheet at their historical cost and are depreciated on a 15-year, straight-line basis.

### ***Intangibles***

In connection with the recording of the assets and liabilities as part of the purchase of Highland Farms, intangibles of \$15,440,665 were recorded with this transaction. Givens Highland Farms obtained approximately \$14.8 million of deferred revenue and refundable entrance fee contracts. The projected net future cash flows to be generated from these resident contracts are recorded as an intangible asset and are being amortized over the average life expectancy of those residents, or approximately 8 years. The remainder has been recorded as goodwill. In 2019, the Company began amortizing goodwill over the average life expectancy of those residents whose contracts the goodwill was based, or approximately 6.5 years. The Company would analyze goodwill for impairment upon the occurrence of a triggering event. There was no impairment recorded in 2020 and 2019.

### ***Deferred revenue from entrance fees***

Givens Estates, Inc. operates two Life Plan communities. In exchange for an entrance fee, which ranges from approximately \$40,500 to \$1,440,000 at Givens Estates and approximately \$36,000 to \$767,000 at Givens Highland Farms, residents are granted a lifetime occupancy interest in the residential unit. The entrance fee will vary due to the size of the residence and the contract option selected by the resident.

The nonrefundable portion of the entrance fee paid by a resident upon entering into a lifetime occupancy contract is recorded as deferred revenue. In 2008, Givens Estates began offering three types of contracts: a 90% refundable option, which the refund declines to 90% over a three month period, a 0% refund option, which the refund declines to 0% over a four year period, and a 50% refundable option, which the refund declines to 50% over a two year period. For contracts signed before 2003, the refundable balance declined to 50% over an eight year period.

Givens Highland Farms offered two types of contracts for the apartments and the lodge: a 50% refundable option, with the refund declining to 50% over a 23 month period, and a 0% refund option, with the refund declining to 0% over a 46 month period. For contracts signed before 2006 for the apartments or the lodge, the 50% refundable option declines to 50% over a 46 month period, and the 0% refundable option declines to 0% over a 60 month period. In 2015, Givens Highland Farms began offering a 65% refundable contract option for the cluster homes, condominiums and homes with the refund declining to 65% over a 16 month period. In 2014, Givens Highland Farms began offering a 75% refundable contract option for the cluster homes, condominiums and homes with the refund declining to 75% over an 11 month period. In addition, the initial contracts for the Meadowmont and Cottage homes are 75% refundable contracts. The refundable portion of contracts signed before 2014 for the cluster homes, condominiums and homes declines to 76% over a seven year period. In 2017, Givens Highland Farms also began offering three types of contracts: a 90% refundable option, which the refund declines to 90% over a three month period, a 50% refundable option, which the refund declines to 50% over a two year period, and a 0% refundable option, which the refund declines to 0% over a four year period.

The nonrefundable portion of the Givens Highland Farms Repurchase Obligation that is not required to be paid back to the resident (of original purchase price) is recorded as part of deferred revenue from entrance fees. Revenue is recognized each year to the extent that Givens Highland Farms' repurchase obligation is reduced over the estimated average life expectancy of the resident.

The non-refundable portion of deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the resident, adjusted annually.

### ***Resident refunds payable***

Resident refunds payable include estimated entrance fee refunds due to residents that have the 50%, 65%, 75%, 76% or 90% refundable contracts. Givens Estates contract stipulates that the entrance fee is refundable within two years or when a replacement occupant has been secured, whichever is sooner. Refunds are made within 30 days for Givens Highland Farms apartment contracts signed before December 1, 2012. Based on historical experience, the estimated amount of the resident refunds that are expected to be refunded in the coming year are \$5,442,000 and \$4,928,000 at December 31, 2020 and 2019, respectively, and are classified as a current liability on the consolidated balance sheet. Total contractual refund obligations in the event of move-out, death, or termination (that is if all residents with a refundable balance were to have withdrawn) at December 31, 2020 and 2019 were approximately \$76,840,000 and \$78,982,000, respectively.

The refundable portion of the Givens Highland Farms Repurchase Obligation required to be paid back to the resident (76% of original purchase price) within 120 days, is recorded as part of resident refunds payable.

### ***Advance admission deposits***

The Company collects an initial deposit of \$1,000 as part of the application process. Once the unit becomes occupied, these fees are transferred to deferred revenue.

### ***Net assets***

The Company reports its net assets using the following classes; net assets without restrictions and net assets with restrictions depending on the presence and type of donor-imposed restrictions limiting the Company's ability to use or dispose of specific contributed assets or the economic benefits embodied in those assets. Net assets without restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. Net assets with restrictions are those net assets whose use by the Company has been limited by donors (a) to later periods of time or after specified dates or (b) to specified purposes.

### ***Contributions and donor-imposed restrictions***

All contributions are considered to be available for use unless specifically restricted by the donor. The Company reports gifts of cash and other assets as restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statement of operations as net assets released from restriction.

### ***CARES Act provider relief funds***

These relief funds are considered non-exchange transactions subject to terms and conditions specified by the resource provider distributed by the Health Resources Service Administration section of the U.S. Department of Health and Human Services ("HHS"). These conditions create a restriction that such funds must be used to prevent, prepare or respond to the coronavirus ("COVID-19"), creating purpose restrictions in addition to conditions. This conditional grant revenue is recognized as contributions to the extent conditions/restrictions for entitlement are met for coronavirus related expenses or lost revenues. The Company reports conditional contributions for which the conditions and related restrictions are met in the same reporting period as contributions. Such funds are subject to recoupment to the extent the conditions for entitlement are not met.

### ***Statements of operations***

The consolidated statements of operations include excess of revenues over expenses. Changes in net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets). The Company considers excess of revenues over expenses to be its performance indicator.

### ***Interest rate swap***

The Company utilizes an interest rate swap to manage the variability in interest rates on certain variable rate debt. The Company accounts for its interest rate swap under GAAP, which requires companies to recognize all derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of the foreign currency exposure of a net investment in a foreign operation. For derivative instruments not designated as hedging instruments, the changes in fair value are recognized in excess of revenue over expenses. The Company's interest rate swap is not designated as a hedging instrument and the change in fair value is included in excess of revenue over expenses.

### ***Income taxes***

The Company is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue code; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Company has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2020.

### ***Benevolent assistance***

The Company has a policy of providing benevolent assistance to residents who are unable to pay the full cost of care and services. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. Since the Company does not expect to collect the normal charges for services provided, charges for benevolent assistance are not included in revenue.

### ***Continuing-care contracts***

The Company enters into fee-for-service continuing-care contracts with various residents. A fee-for-service continuing-care contract is an agreement between a resident and the Company specifying the services and facilities to be provided to a resident over his or her remaining life. Under the fee-for-service contracts, the Company has the ability to increase fees as deemed necessary. For the year ended December 31, 2020 and 2019, the Company calculated the present value of the net costs of future services and the use of facilities to be provided to current residents and compared that amount with the balance of deferred revenue from entrance fees. If this calculated value exceeds the deferred revenue from entrance fees, a liability is recorded, with a corresponding charge to income. The obligation is discounted at 2.4% for December 31, 2020 and 2.9% at December 31, 2019 based on management's estimate of interest earnings. At December 31, 2020 and 2019, the calculated value did not exceed the balance of deferred revenue from entrance fees; therefore, no liability for the obligation to provide future services is required to be recorded.

### ***Concentration of credit risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, accounts receivable and investments. The Company maintains its cash in bank accounts which, at times, may exceed federally depository insurance (FDIC) limits. Management believes the credit risk associated with these deposits is minimal.

***Methods used for allocation of expenses among programs and supporting services***

The Company has presented a schedule of expenses by both function and nature in Note 20. The Company allocates expenses on a functional basis among its various programs and supporting services. The schedule of expenses in Note 20 reports certain categories of expenses that are attributable to one or more program or supporting services of the retirement community. These expenses include advertising, administration, insurance, and other.

***Subsequent events***

Subsequent events have been evaluated through April 8, 2021, which is the date the consolidated financial statements were available to be issued.

**2. Revenue Recognition**

The Company generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

***Monthly service fees***

The contracts that residents select require an advanced fee and monthly fees based upon the type of accommodation they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with other services and these performance obligations are earned each month. Under Accounting Standards Codification (“ASC”) Topic 606, management has determined that the performance obligation for the standing obligation to provide the appropriate services is the predominate component and does not contain a lease component under ASC Topic 840. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

***Entrance fees***

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheet until the performance obligations are satisfied. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheet. Additionally, management has determined the contracts do not contain a significant financing component as the advanced payment assures residents access to services in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is the material right associated with access to future services as described in Financial Accounting Standards Board (“FASB”) ASC 606-10-55 paragraph 42 and 51.

***Health care services***

In the facility, the Company provides assisted and nursing care to residents that are covered by government and commercial payers. Otherwise, these residents pay a per diem rate that is generally billed monthly in advance. The Company is paid fixed daily rates from government and commercial payers. The per diem daily rates and other fees billed to government and commercial payers are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid.

The Givens Estates, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements

Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams. In the table below, residential revenue consists of the monthly service fee charged to each resident. The monthly service fee charge includes an allocated portion of dining and communication charges. The allocated portions of dining and communication charges are included with Residential food service and Other revenue on the Consolidated Statement of Operations. Assisted living revenue consists of the private pay per diem rate charged to each resident. Long-term care revenue consists of the private pay per diem rate charged to each resident, as well as the fixed daily rates from government and commercial payers on behalf of certain residents. Assisted living revenue and Long-term care revenue includes additional revenue from ancillary services that are billed in arrears on the Consolidated Statement of Operations.

	December 31, 2020			Total
	Residential	Assisted Living	Long-term Care	
Private pay	\$ 34,486,309	\$ 4,870,162	\$ 8,008,663	\$ 47,365,134
Medicare and Medicare Advantage	-	-	3,217,643	3,217,643
Medicaid	-	-	2,070,196	2,070,196
<b>Total</b>	<b>\$ 34,486,309</b>	<b>\$ 4,870,162</b>	<b>\$ 13,296,502</b>	<b>\$ 52,652,973</b>
<b>Ancillary Services</b>	<b>-</b>	<b>254,069</b>	<b>1,412,513</b>	<b>1,666,582</b>
<b>Total</b>	<b>\$ 34,486,309</b>	<b>\$ 5,124,231</b>	<b>\$ 14,709,015</b>	<b>\$ 54,319,555</b>

	December 31, 2019			Total
	Residential	Assisted Living	Long-term Care	
Private pay	\$ 33,152,863	\$ 5,071,179	\$ 9,022,972	\$ 47,247,014
Medicare and Medicare Advantage	-	-	3,201,795	3,201,795
Medicaid	-	-	1,114,558	1,114,558
<b>Total</b>	<b>\$ 33,152,863</b>	<b>\$ 5,071,179</b>	<b>\$ 13,339,325</b>	<b>\$ 51,563,367</b>
<b>Ancillary services</b>	<b>-</b>	<b>357,542</b>	<b>1,369,992</b>	<b>1,727,534</b>
<b>Total</b>	<b>\$ 33,152,863</b>	<b>\$ 5,428,721</b>	<b>\$ 14,709,317</b>	<b>\$ 53,290,901</b>

### 3. Fair Value of Financial Assets

Prices for certain investments are readily available in active markets in which those securities are traded, and the resulting fair values are categorized as Level 1. Prices for certain investments are determined on a recurring basis based on inputs readily available in public markets or can be derived from information available in publicly quoted markets and are categorized as Level 2. There is limited or no observable market data for the prices of other funds that are held by the Company and the resulting fair values of these securities are categorized as Level 3. There were no investments valued as Level 3 investments during 2020 or 2019.

**The Givens Estates, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The Company invests in certain investments for which quoted prices are not available in active markets for identical instruments. The Company utilizes the net asset value (NAV) provided by the administrator of the fund as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. These investments are not required to be classified within a level on the fair value hierarchy.

The following tables set forth by level within the fair value hierarchy the Company's financial assets accounted for at fair value on a recurring basis as of December 31, 2020 and 2019. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Assets at fair value as of December 31, 2020 and 2019 consist of the following:

	<b>December 31, 2020</b>			<b>Fair Value</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Stocks <sup>(1)</sup>	\$ 15,074,204	\$ -	\$ -	\$ 15,074,204
Exchange traded funds	11,896,538	-	-	11,896,538
Mutual funds	9,755,479	-	-	9,755,479
Corporate bonds	-	1,564,706	-	1,564,706
Government securities	2,046,602	-	-	2,046,602
	<u>\$ 38,772,823</u>	<u>\$ 1,564,706</u>	<u>\$ -</u>	<u>40,337,529</u>
Investments at NAV (a)				<u>8,255,751</u>
Total investments at fair value				<u>\$ 48,593,280</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (708,145)</u>	<u>\$ -</u>	<u>\$ (708,145)</u>

<sup>(1)</sup>These assets combined are held with Morgan Stanley and at December 31, 2020 consist of the following approximate concentrations: 35% Cyclical (basic materials, consumer goods, financial services, and real estate), 41% Sensitive (community services, energy, industrials, and technology), and 24% Defensive (consumer defense, healthcare, and utilities).

	<b>December 31, 2019</b>			<b>Fair Value</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Stocks <sup>(1)</sup>	\$ 14,130,651	\$ -	\$ -	\$ 14,130,651
Exchange traded funds	10,769,576	-	-	10,769,576
Mutual funds	7,048,436	-	-	7,048,436
Corporate bonds	-	7,547,654	-	7,547,654
Government securities	1,696,916	-	-	1,696,916
	<u>\$ 33,645,579</u>	<u>\$ 7,547,654</u>	<u>\$ -</u>	<u>41,193,233</u>
Investments at NAV (a)				<u>7,149,495</u>
Total investments at fair value				<u>\$ 48,342,728</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (305,722)</u>	<u>\$ -</u>	<u>\$ (305,722)</u>

<sup>(1)</sup>These assets combined are held with Morgan Stanley and at December 31, 2019 consist of the following approximate concentrations: 35% Cyclical (basic materials, consumer goods, financial services, and real estate), 43% Sensitive (community services, energy, industrials, and technology), and 22% Defensive (consumer defense, healthcare, and utilities).

**The Givens Estates, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The Company has \$3,787,753 and \$6,086,879 of cash and cash equivalents included in investments and assets limited as to use on the consolidated balance sheets at December 31, 2020 and 2019, respectively, which was not classified as a level as prescribed within the provision.

- (a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Consolidated Balance Sheets.

The Company recognizes transfers between the levels as of the beginning of the reporting period. There were no gross transfers between the levels for the years ended December 31, 2020 and 2019.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of:

	<u>Fair Value at December 31, 2020</u>	<u>Fair Value at December 31, 2019</u>	<u>Unfunded Commitments</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
UMF Diversified Fund	\$ 8,255,751	\$ 7,149,495	None	None	Daily

#### **4. Assets Limited as to Use**

Assets limited as to use are recorded at fair value based upon quoted market rates and consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
By Board	\$ 2,330,355	\$ 2,156,212
Other funds	603,735	272,566
Held on behalf of others	<u>27,613</u>	<u>27,436</u>
	2,961,703	2,456,214
Less current portion	<u>27,613</u>	<u>27,436</u>
	<u>\$ 2,934,090</u>	<u>\$ 2,428,778</u>

The Givens Estates, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements

## 5. Property and Equipment

Property and equipment consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land and land improvements	\$ 8,621,884	\$ 8,522,121
Buildings	197,209,515	187,755,226
Furniture and equipment	14,754,596	13,251,527
Vehicles	500,722	386,163
Construction in progress	<u>21,809,598</u>	<u>6,360,669</u>
	242,896,315	216,275,706
Less accumulated depreciation	<u>(69,650,420)</u>	<u>(62,490,063)</u>
	<u>\$ 173,245,895</u>	<u>\$ 153,785,643</u>

Several large construction projects were started or continued in 2020. Construction commitments at December 31, 2020 consisted of approximately \$20,747,000 to the project contractors.

## 6. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Supplemental assistance	\$ 7,111,687	\$ 7,186,346
Capital projects	149,734	9,928
General services	891,899	704,856
Outreach	<u>1,106,968</u>	<u>904,444</u>
	<u>\$ 9,260,288</u>	<u>\$ 8,805,574</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Supplemental assistance	\$ 237,232	\$ 264,021
Resident assistance	91,385	-
Outreach expenses	149,784	49,955
General services	<u>79,936</u>	<u>198,932</u>
Used for operations	558,337	512,908
Used for capital projects	<u>477,091</u>	<u>484,887</u>
	<u>\$ 1,035,428</u>	<u>\$ 997,795</u>

## **7. Related Party Transactions**

The Company is an income beneficiary of the Marion Jackson Givens Trust, subject to the discretion of the trustee. Revenue recorded from the trust totaled \$369,283 in 2020 and \$244,199 in 2019.

There are two board members affiliated with the two law firms that serve as legal counsel for the Company. Related legal expenses incurred during 2020 and 2019 were \$36,416 and \$40,336, respectively.

The Company has funds invested with the United Methodist Foundation (“UMF”). The CFO of the Company serves on the UMF Investment Committee and the Development Director of the Company serves on the board of the UMF. During 2017, the Company invested \$2,700,000 in a new development fund with UMF. The UMF development fund used these proceeds to make a loan to Givens Gerber Park, LLC.

During 2006, the Company was invited to work with the Southeastern Jurisdictional Administrative Council (“SEJAC”) and the Southeastern Methodist Association for Rehabilitation (“SEMAR”) in developing an affordable housing project for seniors in Haywood County. The project, the Great Laurels of Junaluska, is located on 6.3 acres across from the main entrance to Lake Junaluska Assembly and consists of 36 apartments funded through a grant from the HUD and 64 apartments funded primarily through tax credits. The President and CEO of the Company serves as President of the Great Laurels, Inc. and the CFO of the Company serves as Finance Director.

The Company is a member of Gerber Park of Asheville, LLC (49% interest). Gerber Park of Asheville, LLC is the managing member of Givens Gerber Park, LLC (.01% interest). Givens Estates has an investment in Givens Gerber Park, LLC in the amount of approximately \$717,000. This amount relates to unreimbursed development and construction costs of Givens Gerber Park, LLC that will be reimbursed through Givens Gerber Park loans and developer fees. The Company has entered into a lease with Givens Gerber Park, LLC, where the Company owns the land that Givens Gerber Park, LLC is constructed. The Company leases this land to Givens Gerber Park, LLC for \$1 per year. This lease expires in 2065.

The Company is a managing member of Gerber Park of Asheville III, LLC (49% interest). Gerber Park of Asheville III, LLC is the managing member of Givens Gerber Park III, LLC (.01% interest). Givens Estates has an investment in Givens Gerber Park III, LLC in the amount of approximately \$89,782. This amount relates to unreimbursed development and construction costs of Givens Gerber Park III, LLC that will be reimbursed through Givens Gerber Park loans and developer fees. The Company has entered into a lease with Givens Gerber Park of Asheville III, LLC, where the Company owns the land that Givens Gerber Park of Asheville III, LLC is constructed. The Company leases this land to Givens Gerber Park of Asheville III, LLC for \$1 per year. This lease expires in 2081.

Givens Affordable Communities, Inc. an affiliate of Givens Estates, manages and provides on-site employees for the Givens Gerber Park and Givens Great Laurels Communities.

## 8. Intangible Assets

Intangible assets presented on the consolidated balance sheets at December 31, 2020 and 2019 consist of the following:

<u>2020</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets:		
Resident contracts	\$ 9,649,855	\$ 9,649,855
Amortized intangible assets:		
Goodwill	\$ 5,915,299	\$ 1,820,092
<u>2019</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets:		
Resident contracts	\$ 9,649,855	\$ 8,544,143
Unamortized intangible assets:		
Goodwill	\$ 5,915,299	\$ 910,046

The estimated amortization expense for future periods at December 31, 2020, are as follows:

2021	\$ 910,046
2022	910,046
2023	910,046
2024	910,046
2025	<u>455,023</u>
	<u>\$ 4,095,207</u>

It is the intent of the Company to find replacement residents and deferred revenue entrance fee contracts as each resident leaves the community.

The Givens Estates, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements

## 9. Long-Term Debt

Long-term debt at December 31, 2020 and 2019 consists of:

	<u>2020</u>	<u>2019</u>
Public Finance Authority Retirement Facilities Revenue Refunding Bonds Series 2017. Interest payable on each June 25 and December 25, at a rate of 2.84% at December 31, 2020 and 2019. Principal payments began in 2017 with final payment due in 2033.	<b>\$ 42,910,000</b>	45,760,000
Note payable to a bank, monthly payments of \$48,333 plus interest at a variable rate of 1.25% over the 30-day LIBOR, final payment due December 2022; collateralized by real estate.	<b>9,860,031</b>	10,440,027
Note payable to a bank, total available principal of \$8,500,000 due December 2026. This note converted from a construction loan to permanent debt effective April 2018 with a swap, which fixed the rate at 3.88%.	<b>6,917,656</b>	7,247,068
Note payable to a bank, the total available principal of \$8,600,000, payments were interest only at a variable rate of 0.75% over the 30-day LIBOR beginning in September 2019 until principal and accrued interest due August 2021; collateralized by real estate. Repaid in 2020.	-	1,991,281
Note payable to a bank, the total available principal of \$18,000,000, payments were interest only at a variable rate of 0.75% over the 30-day LIBOR beginning in September 2019 until principal and accrued interest due February 2023; collateralized by real estate.	<b>38,410</b>	38,410
Note payable to a bank, total available principal of \$2,800,000, payments were interest only at a variable rate of 1.25% over the 30-day LIBOR until principal payments began in September 2016, final payment due November 2022; collateralized by real estate.	<b><u>2,248,486</u></b>	<u>2,375,759</u>
	<b>61,974,583</b>	67,852,545
Less current portion	<b>(4,005,090)</b>	(5,916,371)
Less unamortized debt issuance costs	<b><u>(316,157)</u></b>	<u>(373,010)</u>
	<b><u>\$ 57,653,336</u></b>	<u>\$ 61,563,164</u>

The Series 2017 bonds are collateralized by certain pledged assets of the Company including the Company's deed of trust. The bond agreement and loan agreements with the bank contains various covenants, the most restrictive being provisions related to long-term debt service coverage and operating ratios. Changes in tax rates could result in higher interest rates under the terms of the debt agreements.

The aggregate annual principal maturities of long-term debt at December 31, 2020, are as follows:

2021	\$ 4,005,090
2022	14,738,370
2023	3,409,412
2024	3,489,412
2025	3,569,412
Thereafter	<u>32,762,887</u>
	<b><u>\$ 61,974,583</u></b>

## 10. Retirement Plan

The Company participates in a 403(b) plan. The 403(b) plan provides that the Company will match employee contributions up to a maximum of 6% of their annual compensation. The Company's contribution to the plan for 2020 and 2019 was \$721,678 and \$684,048, respectively.

## 11. Self-Insurance Plan

The Company has a medical self-insurance plan (the "Plan") for essentially all employees. Under the Plan, the Company is responsible for claims up to \$125,000 per employee per plan year. The plan year is the period from October 1<sup>st</sup> through September 30<sup>th</sup>. Any claims in excess of this limitation are covered by a reinsurance policy.

Included in accrued expenses at December 31, 2020 and 2019 were \$506,609 and \$595,098, respectively, for unpaid claims. Claims of \$2,682,801 and \$2,400,326 were paid during the 2020 and 2019 plan years, respectively.

## 12. Professional Liability Insurance

The Company has an insurance policy for possible litigation in the ordinary course of business related to professional liability claims. Management believes if any claims were asserted, they would be settled within the limits of coverage, which is on an occurrence basis, with insurance limits of \$1,000,000 per claim and \$3,000,000 in the aggregate. No claims were outstanding during the year or at year-end, and the Company has made no accrual for unasserted claims.

## 13. Benevolent Assistance

The Company maintains records to identify and monitor benevolent assistance provided. Records include costs to assist residents of Givens Estates Inc. and Subsidiaries with entrance and monthly fees, medical expenses, meals, transportation, housekeeping, clothing, home care, health care, and programs and activities. Benevolent assistance costs were \$386,503 (\$244,166 for the Givens Estates campus and \$142,337 for the Givens Highland Farms campus) and \$488,054 for the years ended December 31, 2020 and 2019, respectively. Direct charitable cost is discounted by the operating margin percentage (operating revenues less realized gains/losses on investments divided by operating expenses).

The Company also provides leadership and support with several community outreach projects: Givens Great Laurels, MemoryCare, WNC UMAR, and Mountain Area Health Education Center (MAHEC).

## The Givens Estates, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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Givens LifeMinistries is a volunteer and church-based outreach ministry which endeavors to help churches and other non-profit organizations reach out into the community to assist those in need. The program educates low-income seniors on how to access needed medications, food, transportation, housing, clothing, and works alongside agencies that provide health and aging services. Givens LifeMinistries is currently working with the Vanderbilt Apartments, Battery Park Apartments, Council on Aging, Mills River Life Enrichment Center, MY Meds (medication assistance ministry in the Toe River Valley communities), Francis Asbury Welcome Table, Hominy Valley Welcome Table, Haywood Street Congregation Welcome Table, Leicester Community Center Welcome Table, Groce UMC Welcome Table, Hope UMC Welcome Table, Saluda Welcome Table, Selica UMC Welcome Table, Skyland Welcome Table, Swannanoa Welcome Table, Black Mountain Open Table, Rutherford Welcome Table, and Seven Baby Equipment Resources Ministries. LifeMinistries also helped initiate three medical equipment loan closets.

The Company has a supportive relationship with MemoryCare, a 501(c)(3) corporation. By providing for the operational costs of the SECU MemoryCare building, along with a no cost 50-year land lease and for the building, the Company has been able to help retain and strengthen a vital memory disorders health care program in Western North Carolina. The program includes a family care resource center which helps family members cope with the impact of memory diseases.

The services and funds provided to these outreach programs from the Company were \$1,664,051 (\$1,526,950 for the Givens Estates campus and \$137,101 for the Givens Highland Farms campus) and \$1,428,070 for the years ended December 31, 2020 and 2019, respectively.

#### **14. Operating Reserve**

In accordance with the requirements of North Carolina General Statute 58, Article 64-33, management computes an annual operating reserve for its continuing care facilities licensed in North Carolina. At December 31, 2020, Givens Estates, Inc. and Subsidiaries were in compliance with this statute. The operating reserve is approximately \$11,893,000 (\$7,693,000 and \$4,200,000 for Givens Estates and Givens Highland Farms, respectively) and \$11,548,000 at December 31, 2020 and 2019, respectively.

#### **15. Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, receivables, and accounts and notes payables are a reasonable estimate of their fair values. The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2020 and 2019. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of the consolidated financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

The Series 2017 bonds are private placement bonds. Fair value of the private placement bonds approximate carrying value. The fair value of the fixed-rate or adjustable-rate bonds payable is based on quoted market prices.

## 16. Interest Rate Swap Agreement

In March 2018, the Company entered into an interest rate swap agreement with an original notional amount of \$8,500,000. The swap expires December 2026 and effectively fixes the variable interest rate of the \$8,500,000 loan at 3.88 percent.

The fair value the interest rate swap is reported as a long-term asset or liability in the consolidated balance sheets. The change in fair value of the interest rate swap is included in excess of revenues over expenses in the accompanying consolidated statements of operations and changes in net assets.

Absent an early termination, subsequent changes in the interest rate swap will continue to be reflected in excess of revenues over expenses, which has no cash flow impact to the Company. The cash flow settlements of the interest rate swap agreement are reflected annually in interest expense as the Company pays interest to the swap counterparty at the rate noted above.

## 17. Liquidity and Availability

As part of its liquidity management, the Company has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, the Company invests cash in excess of daily operating funds in short-term investments such as investment grade corporate bonds and money market funds.

The following schedule reflects the Company's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the consolidated balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months. Board designated amounts have been included in the schedule below as the board could release these funds for liquidity purposes if needed.

The Company seeks to maintain sufficient liquid assets to cover at least three months' operating and capital expenses.

<u>Asset Categories</u>	<u>2020</u>
Cash and cash equivalents	\$ 27,121,359
Accounts receivable, net	1,689,855
Investments	37,526,330
Assets limited as to Use – board designated	2,330,355
Less: donor restricted amounts	(9,260,288)
	<u>\$ 59,407,611</u>
<u>Asset Categories</u>	<u>2019</u>
Cash and cash equivalents	\$ 21,533,091
Accounts receivable, net	1,777,565
Investments	40,425,393
Assets limited as to Use – board designated	2,156,212
Less: donor restricted amounts	(8,805,574)
	<u>\$ 57,086,687</u>

## 18. COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on employees and vendors, and governmental, regulatory and private sector responses. The accompanying consolidated financial statements do not reflect any adjustments as a result of the increase in economic uncertainty which continues through the issuance date.

## 19. Provider Relief Funds

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. One provision of the CARES Act was the establishment of the Provider Relief Fund (PRF), administered by the U.S. Department of Health and Human Services (HHS). The PRF is being distributed to healthcare providers throughout the country to support the battle against the COVID-19 outbreak. During the year ended December 31, 2020, the Company has received approximately \$2,000,000 in distributions from this fund. These funds are intended to reimburse qualifying expenses and lost revenues attributable to COVID-19 and are subject to the terms, conditions, and regulatory requirements set forth by HHS. If the total distributions received by the Company exceed the cumulative amount of qualifying expenses and lost revenues attributable to COVID-19 through June 30, 2021, any excess funding may be subject to recoupment. Related revenues are recognized as contributions if eligibility criteria are met. The Company recognized approximately \$1,600,000 as contributions for the year ended December 31, 2020.

In addition to the terms, conditions, and published regulatory guidance, HHS has published additional guidance related to the nature and allowability of certain qualifying expenses and methods for determining lost revenues attributable to COVID-19 through the publication of Frequently Asked Questions (FAQs). These HHS Provider Relief Fund FAQs have been subject to significant amendment and revision over the course of the program. Additional guidance from HHS and the U.S. Office of Management and Budget (OMB) may be forthcoming, but the nature and extent of such additional forthcoming guidance is uncertain. The Company relied on the available guidance in determining the amounts of qualifying expenses and lost revenues attributed to COVID-19 and the related recognition of revenue during fiscal year 2020. Such determinations required management to make subjective interpretations of the available guidance, and to make assumptions and exercise considerable judgment. Subsequent changes or clarifications in guidance from HHS and OMB could have a material impact on management's estimates and the determination of such amounts. The Provider Relief Funds are subject to audit by HHS which may result in disallowed expenditures which may be subject to recoupment. Such amounts, if any, cannot be determined at this time.

HHS released additional reporting requirements for health care entities that received distributions from the PRF. Also, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA") was signed into law on December 27, 2020. CRRSAA provided on-going assistance to healthcare providers and provided additional clarity around PRF reporting requirements. The Company does not believe the new guidance will result in a material change to amounts recorded in the December 31, 2020 consolidated financial statements related to the PRF. The Company will continue to monitor changes in reporting guidance or additional clarifications that may be issued by HHS, which would affect the accounting for distributions from the PRF.

**The Givens Estates, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**20. Schedule of Expenses by Nature and Function**

The following is a schedule of expenses by both nature and function for the year ended December 31, 2020:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 20,088,279	\$ 4,865,134	\$ 754,173	\$ 25,707,586
Medical and personal care	4,509,633	-	-	4,509,633
Food service	2,532,922	-	-	2,532,922
Facility services	3,604,587	-	-	3,604,587
Administration	-	1,287,941	-	1,287,941
Marketing & development	-	-	537,455	537,455
Utilities & insurance	3,216,219	750,744	-	3,966,963
Depreciation	7,184,857	-	-	7,184,857
Amortization	2,047,825	-	-	2,047,825
Interest	<u>1,829,832</u>	<u>-</u>	<u>-</u>	<u>1,829,832</u>
Total expenses included in the expenses section on the consolidated statement of operations and changes in net assets	<u>\$ 45,014,154</u>	<u>\$ 6,903,819</u>	<u>\$ 1,291,628</u>	<u>\$ 53,209,601</u>

The following is a schedule of expenses by both nature and function for the year ended December 31, 2019:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 19,995,458	\$ 4,658,895	\$ 693,830	\$ 25,348,183
Medical and personal care	4,205,667	-	-	4,205,667
Food service	3,042,560	-	-	3,042,560
Facility services	4,317,211	-	-	4,317,211
Administration	-	986,041	-	986,041
Marketing & development	-	-	737,341	737,341
Utilities & insurance	3,204,888	721,689	-	3,926,577
Depreciation	7,015,670	-	-	7,015,670
Amortization	2,135,633	-	-	2,135,633
Interest	<u>2,175,240</u>	<u>-</u>	<u>-</u>	<u>2,175,240</u>
Total expenses included in the expenses section on the consolidated statement of operations and changes in net assets	<u>\$ 46,092,327</u>	<u>\$ 6,366,625</u>	<u>\$ 1,431,171</u>	<u>\$ 53,890,123</u>



## *Supplementary Information*

The Givens Estates, Inc. and Subsidiaries  
Consolidating Balance Sheet  
December 31, 2020

	<b>ESTATES</b>		
	<b>Operating Fund</b>	<b>Special Use Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 21,016,992	\$ 983,705	\$ 22,000,697
Assets limited as to use, current portion	23,481	-	23,481
Accounts receivable, net of allowances	901,617	-	901,617
Contributions receivable net, current portion	-	130,420	130,420
Interfund receivable (payable)	(145,009)	145,009	-
Other receivables	761,738	65,492	827,230
Escrow deposits	1,104,431	-	1,104,431
Prepaid expenses	307,151	-	307,151
	<u>23,970,401</u>	<u>1,324,626</u>	<u>25,295,027</u>
Total current assets			
Non-current assets:			
Property and equipment, net	120,060,273	-	120,060,273
Due from affiliate	5,680,076	-	5,680,076
Assets limited as to use, less current portion	2,434,550	-	2,434,550
Investments restricted for statutory operating reserve	7,693,000	-	7,693,000
Investments	29,441,004	8,046,848	37,487,852
Contributions receivable net, less current portion	-	126,196	126,196
Other assets	806,961	-	806,961
Intangibles, net	-	-	-
	<u>166,115,864</u>	<u>8,173,044</u>	<u>174,288,908</u>
Total non-current assets			
	<u>\$ 190,086,265</u>	<u>\$ 9,497,670</u>	<u>\$ 199,583,935</u>
Total assets			

The Givens Estates, Inc. and Subsidiaries  
 Consolidating Balance Sheet  
 December 31, 2020

(Continued)

<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 132,686	\$ 4,192,768	\$ 795,208	\$ -	\$ 27,121,359
-	4,132	-	-	27,613
-	781,750	6,488	-	1,689,855
-	-	-	-	130,420
-	-	-	-	-
794	1,136,210	6,095	-	1,970,329
-	-	-	-	1,104,431
-	218,701	6,161	-	532,013
<u>133,480</u>	<u>6,333,561</u>	<u>813,952</u>	<u>-</u>	<u>32,576,020</u>
-	41,889,636	11,295,986	-	173,245,895
120,806	-	-	(5,800,882)	-
-	499,540	-	-	2,934,090
-	4,200,000	-	-	11,893,000
-	38,478	-	-	37,526,330
-	-	-	-	126,196
-	-	-	-	806,961
-	4,095,207	-	-	4,095,207
<u>120,806</u>	<u>50,722,861</u>	<u>11,295,986</u>	<u>(5,800,882)</u>	<u>230,627,679</u>
<u>\$ 254,286</u>	<u>\$ 57,056,422</u>	<u>\$ 12,109,938</u>	<u>\$ (5,800,882)</u>	<u>\$ 263,203,699</u>

Givens Estates, Inc. and Subsidiaries  
Consolidating Balance Sheet  
December 31, 2020

	<b>ESTATES</b>		
	<b>Operating Fund</b>	<b>Special Use Funds</b>	<b>Total</b>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 4,948,208	\$ -	\$ 4,948,208
Payroll accruals and related withholdings	2,323,308	-	2,323,308
Interest payable	104,939	-	104,939
Agency funds	23,481	-	23,481
Escrow deposits	1,104,431	-	1,104,431
Unearned revenue	-	373,290	373,290
Estimated resident refunds payable, current portion	3,910,000	-	3,910,000
Long-term debt, current portion	2,968,410	-	2,968,410
<b>Total current liabilities</b>	<b>15,382,777</b>	<b>373,290</b>	<b>15,756,067</b>
Long-term liabilities:			
Long-term debt, net	39,670,197	-	39,670,197
Due to affiliate	806	296,945	297,751
Resident refunds payable, net of current portion	18,849,264	-	18,849,264
Deferred revenue from entrance fees	54,249,884	-	54,249,884
Interest rate swap	-	-	-
Advance admission deposits	784,650	-	784,650
<b>Total long-term liabilities</b>	<b>113,554,801</b>	<b>296,945</b>	<b>113,851,746</b>
<b>Total liabilities</b>	<b>128,937,578</b>	<b>670,235</b>	<b>129,607,813</b>
Net assets (deficit):			
Without donor restrictions	61,148,687	-	61,148,687
With donor restrictions	-	8,827,435	8,827,435
<b>Total net assets (deficit)</b>	<b>61,148,687</b>	<b>8,827,435</b>	<b>69,976,122</b>
<b>Total liabilities and net assets</b>	<b>\$ 190,086,265</b>	<b>\$ 9,497,670</b>	<b>\$ 199,583,935</b>

<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 6,011	\$ 2,291,308	\$ 18,643	\$ -	\$ 7,264,170
31,447	965,123	-	-	3,319,878
-	23,562	-	-	128,501
-	4,132	-	-	27,613
-	-	-	-	1,104,431
-	-	-	-	373,290
-	1,532,000	-	-	5,442,000
-	707,268	329,412	-	4,005,090
<u>37,458</u>	<u>5,523,393</u>	<u>348,055</u>	<u>-</u>	<u>21,664,973</u>
-	11,394,895	6,588,244	-	57,653,336
1,301,166	4,097,878	104,087	(5,800,882)	-
-	31,390,259	-	-	50,239,523
-	17,882,644	25,050	-	72,157,578
-	-	708,145	-	708,145
-	266,845	-	-	1,051,495
<u>1,301,166</u>	<u>65,032,521</u>	<u>7,425,526</u>	<u>(5,800,882)</u>	<u>181,810,077</u>
<u>1,338,624</u>	<u>70,555,914</u>	<u>7,773,581</u>	<u>(5,800,882)</u>	<u>203,475,050</u>
(1,084,338)	(13,932,345)	4,336,357	-	50,468,361
-	432,853	-	-	9,260,288
<u>(1,084,338)</u>	<u>(13,499,492)</u>	<u>4,336,357</u>	<u>-</u>	<u>59,728,649</u>
<u>\$ 254,286</u>	<u>\$ 57,056,422</u>	<u>\$ 12,109,938</u>	<u>\$ (5,800,882)</u>	<u>\$ 263,203,699</u>

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2020**

	<u>Estates</u>	<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues, gains and other support:						
Long-term care revenue, net	\$ 9,315,706	\$ -	\$ 5,393,309	\$ -	\$ -	\$ 14,709,015
Residential revenue, including amortization	22,946,994	-	9,746,370	1,792,945	-	34,486,309
Assisted living revenue, net	3,686,557	-	1,437,674	-	-	5,124,231
Residential food service revenue	1,615,259	-	1,157,378	-	-	2,772,637
Contributions and grants	1,198,429	-	1,078,491	38,600	-	2,315,520
Interest and dividend income	915,171	-	84,000	-	-	999,171
Realized gain on investments	697,631	-	74,703	-	-	772,334
Net assets released - operations	313,542	149,784	95,011	-	-	558,337
Other revenue	3,871,466	-	568,120	243,326	(2,273,446)	2,409,466
<b>Total revenues, gains and other support</b>	<b>44,560,755</b>	<b>149,784</b>	<b>19,635,056</b>	<b>2,074,871</b>	<b>(2,273,446)</b>	<b>64,147,020</b>
Expenses:						
Administration	4,392,580	-	1,838,664	202,189	-	6,433,433
Assisted living	1,487,063	-	506,379	-	-	1,993,442
Long-term care	5,609,671	-	4,335,162	-	-	9,944,833
Home care	209,952	-	537,270	-	-	747,222
Maintenance	3,867,087	-	2,115,222	125,835	-	6,108,144
Dining services	3,803,646	-	2,181,272	259,567	-	6,244,485
Housekeeping	1,613,156	-	918,648	13,043	-	2,544,847
Laundry	35,013	-	119,764	-	-	154,777
Management fees	1,195,402	-	915,142	162,902	(2,273,446)	-
Marketing	744,069	-	430,848	39,125	-	1,214,042
Resident services	2,501,587	-	262,436	84,849	-	2,848,872
Utilities	1,389,751	-	646,808	212,237	-	2,248,796
Insurance	267,620	-	268,670	33,190	-	569,480
Outreach	650,510	253,813	134,511	-	-	1,038,834
Bad debts	26,112	-	29,768	-	-	55,880
Depreciation	4,934,356	-	1,938,716	311,785	-	7,184,857
Amortization	-	-	2,047,825	-	-	2,047,825
Interest	1,323,003	-	226,742	280,087	-	1,829,832
<b>Total expenses</b>	<b>34,050,578</b>	<b>253,813</b>	<b>19,453,847</b>	<b>1,724,809</b>	<b>(2,273,446)</b>	<b>53,209,601</b>
<b>Operating income (loss)</b>	<b>10,510,177</b>	<b>(104,029)</b>	<b>181,209</b>	<b>350,062</b>	<b>-</b>	<b>10,937,419</b>

The Givens Estates, Inc. and Subsidiaries  
Consolidating Statement of Operations and Changes in Net Assets  
Year Ended December 31, 2020

(Continued)

	<u>Estates</u>	<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
Non-operating gain (loss):						
Unrealized gain on investments	\$ 3,271,853	\$ -	\$ 321,822	\$ -	\$ -	\$ 3,593,675
Loss on disposal of property and equipment	(68,937)	-	(83,811)	-	-	(152,748)
Change in interest rate swap value	-	-	-	(402,423)	-	(402,423)
Total non-operating gain (loss), net	<u>3,202,916</u>	<u>-</u>	<u>238,011</u>	<u>(402,423)</u>	<u>-</u>	<u>3,038,504</u>
Excess (deficit) of revenues over expenses	13,713,093	(104,029)	419,220	(52,361)	-	13,975,923
Other changes in net assets without donor restrictions:						
Net assets released –capital projects	<u>477,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>477,091</u>
Change in net assets without donor restrictions	<u>\$ 14,190,184</u>	<u>\$ (104,029)</u>	<u>\$ 419,220</u>	<u>\$ (52,361)</u>	<u>\$ -</u>	<u>\$ 14,453,014</u>
Net assets with donor restrictions:						
Contributions	\$ 336,994	\$ -	\$ 228,119	\$ -	\$ -	\$ 565,113
Net investment income	748,064	-	27,181	-	-	775,245
LifeMinistries income	-	149,784	-	-	-	149,784
Net assets released –operating	(313,542)	(149,784)	(95,011)	-	-	(558,337)
Net assets released –capital	<u>(477,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(477,091)</u>
	<u>294,425</u>	<u>-</u>	<u>160,289</u>	<u>-</u>	<u>-</u>	<u>454,714</u>
Change in net assets (deficit)	14,484,609	(104,029)	579,509	(52,361)	-	14,907,728
Net assets (deficit), beginning of year	<u>55,491,513</u>	<u>(980,309)</u>	<u>(14,079,001)</u>	<u>4,388,718</u>	<u>-</u>	<u>44,820,921</u>
Net assets (deficit), end of year	<u>\$ 69,976,122</u>	<u>\$ (1,084,338)</u>	<u>\$ (13,499,492)</u>	<u>\$ 4,336,357</u>	<u>\$ -</u>	<u>\$ 59,728,649</u>

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Statement of Cash Flows**  
**Year Ended December 31, 2020**

	<u>Estates</u>	<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Consolidated</u>
Cash flows from operating activities:					
Change in net assets	\$ 14,484,609	\$ (104,029)	\$ 579,509	\$ (52,361)	\$ 14,907,728
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Depreciation	4,934,356	-	1,938,716	311,785	7,184,857
Amortization of deferred financing costs	24,787	-	32,066	-	56,853
Amortization of intangible assets	-	-	2,015,759	-	2,015,759
Realized and unrealized gains on investments	(3,969,484)	-	(396,525)	-	(4,366,009)
Loss on disposal of property and equipment	68,937	-	83,811	-	152,748
Change in swap value	-	-	-	402,423	402,423
Proceeds from entrance fees	9,462,631	-	2,682,702	-	12,145,333
Amortization of entrance fees	(7,194,902)	-	(2,213,817)	-	(9,408,719)
Bad debts	26,112	-	29,768	-	55,880
Contributions restricted for capital	-	-	-	-	-
Net change in assets and liabilities:					
Change in receivables, prepaids and other assets	(764,798)	5,756	(486,868)	134,150	(1,111,760)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	2,217,945	5,261	(763,367)	(18,689)	1,441,150
Net cash provided (used) by operating activities	<u>19,290,193</u>	<u>(93,012)</u>	<u>3,501,754</u>	<u>777,308</u>	<u>23,476,243</u>
Cash flows from investing activities:					
Property and equipment purchases	(16,329,802)	-	(6,745,498)	(1,869)	(23,077,169)
Proceeds from sale of property and equipment	-	-	7,500	-	7,500
Change in due to/from affiliates	644,886	49,590	(771,470)	76,994	-
Change in assets limited as to use and investments	6,719,722	-	(305,139)	-	6,414,583
Net cash provided (used) by investing activities	<u>(8,965,194)</u>	<u>49,590</u>	<u>(7,814,607)</u>	<u>75,125</u>	<u>(16,655,086)</u>

The Givens Estates, Inc. and Subsidiaries  
 Consolidating Statement of Cash Flows  
 Year Ended December 31, 2020

(Continued)

	<u>Estates</u>	<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Consolidated</u>
Cash flows from financing activities:					
Repayment of long-term debt	\$ (2,850,000)	\$ -	\$ (5,715,361)	\$ (329,412)	\$ (8,894,773)
Proceeds from long-term debt	-	-	3,016,811	-	3,016,811
Refunds of entrance fees	(3,676,947)	-	(1,623,419)	(25,854)	(5,326,220)
Refundable entrance fees received	2,754,623	-	253,380	-	3,008,003
Entrance fee received from initial units	-	-	6,963,290	-	6,963,290
Net cash provided (used) by financing activities	<u>(3,772,324)</u>	<u>-</u>	<u>2,894,701</u>	<u>(355,266)</u>	<u>(1,232,889)</u>
Change in cash and cash equivalents	6,552,675	(43,422)	(1,418,152)	497,167	5,588,268
Cash and cash equivalents, beginning of year	<u>15,448,022</u>	<u>176,108</u>	<u>5,610,920</u>	<u>298,041</u>	<u>21,533,091</u>
Cash and cash equivalents, end of year	<u>\$ 22,000,697</u>	<u>\$ 132,686</u>	<u>\$ 4,192,768</u>	<u>\$ 795,208</u>	<u>\$ 27,121,359</u>
Supplemental disclosure of cash flow information:					
Cash paid during the year for interest	<u>\$ 1,329,973</u>	<u>\$ -</u>	<u>\$ 258,386</u>	<u>\$ 280,087</u>	<u>\$ 1,868,446</u>
Non-cash activities:					
Purchase of property and equipment in accounts payable at year-end	<u>\$ 2,853,471</u>	<u>\$ -</u>	<u>\$ 1,420,163</u>	<u>\$ -</u>	<u>\$ 4,273,634</u>
Resident refunds in accounts payable at year-end	<u>\$ 70,447</u>	<u>\$ -</u>	<u>\$ 574,963</u>	<u>\$ -</u>	<u>\$ 645,410</u>

**Givens Estates  
Balance Sheet  
April 30, 2021**

	2020			2019
	Operating	Restricted	Total	Total
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 16,400,188	\$ -	\$ 16,400,188	21,016,992
Assets limited as to use, current	15,251	625,042	640,293	384,634
Accounts receivable, net	952,748	-	952,748	901,154
Other receivables	314,236	17,808	332,044	827,693
Contributions receivable - current	-	130,420	130,420	130,420
Interfund receivable (payable)	(317,285)	317,285	-	-
Prepaid expenses	386,174	-	386,174	307,150
<b>Total Current Assets</b>	<b>17,751,312</b>	<b>1,090,555</b>	<b>18,841,867</b>	<b>23,568,043</b>
Non-Current Assets				
Assets limited to use, non-current	3,515,783	-	3,515,783	3,434,786
Contributions receivable - non-current	-	126,196	126,196	126,196
Due from affiliate	5,744,540	-	5,744,540	5,679,270
Property and equipment, net	123,587,627	-	123,587,627	120,060,275
Investments	39,033,709	8,983,014	48,016,723	45,803,402
Assets Held for Deferred Compensation	136,978	-	136,978	104,195
Deferred developer fee	806,961	-	806,961	806,961
<b>Total Non-current Assets</b>	<b>172,825,598</b>	<b>9,109,210</b>	<b>181,934,808</b>	<b>176,015,085</b>
<b>Total Assets</b>	<b>\$ 190,576,910</b>	<b>\$ 10,199,765</b>	<b>\$ 200,776,675</b>	<b>\$ 199,583,128</b>
<b>Liabilities and Net Assets</b>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 3,049,123	\$ -	\$ 3,049,123	5,056,078
Payroll accruals and related withholding	2,213,228	-	2,213,228	2,111,321
Interest payable	99,258	-	99,258	104,939
Agency funds	15,371	-	15,371	23,480
<b>Total Current Liabilities</b>	<b>5,376,980</b>	<b>-</b>	<b>5,376,980</b>	<b>7,295,818</b>
Long-Term Liabilities				
Long-term debt	41,676,870	-	41,676,870	42,638,607
Escrow Deposits	1,104,431	-	1,104,431	1,104,431
Deferred Compensation	136,978	-	136,978	104,195
Due to affiliate	-	296,945	296,945	296,945
Deferred revenue - refundable	23,127,875	-	23,127,875	22,759,264
Deferred revenue - nonrefundable	53,076,327	-	53,076,327	54,249,884
Advance admission deposits	822,652	-	822,652	784,650
<b>Total Long-term Liabilities</b>	<b>119,945,133</b>	<b>296,945</b>	<b>120,242,078</b>	<b>121,937,976</b>
<b>Total Liabilities</b>	<b>125,322,113</b>	<b>296,945</b>	<b>125,619,058</b>	<b>129,233,794</b>
Net Assets				
Net assets without donor restrictions	65,254,797	-	65,254,797	61,148,610
Net assets with donor restrictions	-	9,902,820	9,902,820	9,200,724
<b>Total net assets</b>	<b>65,254,797</b>	<b>9,902,820</b>	<b>75,157,617</b>	<b>70,349,334</b>
<b>Total Liabilities and net assets</b>	<b>\$ 190,576,910</b>	<b>\$ 10,199,765</b>	<b>\$ 200,776,675</b>	<b>\$ 199,583,128</b>

**Givens Estates****Budget Comparison for the Statement of Operations and Change in Net Assets Without Donor Restrictions  
For the Period Ending April 30, 2021**

	Actual	Budget	Variance	% Variance
<b>Revenue</b>				
Long-term care revenue	\$ 2,179,662	\$ 2,579,233	\$ (399,571)	-15%
Residential revenue	5,354,423	5,448,799	(94,376)	-2%
Amortization revenue	2,569,562	2,275,268	294,294	13%
Assisted living revenue	1,098,665	1,267,168	(168,503)	-13%
Residential food service revenue	544,690	593,734	(49,044)	-8%
Contributions	193,106	183,332	9,774	5%
Assets released from restrictions	19,899	72,000	(52,101)	-72%
Interest income	402,847	420,333	(17,486)	-4%
Realized gains (loss) on investments	1,484,111	-	1,484,111	N/A
Other revenue	868,587	898,083	(29,496)	-3%
<b>Total Revenue</b>	<b>14,715,552</b>	<b>13,737,950</b>	<b>977,602</b>	<b>7%</b>
<b>Expenses</b>				
Long-term care	2,489,621	2,304,273	185,348	8%
Residential	5,268,194	5,140,992	127,202	2%
Assisted living	1,017,654	996,206	21,448	2%
Outreach	158,527	193,000	(34,473)	-18%
Bad debt	13,519	5,333	8,186	153%
Depreciation	1,643,162	1,781,067	(137,905)	-8%
Amortization	8,262	8,268	(6)	0%
Interest	415,078	406,200	8,878	2%
<b>Total Expenses</b>	<b>11,014,017</b>	<b>10,835,339</b>	<b>178,678</b>	<b>2%</b>
<b>Operating income (loss)</b>	<b>3,701,535</b>	<b>2,902,611</b>	<b>798,924</b>	<b>28%</b>
<b>Non-operating</b>				
Unrealized gain (loss) on investments	404,652	-	404,652	N/A
Net assets released for capital	-	206,668	(206,668)	-100%
<b>Total Non-operating</b>	<b>404,652</b>	<b>206,668</b>	<b>197,984</b>	<b>96%</b>
<b>Change in net assets</b>	<b>\$ 4,106,187</b>	<b>\$ 3,109,279</b>	<b>\$ 996,908</b>	<b>32%</b>

**Givens Estates**  
**Statement of Cash Flows**  
**For the Period Ending April 30, 2021**

	<u>Estates</u>
<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 4,106,187
Adjustments to reconcile net cash provided by operating activities:	
Depreciation	1,643,162
Amortization	8,262
Unrealized (gains) losses on investments	(404,652)
Proceeds from residential living entrance fees	1,938,021
Amortization of entrance fees	(2,569,562)
Bad debts	13,519
Change in operational receivables and prepaids	317,347
Change in operational payables and other liabilities	(1,839,944)
Due to restricted fund	172,276
Net cash provided by operating activities	<u>3,384,616</u>
<b>Cash flows from investing activities:</b>	
Property and equipment purchases	(5,170,514)
Change in assets limited as to use and investments	(1,608,833)
Change in due from/to affiliate	(65,270)
Net cash used by investing activities	<u>(6,844,617)</u>
<b>Cash flows from financing activities:</b>	
Principal payments - bank loan	(969,999)
Refunds of entrance fees	(786,617)
Refundable portion of entrance fees received	599,813
Net cash provided (used) by financing activities	<u>(1,156,803)</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,616,804)</u>
Cash and cash equivalents at beginning of year	21,016,992
Cash and cash equivalents at end of period	<u>\$ 16,400,188</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u>\$ 409,397</u>

ATTACHMENT 7

5-Year Forecast of Revenues, Support Expenses, Cash Flow and Assumptions  
and Financial Projection for the Years Ending December 31, 2025

**THE GIVENS ESTATES, INC. & SUBSIDIARIES**

Compilation of a Financial Projection

For Each of the Five Years Ending  
December 31, 2025

(with Independent Accountants'  
Compilation Report thereon)

**THE GIVENS ESTATES, INC. & SUBSIDIARIES**

Compilation of a Financial Projection

Table of Contents

	<b><u>Page</u></b>
Independent Accountants' Compilation Report.....	1
Projected Statements:	
Projected Consolidated Statements of Operations .....	2
Projected Consolidated Statements of Changes in Net Assets .....	3
Projected Consolidated Statements of Cash Flows .....	4
Projected Consolidated Balance Sheets .....	5
Summary of Significant Projection Assumptions and Rationale.....	6
Supplemental Information .....	30

### Independent Accountants' Compilation Report

The Board of Directors  
The Givens Estates, Inc. & Subsidiaries  
Asheville, North Carolina

Management of The Givens Estates, Inc. & Subsidiaries (the "Corporation") ("Management") is responsible for the accompanying financial projection of the Corporation, which comprises the consolidated projected balance sheets as of and for each of the five years ending December 31, 2025 and the related consolidated projected statements of operations, changes in net assets, and cash flows for each of the years then ending, and the related summaries of significant assumptions and rationale in accordance with guidelines for the presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA").

The accompanying projection and this report were prepared to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64 and should not be used for any other purpose.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial projection nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial projection. The projected results may not be achieved as there will usually be differences between the prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Furthermore, even if the hypothetical assumptions occur during the projection period:

- the Corporation's newly constructed and yet to be constructed independent living units are successfully marketed and achieve and maintain projected occupancy levels;
- Construction, development, marketing, and other related costs for the new independent living units at Givens Estates and the new independent living units and dietary renovation at Givens Highland Farms occur in the assumed timeline and at the assumed costs; and
- the Corporation finances the new independent living units and dietary renovation at Givens Highland Farms at rates and terms as assumed in the projection.

There will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

*Dixon Hughes Goodman LLP*

Atlanta, Georgia  
May 12, 2021

## THE GIVENS ESTATES, INC. & SUBSIDIARIES

### Projected Consolidated Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ 8,726	\$ 10,360	\$ 10,137	\$ 10,671	\$ 10,956
Residential revenue	26,706	30,306	31,255	34,107	36,012
Assisted living revenue	5,550	3,916	4,033	4,154	4,279
Long-term care revenue, net	13,239	13,636	14,044	14,464	14,897
Residential food service revenue	3,028	3,085	3,145	3,206	3,269
Contributions and bequests	645	654	662	671	679
Net assets released from restrictions-operations	216	222	229	236	243
Grant revenue	4,316	-	-	-	-
Other revenue	2,519	2,594	2,671	2,751	2,833
Investment income	1,354	1,753	2,070	2,366	2,680
<b>Total unrestricted revenues, gains and other support</b>	<b>66,299</b>	<b>66,526</b>	<b>68,246</b>	<b>72,626</b>	<b>75,848</b>
<b>Expenses:</b>					
Administration	5,183	5,142	5,295	5,589	5,755
Assisted living	2,067	1,487	1,532	1,578	1,625
Long-term care	10,869	10,805	11,126	11,456	11,795
Home care	644	665	684	705	725
Maintenance	6,176	6,320	6,508	6,870	7,072
Dining services	6,533	6,499	6,742	7,118	7,328
Housekeeping	2,363	2,400	2,472	2,600	2,678
Laundry	165	157	161	175	180
Marketing	1,421	1,468	1,511	1,605	1,652
Resident services	3,193	3,227	3,323	3,468	3,572
Utilities	2,139	2,188	2,302	2,412	2,484
Outreach	992	1,021	1,051	1,094	1,126
Bad debts	54	54	55	55	56
Insurance	593	614	632	673	692
Depreciation	7,730	8,228	8,556	8,915	8,632
Amortization of intangible assets	910	910	910	910	455
Interest expense:					
Amortization of deferred financing costs	29	48	48	45	45
Interest-Bank Loan	224	294	276	259	241
Interest-Gerber Bank Loan	263	262	249	236	224
Interest-Series 2017 Bonds	1,219	1,097	1,010	922	831
Interest-Series 2021 Bonds	-	-	-	1,765	1,765
<b>Total expenses</b>	<b>52,767</b>	<b>52,886</b>	<b>54,443</b>	<b>58,450</b>	<b>58,933</b>
Operating income	13,532	13,640	13,803	14,176	16,915
Net assets released from restrictions-capital projects	1,120	20	20	20	20
<b>Change in net assets without donor restrictions</b>	<b>\$ 14,652</b>	<b>\$ 13,660</b>	<b>\$ 13,823</b>	<b>\$ 14,196</b>	<b>\$ 16,935</b>

**See accompanying Independent Accountants' Compilation Report and Summary of Significant Projection Assumptions and Rationale**

**THE GIVENS ESTATES, INC. & SUBSIDIARIES**

Projected Consolidated Statements of Changes in Net Assets  
For Each of the Five Years Ending December 31,  
(in thousands of dollars)

	2021	2022	2023	2024	2025
Net assets without donor restrictions:					
Operating income	\$ 13,532	\$ 13,640	\$ 13,803	\$ 14,176	\$ 16,915
Net assets released from restrictions-capital projects	1,120	20	20	20	20
Change in net assets without donor restrictions	14,652	13,660	13,823	14,196	16,935
Net assets with donor restrictions:					
Contributions	900	300	300	300	300
Net assets released from restrictions	(836)	(242)	(249)	(256)	(263)
Change in net assets with donor restrictions	64	58	51	44	37
Change in net assets	14,716	13,718	13,874	14,240	16,972
Net assets, beginning of year	59,728	74,444	88,162	102,036	116,276
Net assets, end of year	\$ 74,444	\$ 88,162	\$ 102,036	\$ 116,276	\$ 133,248

**See accompanying Independent Accountants' Compilation Report and Summary of  
Significant Projection Assumptions and Rationale**

## THE GIVENS ESTATES, INC. & SUBSIDIARIES

### Projected Consolidated Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 14,716	\$ 13,718	\$ 13,874	\$ 14,240	\$ 16,972
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(8,726)	(10,360)	(10,137)	(10,671)	(10,956)
Depreciation	7,730	8,228	8,556	8,915	8,632
Amortization of intangible assets	910	910	910	910	455
Amortization of deferred financing costs	29	48	48	45	45
Bad debts	54	54	55	55	56
Contributions restricted for capital projects	(620)	(20)	(20)	(20)	(20)
Proceeds from entrance fees - routine turnover, non-refundable portion	8,610	8,808	9,013	9,231	9,447
Net change in working capital:					
Change in receivables and prepaid expenses	114	(192)	(184)	(301)	(241)
Change in accounts payable, other accrued liabilities, and payroll accruals	(1,823)	77	242	415	266
<b>Net cash provided by operating activities</b>	<b>20,994</b>	<b>21,271</b>	<b>22,357</b>	<b>22,819</b>	<b>24,656</b>
<b>Cash flows from investing activities:</b>					
Capital additions	(24,688)	(23,775)	(23,977)	(2,305)	(2,305)
Change in investments	(31,552)	(17,889)	(14,474)	(34,612)	(16,414)
Change in assets limited as to use:					
Givens Highland Farms Project fund	(40,000)	20,000	20,000	-	-
Funded Interest Account	(3,970)	1,176	1,765	1,029	-
Operating reserve-Givens Estates	153	(171)	(224)	(205)	(211)
Operating reserve-Givens Highland Farms	(48)	291	(102)	(317)	(131)
Other	(94)	(101)	(106)	(1,138)	(114)
<b>Net cash used by investing activities</b>	<b>(100,199)</b>	<b>(20,469)</b>	<b>(17,118)</b>	<b>(37,548)</b>	<b>(19,175)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from entrance fees - routine turnover, refundable portion	3,168	3,251	3,337	3,428	3,519
Proceeds from initial entrance fees - Friendship Park	17,647	4,314	-	-	-
Proceeds from initial entrance fees-Brookside	-	-	-	9,409	-
Proceeds from initial entrance fees-Vista Ridge	-	-	-	10,679	-
Proceeds from Friendship Park Note Payable	15,000	-	-	-	-
Proceeds from Series 2021 Bonds	44,114	-	-	-	-
Principal payments-Bank Loan	(707)	(707)	(707)	(707)	(707)
Principal payments-Gerber Bank Loan	(328)	(328)	(328)	(328)	(328)
Principal payments-Friendship Park Note Payable	(15,000)	-	-	-	-
Principal payments-Series 2017 Bonds	(2,968)	(3,000)	(3,080)	(3,160)	(3,240)
Deferred financing costs	(598)	-	-	-	-
Payment of refundable entrance fees	(4,015)	(4,099)	(4,186)	(4,276)	(4,368)
Contributions restricted for capital projects	620	20	20	20	20
<b>Net cash provided (used) by financing activities</b>	<b>56,933</b>	<b>(549)</b>	<b>(4,944)</b>	<b>15,065</b>	<b>(5,104)</b>
Change in cash and cash equivalents	(22,272)	253	295	336	377
Cash and cash equivalents, beginning of year	27,120	4,848	5,101	5,396	5,732
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,848</b>	<b>\$ 5,101</b>	<b>\$ 5,396</b>	<b>\$ 5,732</b>	<b>\$ 6,109</b>

**See accompanying Independent Accountants' Compilation Report and Summary of  
Significant Projection Assumptions and Rationale**

## THE GIVENS ESTATES, INC. & SUBSIDIARIES

### Projected Consolidated Balance Sheets At December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 4,848	\$ 5,101	\$ 5,396	\$ 5,732	\$ 6,109
Assets limited as to use, current portion	24	24	24	1,053	1,053
Accounts receivable, net	1,818	1,911	1,967	2,128	2,237
Other receivables	1,881	1,935	1,992	2,051	2,110
Contributions receivable, current portion	25	25	25	25	25
Escrow deposits	1,104	1,104	1,104	1,104	1,104
Prepaid expenses and inventory	505	496	512	539	555
<b>Total current assets</b>	<b>10,205</b>	<b>10,596</b>	<b>11,020</b>	<b>12,632</b>	<b>13,193</b>
Non-current assets:					
Property and equipment, net	190,204	205,751	221,172	214,563	208,236
Goodwill, intangible assets	3,185	2,275	1,365	455	-
Investments	69,079	86,968	101,442	136,054	152,468
Assets limited as to use, less current portion:					
Givens Highland Farms Project Fund	40,000	20,000	-	-	-
Funded Interest Account	3,970	2,794	1,029	-	-
Operating reserve-Givens Estates	7,540	7,711	7,935	8,140	8,351
Operating reserve-Givens Highland Farms	4,248	3,957	4,059	4,376	4,507
Other	3,032	3,133	3,239	3,348	3,462
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	807	807	807	807	807
<b>Total assets</b>	<b>\$ 332,320</b>	<b>\$ 344,042</b>	<b>\$ 352,118</b>	<b>\$ 380,425</b>	<b>\$ 391,074</b>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 8,289	\$ 8,171	\$ 8,433	\$ 8,861	\$ 9,134
Interest payable	581	1,150	1,132	1,124	1,116
Agency funds	24	24	24	24	24
Escrow deposits	1,104	1,104	1,104	1,104	1,104
Unearned revenue	373	-	-	-	-
Resident refunds payable	5,430	5,432	5,453	5,492	5,547
Bank Loan, current portion	707	707	707	707	707
Gerber Bank Loan, current portion	328	328	328	328	328
Series 2017 Bonds, current maturities	3,000	3,080	3,160	3,239	3,330
<b>Total current liabilities</b>	<b>19,836</b>	<b>19,996</b>	<b>20,341</b>	<b>20,879</b>	<b>21,290</b>
Long-term liabilities:					
Bank Loan, net of current portion	10,726	10,019	9,312	8,605	7,897
Gerber Bank Loan, less current portion	6,261	5,933	5,605	5,277	4,949
Series 2017 Bonds, less current maturities	36,942	33,862	30,702	27,462	24,132
Series 2021 Bonds, less current maturities	44,114	44,114	44,114	44,114	44,114
Deferred financing costs, net	(879)	(831)	(783)	(739)	(694)
Refundable entrance fees, net of current portion	49,371	48,585	47,881	67,350	66,817
Deferred revenue from entrance fees	89,698	92,395	91,103	89,394	87,514
Interest rate swap	708	708	708	708	708
Advance admission deposits	1,099	1,099	1,099	1,099	1,099
<b>Total liabilities</b>	<b>257,876</b>	<b>255,880</b>	<b>250,082</b>	<b>264,149</b>	<b>257,826</b>
Net assets					
Without donor restrictions	65,053	78,713	92,536	106,732	123,667
With donor restrictions	9,391	9,449	9,500	9,544	9,581
<b>Total net assets</b>	<b>74,444</b>	<b>88,162</b>	<b>102,036</b>	<b>116,276</b>	<b>133,248</b>
<b>Total liabilities and net assets</b>	<b>\$ 332,320</b>	<b>\$ 344,042</b>	<b>\$ 352,118</b>	<b>\$ 380,425</b>	<b>\$ 391,074</b>

**See accompanying Independent Accountants' Compilation Report and Summary of Significant Projection Assumptions and Rationale**

# THE GIVENS ESTATES, INC. & SUBSIDIARIES

## Summary of Significant Projection Assumptions and Rationale

For Each of the Five Years Ending December 31, 2025

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### **General**

The accompanying consolidated financial projection presents, to the best of the knowledge and belief of the management of The Givens Estates, Inc. & Subsidiaries (the “Corporation”) (“Management”) the expected financial position, results of operations, and cash flows of the Corporation as of and for each of the five years ending December 31, 2025. Accordingly, the accompanying projection reflects Management’s judgment as of May 12, 2021, the date of this report, of the expected conditions and its course of action during the projection period assuming that the hypothetical assumptions defined below occur. However, even if the hypothetical assumptions stated below were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Management’s purpose in releasing this financial projection is for inclusion in the Corporation’s annual disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that Management believes are significant to the prospective financial statements.

**Basis of Presentation** – The prospective consolidated financial statements included in the projection have been prepared in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are described in the appropriate assumptions and notes to the prospective consolidated financial statements. The assumptions described are not all-inclusive.

**Hypothetical Assumptions** – A hypothetical assumption is an assumption used in a financial projection to present a condition or course of action that is not necessarily expected to occur, but is consistent with the purpose of the presentation. Hypothetical assumptions are not derived from sources, which are based upon supporting documentation such as contracts, agreements, or other empirical data. Management has prepared its financial projection assuming the following hypothetical assumptions:

- the Corporation’s newly constructed and yet to be constructed independent living units are successfully marketed and achieve and maintain projected occupancy levels;
- Construction, development, marketing, and other related costs for the new independent living units at Givens Estates and the new independent living units and dietary renovation at Givens Highland Farms occur in the assumed timeline and at the assumed costs; and
- the Corporation finances the new independent living units and dietary renovation at Givens Highland Farms at rates and terms as assumed in the projection.

See Independent Accountants’ Compilation Report

**Background of the Corporation** – The Givens Estates, Inc., a non-profit, North Carolina corporation; Givens Highland Farms, LLC, a non-profit, North Carolina limited liability corporation; Givens Gerber Park II, LLC, a non-profit, North Carolina limited liability corporation; and Life Ministries Outreach, LLC, a non-profit, North Carolina limited liability corporation, were formed to own, operate, and support senior housing and continuing care retirement communities (“CCRCs”) committed to providing care and services to seniors within the communities in which they serve.

**Principles of Consolidation** – The accompanying projected financial statements include the accounts of The Givens Estates, Inc., and its wholly owned subsidiaries: Givens Highland Farms, LLC (“Givens Highland Farms”); Life Ministries Outreach, LLC (“Life Ministries Outreach”) and Givens Gerber Park II, LLC (“Givens Gerber Park II”), collectively the “Corporation”.

### **Related Parties**

The Corporation is an income beneficiary of the Marion Jackson Givens Trust, subject to the discretion of the trustee. There are two board members that are affiliated with one law firm that serve as legal counsel for the Corporation.

The Corporation has funds invested with the United Methodist Foundation (“UMF”). The Chief Financial Officer of the Corporation serves on the UMF Investment Committee and the Development Director of the Corporation serves on the board of the UMF.

During 2006, the Corporation was invited to work with the Southeastern Jurisdictional Administrative Council (SEJAC) and the Southeastern Methodist Association for Rehabilitation (SEMAR) in developing an affordable housing project for seniors in Haywood County. The project, the Great Laurels of Junaluska, is located on 6.3 acres across from the main entrance to Lake Junaluska Assembly and consists of 36 apartments funded through a grant from the Department of Housing and Urban Development (HUD), and 64 apartments funded primarily through tax credits. The President and Chief Executive Officer of the Corporation serves as President of the Great Laurels, Inc. and the Chief Financial Officer of the Corporation serves as Finance Director.

The Corporation is a member of Gerber Park of Asheville, LLC (49% interest). Gerber Park of Asheville, LLC is the managing member of Givens Gerber Park, LLC (.01% interest). The Corporation has entered into a lease with Givens Gerber Park, LLC, where the Corporation owns the land on which Givens Gerber Park, LLC is constructed. The Corporation leases this land to Givens Gerber Park, LLC for \$1 per year. This lease expires in 2065.

The Corporation is a managing member of Gerber Park of Asheville III, LLC (49% interest). Gerber Park of Asheville III, LLC is the managing member of Givens Gerber Park III, LLC (.01% interest). The Corporation has entered into a lease with Givens Gerber Park of Asheville III, LLC, where the Corporation owns the land on which Givens Gerber Park of Asheville III, LLC will be constructed. The Corporation leases this land to Givens Gerber Park of Asheville III, LLC for \$1 per year. This lease expires in 2081.

**See Independent Accountants’ Compilation Report**

**The Givens Estates**

The Corporation owns and operates a CCRC known as Givens Estates (“Givens Estates”) in Asheville, North Carolina. Givens Estates is licensed as a CCRC by the North Carolina Department of Insurance and is affiliated with the Western North Carolina Conference of the United Methodist Church.

Givens Estates is located on an approximately 215-acre campus and currently consists of 260 independent living apartment units, 23 independent living villa units (the “Villas”), 126 independent living houses, duplex and cottage units, a 45-unit assisted living facility, a 59-bed health care facility, related common spaces, and a wellness center.

The following table summarizes Givens Estates’ unit configuration, entrance fees (“Entrance Fees”), monthly service fees (“Monthly Service Fees”), and assumed occupancy throughout the projection period:

<b>Type of Unit</b>	<b>Total Units</b>	<b>Occupancy Percentage</b>	<b>Entrance Fees- 0% Refundable Plan<sup>(1)(2)(3)</sup></b>	<b>Monthly Service Fees<sup>(1)</sup></b>
<i>Independent Living Units:</i>				
Apartments – Asbury Commons	52	96%	\$ 99,006	\$ 2,196
Apartments – Oxford Commons	136	96%	293,985	3,826
Apartments – Creekside	72	96%	363,725	3,945
Villas	23	96%	115,430	2,248
Houses and Duplexes	67	96%	286,364	3,425
Cottages	59	96%	463,903	4,429
<b>Total / Weighted Average</b>	<b>409</b>	<b>96%</b>	<b>\$ 294,702</b>	<b>\$ 3,572</b>
Assisted Living Units	45	93%	\$ 9,000	\$ 6,334
Health Center beds	59	94%	N/A	11,593
<b>Total Units / Beds</b>	<b>513</b>	<b>95%</b>		

Source: Management

- (1) Entrance Fees and Monthly Service Fees indicated are the weighted averages of fees by unit type and are effective January 1, 2021.
- (2) Direct admit Residents of the Assisted Living Units pay a non-refundable refurbishment fee ranging from \$8,000 to \$15,000 depending on the unit selected.
- (3) Givens Estates also offers a 50 percent refundable plan and a 90 percent refundable plan.

**See Independent Accountants’ Compilation Report**

*Friendship Park Project Description*

Management is constructing a multi-phased independent living expansion project at Givens Estates, which includes the construction of 80 independent living apartments (the “Friendship Park Apartments”) contained in two buildings (the “Friendship Park Project”). Management intends to complete the Friendship Park Project in phases as follows:

- Phase I: Construction of 35 Friendship Park Apartments, assumed to be completed in September 2021; and
- Phase II: Construction of 45 Friendship Park Apartments, assumed to be completed in December 2021.

The following table summarizes Friendship Park Apartment’s unit configuration, approximate square footages, Entrance Fees, and Monthly Service Fees.

<b>Type of Unit</b>	<b>Total Units</b>	<b>Square Footage</b>	<b>Entrance Fees – 0% Refundable Plan <sup>(1)(2)</sup></b>	<b>Monthly Service Fees <sup>(2)</sup></b>
<i>Friendship Park Apartments:</i>				
Aspen	17	917	\$ 222,301	\$ 2,700
Birch	7	919	217,861	2,700
Buckeye	2	947	211,605	2,700
Cedar	13	1,111	275,802	2,700
Chestnut	3	1,109	258,416	2,900
Elm	3	1,114	280,356	2,900
Hickory	8	1,283	317,706	3,200
Maple	3	1,293	307,551	3,200
Walnut	11	1,336	332,386	3,200
Whistlewood	6	1,329	323,288	3,200
Winterberry	7	1,349	336,724	3,200
<b>Total/Weighted Average</b>	<b>80</b>	<b>1,141</b>	<b>\$ 279,330</b>	<b>\$ 2,966</b>

Source: Management

(1) Entrance Fees and Monthly Service Fees indicated are assumed to be effective upon opening of Friendship Park beginning in September 2021.

(2) Givens Estates also offers a 50 percent refundable plan and a 90 percent refundable plan for the Friendship Park Apartments.

**See Independent Accountants’ Compilation Report**

The following table summarizes the assumed timeline for construction completion and fill-up of the Friendship Park Project.

**Table 3**  
**The Givens Estates**  
**Assumed Friendship Park Project Construction and Fill-Up Timeline**

Event	Phase I	Phase II
Commenced construction	August 2019	August 2019
Complete construction	September 2021	December 2021
Available for occupancy	September 2021	December 2021
Achieve stabilized occupancy of 95%	November 2021	January 2022

Source: Management

Total construction and related project costs for the Friendship Park Project are assumed to approximate \$33,389,000 and to be financed with proceeds from initial Friendship Park Entrance Fees and a loan from Capital Bank (the “Friendship Park Note Payable”).

#### *Oxford Dining Renovation*

Management is renovating the dining amenities at Givens Estates (the “Oxford Dining Renovation”). The Oxford Dining Renovation began in September 2019 and was completed during March 2021. Total costs for the Oxford Dining Renovation approximated \$9,500,000 and funded with cash from the Corporation.

#### **Givens Gerber Park II**

Management formed Givens Gerber Park II, LLC as a subsidiary of the Corporation to own and operate Givens Gerber Park II, consisting of 60 one-bedroom and 22 two-bedroom apartments. Residents of Givens Gerber Park II pay a non-refundable Entrance Fee of approximately \$12,000 and a Monthly Service Fee ranging from \$1,394 to \$2,471 on a sliding scale based on income.

**Table 4**  
**Givens Gerber Park II**  
**Unit Configuration**

Type of Unit	Total Units	Square Footage	Monthly Service Fees <sup>(1)</sup>
<i>Apartments:</i>			
One Bedroom	60	750	\$ 1,394 - \$2,288
Two Bedroom	22	1,100	\$ 1,568 - \$2,471
<b>Total/Weighted Average:</b>	82	844	\$1,871

Source: Management

(1) Entrance Fees and Monthly Service Fees indicated are effective January 1, 2021.

**See Independent Accountants’ Compilation Report**

**Givens Highland Farms**

Givens Highland Farms is located on 75 acres of land in Black Mountain, North Carolina and currently consists of 91 residential garden apartments, 161 cluster homes, condominium units, and free-standing homes, 28 independence-plus apartment units, 30 assisted living (adult care home) beds, and 60 skilled nursing beds. The following table summarizes Givens Highland Farms unit configuration, Entrance Fees, Monthly Service Fees, and assumed occupancy throughout the projection period:

**Table 5**  
**Givens Highland Farms**  
**Unit Configuration, Assumed Occupancy,**  
**Entrance Fees & Monthly Service Fees**

Type of Unit	Total Units	Occupancy Percentage	Entrance Fee- Traditional Plan <sup>(1)(2)</sup>	Monthly Service Fees <sup>(1)</sup>
<i>Independent Living Units:</i>				
Apartments – Garden	84	94%	\$ 152,155	\$ 2,930
Apartments – Prentice Lodge	28	89%	67,107	4,150
Condominiums	32	95%	245,500	3,202
Cluster Homes	43	95%	215,349	3,064
Freestanding Homes	4	95%	329,000	3,693
Meadowmont	64	98%	294,125	3,389
Cottages	16	99%	344,125	3,629
Total / weighted average	271	95%	\$ 211,889	\$ 3,270
Assisted living units <sup>(3)</sup>	30	67%	N/A	\$ 7,166
Skilled nursing beds	60	79%	N/A	8,830
Total / weighted average	361	90%		

Source: Management

(1) Entrance Fees and Monthly Service Fees indicated are effective January 1, 2021.

(2) Givens Highland Farms also offers a 50 percent refundable plan, and a 90 percent refundable plan.

(3) In January 2022, the assisted living units are anticipated to be taken out of service for the remainder of the projection period.

*The Brookside Project and Vista Ridge Project*

Management is planning an expansion project at Givens Highland Farms for the construction of 30 independent living apartments (the “Brookside Project”), 36 independent living apartments (the “Vista Ridge Project”), and the renovation of the dining amenities (the “Dining Renovation”). The Brookside Project, Vista Ridge Project, and the Dining Renovation are collectively defined as the “Givens Highland Farms Project”.

**See Independent Accountants’ Compilation Report**

The following table summarizes the assumed timeline for construction and fill-up of the Brookside Project, the Vista Ridge Project, and the Dining Renovation:

**Table 6**  
**Given Highland Farms**  
**Assumed Brookside Project and Vista Ridge Project**  
**Construction and Fill-Up Timeline**

Event	Brookside Project	Vista Ridge Project	Dining Renovation
Construction commences	January 2022	April 2022	January 2022
Complete construction	December 2023	March 2024	December 2023
Available for occupancy / utilization	January 2024	April 2024	December 2023
Achieve stabilized occupancy of 95%	April 2024	July 2024	N/A

Source: Management

The following table summarizes the Brookside Project and Vista Ridge Project unit configuration, approximate square footages, Entrance Fees, and Monthly Service Fees.

**Table 7**  
**Givens Highland Farms**  
**The Brookside Project and Vista Ridge Project –**  
**Unit Configuration, Entrance Fees, and Monthly Service Fees**

Type of Unit	Total Units	Square Footage	Entrance Fees- Traditional Plan <sup>(1)(2)(3)</sup>	Monthly Service Fees <sup>(1)</sup>
<i>The Brookside Project:</i>				
One Bedroom	7	753-877	\$194,250-227,550	\$2,809-2,993
One Bedroom with Den	10	933-1,024	\$246,420-271,950	\$3,098-3,255
Two Bedroom	8	1,186-1,270	\$316,350-341,880	\$3,413-3,491
Two Bedroom with Den	5	1,380	\$377,400	\$3,570
Total/Weighted Average	30	1,076	\$287,046	\$3,250
<i>The Vista Ridge Project:</i>				
One Bedroom	4	843	\$201,209	\$2,940
One Bedroom with Den	16	933-1,024	\$226,743-250,234	\$3,098-3,255
Two Bedroom	12	1,186-1,270	\$291,089-314,580	\$3,413-3,491
Two Bedroom with Den	4	1,464	\$367,691	\$3,649
Total/Weighted Average	36	1,105	\$271,456	\$3,299
<b>Total/Weighted Average</b>	<b>66</b>	<b>1,092</b>	<b>\$278,542</b>	<b>\$3,276</b>

Source: Management

- (1) Monthly Service Fees and Entrance Fees are stated in 2021 dollars.
- (2) In addition to the traditional plan shown, Management plans to offer a 50 percent refundable plan and a 90 percent refundable plan, with premiums of 42 percent and 85 percent, respectively, compared to the traditional plan.
- (3) For purposes of the projection, Management assumes new Residents of the Brookside Project and the Vista Ridge Project shall select the traditional plan.

**See Independent Accountants' Compilation Report**

**Summary of Financing for the Givens Highland Farms Project**

Total construction, related project costs, and financing costs for the Givens Highland Farms Project are assumed to approximate \$44,568,000 and assumed to be funded primarily through the issuance of approximately \$44,114,000 of tax-exempt bonds (the “Series 2021 Bonds”) and interest earnings of approximately \$454,000 on trustee-held accounts. Management has assumed the following sources and uses of funds in preparing the financial projection based on information provided by Pearl Creek Advisors, LLC (the “Financial Advisor”).

**Table 8**  
**Sources and Uses of Funds**  
**(In Thousands)**

<b>Sources of Funds:</b>	
Series 2021 Bonds <sup>(1)</sup>	\$ 44,114
Interest earnings on trustee-held accounts <sup>(2)</sup>	454
<b>Total Sources of Funds</b>	<b>\$ 44,568</b>
<b>Uses of Funds:</b>	
Givens Highland Farms Project Fund <sup>(3)</sup>	\$ 40,000
Funded Interest Account <sup>(4)</sup>	3,970
Cost of issuance <sup>(5)</sup>	598
<b>Total Uses of Funds</b>	<b>\$ 44,568</b>

Source: Management and the Financial Advisor

## Notes:

- (1) The Series 2021 Bonds are assumed to consist of approximately \$44,114,000 of tax-exempt fixed rate bonds.
- (2) Total interest in the amount of \$454,000 is estimated to be earned on the Givens Highland Farms Project Fund (defined hereafter) based on estimates provided by the Financial Advisor.
- (3) Total construction, site work and other costs related to the construction of the Givens Highland Farms Project are assumed to approximate \$40,000,000 and be initially funded with proceeds of the Series 2021 Bonds (the “Givens Highland Farms Project Fund”).
- (4) The Funded Interest Account is assumed to approximate \$3,970,000 and is anticipated to fund interest for the Series 2021 Bonds for 27 months.
- (5) Cost of issuance for the Series 2021 Bonds are assumed to approximate \$598,000, approximately 1.4 percent of the Series 2021 Bonds par amount.

**See Independent Accountants’ Compilation Report**

**COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the highly contagious respiratory disease named “coronavirus disease 2019” (“COVID-19”) to be a pandemic, and on March 13, 2020, a national emergency was declared in the United States. The Centers for Disease Control and Prevention has confirmed the spread of COVID-19 to the United States, including North Carolina. In response, the federal government, and a large number of state governments, including North Carolina, have imposed measures to curtail certain aspects of public life in an effort to contain COVID-19.

In addition to the direct impact to the health care industry, national and global investment and financial markets have experienced substantial volatility attributed to COVID-19 concerns and associated economic impacts of the curtailment of public life described above. In December 2020, the U.S. Food and Drug Administration issued emergency use authorization of vaccines for prevention of COVID-19. Management has implemented a COVID-19 vaccine plan, with essentially all Residents and the majority of employees having been vaccinated.

The Corporation obtained funds under the Paycheck Protection Program (“PPP”) from a participating bank created under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), as amended by the Paycheck Protection Program Flexibility Act of 2020 (the “Flexibility Act”). The PPP, a loan program administered by the Small Business Administration provides loans to qualifying businesses for the resources they need to maintain their payroll, hire back employees who may have been laid off, and cover applicable overhead. Additionally, loans originated under this program may be forgiven, in whole or in part, if certain criteria are met. In May 2021, the Corporation was successful in obtaining funding through the PPP for Givens Estates and Givens Highland Farms for approximately \$2,956,000 and \$1,360,000, respectively.

The Corporation believes that it is eligible under the PPP to receive the funds and expects to meet the requirements under the program to have the loan forgiven. Therefore, Management has concluded that the receipt of the PPP represents a government grant (the “PPP Advance”).

For purpose of the projection, Management has assumed the following:

- an increased level of personal protective equipment and other supplies, but believes the future impact of COVID-19 to be negligible on operating revenues and expenses; and
- that funds received under the PPP shall be fully forgiven and recognized as grant revenue during fiscal year 2021.

**See Independent Accountants’ Compilation Report**

## Residency and Services Agreement

Prior to taking occupancy of a selected Independent Living Unit, a prospective resident shall execute a residency and services agreement (the “Residency and Services Agreement”). The terms of the Residency and Services Agreement require the Corporation accepts persons at least 55 years of age at the time of occupancy, who demonstrate the ability to live independently, and meet the financial obligations as a resident of Givens Estates or Givens Highland Farms (“Resident”).

Payment of the Entrance Fee and a Monthly Service Fee entitles the Resident to occupy the selected Independent Living Unit at Givens Estates or Givens Highland Farms and to receive the following services and amenities:

- Utilities, including telephone, cable, and internet services;
- Declining balance meal plan;
- Weekly housekeeping services;
- Interior unit and appliance maintenance;
- Maintenance of common area and the grounds;
- Use of common areas and wellness center;
- Uncovered parking;
- Scheduled transportation; and
- 24-hour emergency response system.

In addition to items included in the Monthly Service Fee, certain services are available to Residents at an additional cost. Optional services, including guest rooms, beauty and barber services, home care services, personal laundry or dry cleaning, special transportation, catering, guest meals, repairs of personal property, are available for an extra charge.

### *Termination by the Resident Prior to Occupancy*

The Resident may cancel at any time and for any reason during the 30-day rescission period as defined in the Residency and Services Agreement (the “Rescission Period”) and shall receive a refund of any fees paid less a service charge. After the Rescission Period, the Resident may terminate the Residency and Services Agreement prior to moving into the Givens Estates or Givens Highland Farms for any reason at any time before moving into the Givens Estates or Givens Highland Farms by giving prior written notice. Under this circumstance, the Resident shall receive a refund of the 10% deposit, less a nonrefundable fee equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee after the Rescission Period.

**See Independent Accountants’ Compilation Report**

*Termination by the Resident After Occupancy*

The Resident may terminate the Residency and Services Agreement after moving into Givens Estates or Givens Highland Farms by giving prior written notice of termination, which shall be effective and irrevocable upon delivery. If the Resident terminates the Residency and Services Agreement during the Rescission Period, but after occupancy then the Resident shall be liable for a service charge equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee. If the Resident terminates after the Rescission Period, then they will receive a refund less i) periodic charges applicable only to the period the Resident actually occupied the Independent Living Unit; (ii) nonstandard costs incurred at the Resident's request, and (iii) nonrefundable Entrance Fees.

The Residency and Services Agreement shall automatically terminate upon death of the Resident (unless there is a surviving joint Resident).

*Termination by the Corporation*

The Corporation may terminate the Residency and Services Agreement for just cause to include: (i) breach of agreement; (ii) misrepresenting information in the admission process; (iii) failure to pay any charges; or (iv) violation of any reasonable procedures at Givens Estates or Givens Highland Farms.

Residents may reside in an Independent Living Unit for as long as he or she is capable of meeting the requirements of occupancy, in the opinion of the Corporation, after consultation with the Resident, the Resident's attending physician and/or the Corporation's appointed medical director. If the Resident is no longer able to meet the requirements of residing in the Independent Living Unit, higher levels of health care are provided in assisted living and skilled nursing.

*Services Provided for the Assisted Living Beds*

Residents of the assisted living beds receive three meals per day; assisted living and care services in accordance with the Resident's written plan of care; laundering of linens and bedding; housekeeping and maintenance; utilities, emergency call service; daily observation of Resident's general health, safety, physical and emotional well-being; scheduled transportation; social services; and planned recreational activities. The Resident is required to pay any additional charges for additional services and supplies that are not covered in the applicable base fees.

*Services Provided for the Skilled Nursing Beds*

Residents of the skilled nursing beds receive three meals per day; nursing care, personal care, or custodial care services in accordance with the Resident's written plan of care; laundered linens and bedding; housekeeping and maintenance; social services; and planned recreational activities. The Resident is required to pay any additional charges for services that are not covered in the applicable base fees for the skilled nursing beds.

**See Independent Accountants' Compilation Report**

*Givens Gerber Park II*

Residents of Givens Gerber Park II pay a monthly rental fee based on the U.S. Department of Housing and Urban Development (“HUD”) Median Household Income for the Asheville Metro Area. All Givens Gerber Park II households shall complete an annual form to self-certify their current income and asset amounts. The following services are included in the Monthly Service Fee:

- laminate flooring in the kitchen, living room and hallway; carpeting in the bedroom(s); vinyl flooring in the bath(s); refrigerator with ice maker; stove; oven; microwave; hood vent; washer and dryer; and prewiring for telephone, cable TV and internet.
- common areas and amenities including a café, computers, library, fitness center, mailboxes, multi-purpose rooms, lounges, activity areas, beauty/barber shop, screened porch, gazebos, and raised garden beds.
- one lighted parking space per apartment.
- heating, air conditioning, electricity, water, sewer, trash removal, standard municipal services, basic cable television, high speed internet, and telephone services. Basic cable television service includes boxes for two televisions. Upgraded services are available at a cost to the Resident.
- a dining credit equal to \$125.00 (“Café Dollars”) to use in the Givens Gerber Park Cafe.
- all grounds keeping service, including lawn, tree, and shrubbery care.
- maintain and repair improvements, furnishings, appliances, and equipment owned by the Corporation.
- smoke and carbon monoxide detectors in each residence, a fire alarm system, and an emergency call system.
- scheduled social, recreational, and health programs designed to meet Residents’ interests.
- Other services and programs may be available at an additional expense, e.g., beauty salon services, repairs of personal property, and other special services from time to time.

**See Independent Accountants’ Compilation Report**

**Summary of Significant Accounting Policies**

**Basis of Accounting** – The Corporation maintains its accounting and financial records according to the accrual basis of accounting.

**Use of Estimates** – The preparation of prospective financial statements in accordance with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the prospective financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash and Cash Equivalents** – Cash and cash equivalents includes cash on hand, amounts on deposit in banks and highly liquid debt instruments with a maturity of 90 days or less when purchased, excluding amounts whose use is limited.

**Assets Limited as to Use** – These assets include assets set aside by the Board of Directors (the “Board”) to provide supplemental assistance to residents for payment of the residents’ initial contribution and monthly rentals for the life occupancy residential complex, over which the Board retains control and may at its discretion subsequently use for other purposes. Assets limited as to use also include amounts held by a trustee that are limited as to use in accordance with the bond order and resident funds.

North Carolina General Statute Section 58-64-33 requires CCRC’s to maintain an operating reserve equal to 50 percent of the total operating expenses (adjusted for non-cash items) in a given year, or 25 percent of such total operating expenses (adjusted for non-cash items) if independent and assisted living occupancy exceeds 90 percent.

**Accounts Receivable** – Accounts receivable arise from the sale of residential and healthcare services and products, for which the Corporation grants credit on an unsecured basis. Accounts are considered past due after 30 days. The Corporation estimates allowance for doubtful accounts by evaluating the collectability of accounts greater than 120 days past due. Once a charge has been determined to be uncollectible, it is charged-off.

**Contributions Receivable** – Contributions receivable include unconditional promises of cash, charitable remainder unitrusts, and charitable gift annuities. The charitable remainder unitrusts and charitable gift annuities are held in trust by another organization. Upon the death of the donors, the remaining investment will be transferred to the Corporation. The balance is net of projected allowances for doubtful accounts and discounts for present value.

**Investments** – Investments include cash and cash equivalents, common stock, comingled funds, corporate and government bonds, government securities, money market funds and a fixed income fund. Investments in equity securities with readily determinable fair value and all investments in debt securities are measured at fair value based on quoted market prices in the consolidated balance sheet. For purposes of the projection, Management has not projected realized or unrealized gains or losses on investments.

**See Independent Accountants’ Compilation Report**

**Property and Equipment** – Property and equipment is stated at cost or at fair value at date of donation. The Corporation capitalizes all assets over \$1,000 and depreciates them using the straight-line method over their estimated useful lives as follows:

Land improvements	10-20 years
Buildings	40 years
Furniture and equipment	5-10 years
Vehicles	3-5 years

Expenditures for repairs and maintenance are charged to expenses as incurred. The costs of major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition of equipment, the asset and related accumulated depreciation accounts are relieved, and any related gain or loss is credited or charged to non-operating gains or losses. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Buildings for Givens Highland Farms include condominiums, cluster homes (which are groups of individual residences connected by adjoining walls), houses (collectively referred to as “housing units”), and rental property. Givens Highland Farms’ contracts with the residents provide that either upon death or at the resident’s option, Givens Highland Farms has the option to purchase; and the resident or his estate must sell the housing unit at a specified price. It is the intention of Givens Highland Farms to always choose the option to repurchase the housing units and once repurchased to not resale them. The repurchase price (the “Repurchase Obligation”) is 94% of the resident’s original purchase price, reduced 3% per year for each year beyond the first year that the resident occupies the unit. The minimum repurchase price after seven years of occupancy is 76% of the original purchase price. There are currently 33 housing units remaining to be repurchased by Givens Highland Farms.

**Intangible Asset** – In connection with the recording of the assets and liabilities as part of the purchase of Highland Farms, intangibles of \$15,440,665 were recorded with this transaction. Givens Highland Farms obtained approximately \$14,800,000 of deferred revenue and refundable entrance fee contracts. The projected net future cash flows to be generated from these resident contracts are recorded as an intangible asset and are being amortized over the average life expectancy of those residents, or approximately 8 years. The remainder has been recorded as goodwill. In 2019, the Corporation began amortizing goodwill over the average life expectancy of those residents whose contracts the goodwill was based, or approximately 6.5 years. The intangible asset will be fully amortized in 2025.

**Deferred Costs** – Deferred financing costs associated with the issuance of debt is capitalized and amortized over the expected life of the debt instrument using the effective interest method. The debt issuance costs are netted against the related debt on the consolidated balance sheet and the amortization is included in interest expense on the consolidated statement of operations.

See Independent Accountants’ Compilation Report

**Resident Refunds Payable** – Resident refunds payable include estimated Entrance Fee refunds due to Residents that have the 50 percent, 75 percent, or 90 percent refundable contracts. The Corporation’s contract stipulates that the Entrance Fee is refundable within two years of vacancy or when a replacement occupant has been secured, whichever is sooner. Refunds are made within 30 days for Givens Highland Farms apartment contracts and within 120 days for Givens Highland Farms cluster homes, condominium units or free-standing homes signed before December 1, 2012. Based on historical experience, the estimated amount of the Resident refunds that are expected to be refunded in a subsequent year are classified as a current liability on the consolidated balance sheet.

**Deferred Revenue from Entrance Fees** – In exchange for an Entrance Fee, residents are granted a lifetime occupancy interest in the residential unit. The Entrance Fee will vary due to the size of the residence and the contract option selected by the Resident. The nonrefundable portion of the Entrance Fee paid by a Resident upon entering into a lifetime occupancy contract is recorded as deferred revenue. In 2008, Givens Estates began offering three types of contracts: a 90 percent refundable option, under which the refund declines to 90 percent over a three-month period; a zero percent refund option, under which the refund declines to zero percent over a four-year period; and a 50 percent refundable option, under which the refund declines to 50 percent over a two-year period.

In 2017, Givens Highland Farms began offering three types of contracts: a 90 percent refundable option, under which the refund declines to 90 percent over a three-month period; a zero percent refund option, under which the refund declines to zero percent over a four-year period; and a 50 percent refundable option, under which the refund declines to 50 percent over a two-year period. Prior to 2017, Givens Highland Farms offered two types of contracts for the apartments and the lodge: a 50 percent refundable option, with the refund declining to 50 percent over a 23-month period; or a zero percent refund option, with the refund declining to zero percent over a 46-month period. In 2014, Givens Highland Farms began offering a 75 percent refundable contract option for the cluster homes, condominiums and homes with the refund declining to 75 percent over an 11-month period. In addition, the initial contracts for the Meadowmont homes and the Cottages are 75 percent refundable contracts.

The nonrefundable portion of the Givens Highland Farms Repurchase Obligation that is not required to be paid back to the resident (of original purchase price) is recorded as part of deferred revenue from Entrance Fees. Revenue is recognized each year to the extent that Givens Highland Farms’ repurchase obligation is reduced over the estimated average life expectancy of the resident. The non-refundable portion of deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the resident, adjusted annually.

**See Independent Accountants’ Compilation Report**

**Continuing-Care Contracts** – The Corporation enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Corporation specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, the Corporation has the ability to increase fees as deemed necessary. No obligation for future costs associated with these contracts has been provided by the Corporation because Management believes that future cash inflows will be sufficient to cover such costs.

**Advance Admission Deposits** – For existing units, the Corporation collects an initial deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue.

**Net Assets** – The Corporation reports its net assets using the following classes; net assets without donor restrictions and net assets with donor restrictions depending on the presence and type of donor-imposed restrictions limiting the Corporation’s ability to use or dispose of specific contributed assets or the economic benefits embodied in those assets. Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by Board designation. Net assets with donor restrictions are those net assets whose use by the Corporation has been limited by donors (a) to later periods of time or after specified dates or (b) to specified purposes.

**Contributions and Donor-Imposed Restrictions** – All contributions are considered to be available without restrictions unless specifically restricted by the donor. The Corporation reports gifts of cash and other assets as restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of operations as net assets released from restriction.

**Concentration of Credit Risk** – Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash, accounts receivable and investments. The Corporation maintains its cash in bank accounts which, at times, may exceed federally depository insurance (FDIC) limits. Management believes the credit risk associated with these deposits is minimal.

**Long-Term Care and Assisted Living Revenue** – Long-term care and assisted living revenue represents the estimated net realizable amounts from residents, third-party payors, and others for services rendered while in the long-term care or assisted living units. It also includes estimated retroactive revenue adjustments due to future audits, review, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically such adjustments for the Corporation have been immaterial in relation to the financial statements taken as a whole.

**See Independent Accountants’ Compilation Report**

Revenues under third-party payor agreements are subject to examination and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

**Residential Revenue** – In addition to the amortization of deferred revenue as described above, the residents are also subject to a continuing Monthly Service Fee, which varies with the type of unit and with the level of health care the resident receives. The Monthly Service Fee can be changed from time to time, as deemed necessary by the Corporation, with 30 days written notice to residents.

**Income Taxes** – The Corporation is exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. For purposes of the projection, the Corporation has assumed no material unrecognized tax benefits or obligations during the projection period.

**Benevolent Assistance** – The Corporation has a policy of providing benevolent assistance to residents who are unable to pay the full cost of care and services. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. Since the Corporation does not expect to collect the normal charges for services provided, charges for benevolent assistance are not included in revenue.

**Revenue from Contracts with Customers** – During 2019, the Corporation adopted Financial Accounting Standards Board (“FASB”) Accounting Standard Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“ASC Topic 606”) under the full retrospective approach applied to certain contracts using the practical expedient in paragraph 606-10-10-4 that allows for the use of a portfolio approach, as management determined that the effect of applying the guidance to the Corporation’s portfolios of contracts within the scope of ASC Topic 606 on the consolidated financial statements would not differ materially from applying the guidance to each individual contract within the respective portfolio or the Corporation’s performance obligations within that portfolio. The five-step model defined by ASC Topic 606 requires the Corporation to: (1) identify contracts with customers, (2) identify the Corporation’s performance obligations under those contracts, (3) determine the transaction prices of those contracts, (4) allocate the transaction prices to the Corporation’s performance obligations in those contracts and (5) recognize revenue when each performance obligation under those contracts is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services. The adoption of ASC Topic 606 did not have a material impact on the amount and timing of revenue recognition.

See Independent Accountants’ Compilation Report

The promised goods or services in the Residency and Services Agreement are that the entity is standing ready each month to provide a service such that the resident can continue to live in the facility and access the appropriate level of care based on his or her needs. As such, the entity recognizes the nonrefundable Entrance Fee in an equal amount allocated to each month, given the nature of the entity's performance is that of having the various residential, social, or other services available to the Resident on a when-and-if needed basis each month for as long as the Resident resides in the facility.

**Revenue Recognition** – The Corporation generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

*Monthly Service Fees* – The contracts that Residents select require an Entrance Fee and Monthly Service Fees based upon the type of accommodation with which the Residents are applying. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with other services and these performance obligations are earned each month. Under ASU 2015-14, Revenue from Contracts with Customers (Topic 606), Management has determined that the performance obligation for the standing obligation to provide the appropriate services is the predominate component and does not contain a lease component under ASC Topic 840, Leases. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

*Entrance Fees* – Non-refundable Entrance Fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheets until the performance obligations are satisfied. The refundable portion of an Entrance Fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheets. Additionally, Management has determined the contracts do not contain a significant financing component as the advanced payment assures Residents access to services in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the Resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

*Health care services* – The Corporation provides assisted and nursing care to Residents that are covered by government and commercial payers. Otherwise, these Residents pay a per diem rate that is generally billed monthly in advance. The Corporation is paid fixed daily rates from government and commercial payers. The per diem daily rates and other fees billed to government and commercial payers are billed in arrears monthly. The monthly fees and daily fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid.

**Summary of Significant Consolidated Statement of Operations Assumptions**

**Long-Term Care and Assisted Living Revenue** – Management assumes long-term care revenue and assisted living revenues at Givens Estates to increase approximately 3.0 percent annually. Management assumes long-term care revenue to increase approximately 3.0 percent annually.

**Residential Revenue** – Management assumes residential revenues at Givens Estates, Givens Highland Farms, and Givens Gerber Park II to increase approximately 3.0 percent annually.

**Grant Revenue** – The Corporation was successful in obtaining funding through the PPP for Givens Estates and Givens Highland Farms for approximately \$2,956,000 and \$1,360,000, respectively. Management believes that the Corporation is eligible under the PPP to receive the funds and expects to meet the requirements under the program to have the loan forgiven. Therefore, Management has concluded that the receipt of these funds represents a government grant. Grant income under this method of accounting may only be recognized when the conditions attached to the grant have been substantially met. The Corporation anticipates that the PPP proceeds shall be fully utilized for qualifying expenses under the PPP and the Corporation's covered period is assumed to be closed as of December 31, 2021. The Corporation believes it shall substantially meet the conditions attached to the grant as of December 31, 2021.

**Operating Expenses** – Management assumes operating expenses to increase approximately 3.0 percent annually at Givens Estates, Givens Highland Farms, and Givens Gerber Park II annually.

**Earnings on Investments, Debt Service Fund, Operating Reserve and Excess Cash** – Earnings on investments, operating reserve, and excess cash available are assumed to be approximately 2 percent throughout the projection period.

**Contributions and Bequests** – Management assumes contributions and bequests without donor restrictions to Givens Estates, Gerber Park II, and Life Ministries Outreach to increase approximately 1.0 percent annually throughout the projection period.

See Independent Accountants' Compilation Report

**Summary of Significant Consolidated Balance Sheet Assumptions**

**Current Assets and Current Liabilities** – Operating revenue, as used below, includes long-term care revenue, residential revenue, assisted living revenue and residential food service revenue. Operating expenses exclude amortization, depreciation, and interest expense.

Management has assumed the following working capital components based on the Corporation's historical trends:

Accounts receivable	14	days of resident revenues
Other receivables	272	days of resident revenues
Prepaid expenses	4	days of operating expenses
Accounts payable	52	days of operating expenses
Other accrued liabilities	19	days of operating expenses

Source: Management

**Assets Limited as to Use** – Management assumes assets limited as to use, other than the Givens Estates and Given-Highland Farms statutory operating reserves, to be as follows during the projection period:

	2021	2022	2023	2024	2025
Assistance endowment <sup>(1)</sup>	\$ 2,532	\$ 2,633	\$ 2,739	\$ 2,848	\$ 2,962
Agency funds	20	20	20	20	20
Assistance endowment <sup>(2)</sup>	504	504	504	504	504
Series 2021 Bonds funds <sup>(3)</sup>	-	-	-	1,029	1,029
Total – other	3,056	3,157	3,263	4,401	4,515
Less current portion	(24)	(24)	(24)	(1,053)	(1,053)
Assets limited as to use,					
Less current portion – other	\$ 3,032	\$ 3,133	\$ 3,239	\$ 3,348	\$ 3,462

Source: Management

(1) Assistance endowment funds for Givens Estates.

(2) Assistance endowment funds for Givens Highland Farms.

(3) Series 2021 Bond fund to include principal and interest for payment of the Series 2021 Bonds.

Management assumes the statutory operating reserve requirement to be 25 percent of each year's operating expenses (adjusted for non-cash items) based on an assumed independent and assisted living occupancy rate in excess of ninety percent (90%) throughout the projection period.

**See Independent Accountants' Compilation Report**

**Property and Equipment** – Management assumes disposal of property and equipment and capital additions as follows:

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Beginning balance	\$240,983	\$265,671	\$289,446	\$313,424	\$315,728
Capital additions–Friendship Park <sup>(1)</sup>	21,859	-	-	-	-
Capital additions–Brookside Project <sup>(1)(2)</sup>	224	12,881	13,004	-	-
Capital additions–Vista Ridge Project <sup>(1)</sup>	150	8,588	8,669	-	-
Routine Capital additions	2,455	2,306	2,305	2,304	2,305
Total capital costs	265,671	289,446	313,424	315,728	318,033
Less accumulated depreciation	(75,467)	(83,695)	(92,252)	(101,165)	(109,797)
Property and equipment, net	\$190,204	\$205,751	\$221,172	\$214,563	\$208,236

Source: Management

(1) Includes interest costs capitalized during construction.

(2) Includes Dining Renovation.

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**Long-Term Debt** – Management assumes long-term debt to consist of the following:

**Table 12**  
**Schedule of Long-Term Debt**  
**(in thousands of dollars)**

<b>Balances on December 31,</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Bank Loan	\$ 11,433	\$ 10,726	\$ 10,019	\$ 9,312	\$ 8,604
Gerber Bank Loan	6,589	6,261	5,933	5,604	5,277
Series 2017 Bonds	39,942	36,942	33,862	30,702	27,462
Series 2021 Bonds	44,114	44,114	44,114	44,114	44,114
Long-term debt	102,078	98,043	93,928	89,732	85,457
Less current portion	(4,035)	(4,115)	(4,195)	(4,274)	(4,365)
Long-term debt, net	\$ 98,043	\$ 93,928	\$ 89,733	\$ 85,458	\$ 81,092

Source: Management

#### *Bank Loan*

On December 1, 2012, the Corporation purchased the assets of Highland Farms, Inc. and Mirafel, LLC, a taxable entity. The purchase and capital additions have been financed with proceeds from a bank loan (the “Bank Loan”). The Bank Loan has a 30-year amortization with an annual interest rate of 30 Day LIBOR plus 1.25 percent per annum. For purposes of the projection, the Bank Loan interest rate is assumed 2.50 percent per annum throughout the projection period. The following table shows the principal and interest payments for the Bank Loan:

**Table 13**  
**Bank Loan Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2021	\$ 707	\$ 306	\$ 1,013
2022	707	278	985
2023	707	260	967
2024	707	243	950
2025	707	225	932
Thereafter	8,572	1,063	9,635
Total	\$ 12,109	\$ 2,374	\$ 14,483

Source: Management

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*Gerber Bank Loan*

Construction costs for Givens Gerber Park II were funded with a bank loan (the “Gerber Bank Loan”), which commenced in April 2018. The Gerber Bank Loan was converted from a construction loan to permanent debt effective April 2018 with a swap, which fixed the interest rate of 3.88 percent per annum. The following table shows the assumed principal and interest payments for the Gerber Bank Loan:

**Table 14**  
**Gerber II Bank Loan Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2021	\$ 328	\$ 262	\$ 590
2022	328	249	577
2023	328	236	564
2024	328	224	552
2025	328	211	539
Thereafter	5,277	198	5,475
Total	\$ 6,917	\$ 1,380	\$ 8,297

Source: Management

*Series 2017 Bonds*

The North Carolina Medical Care Commission Retirement Facilities Revenue Refunding Bonds Series 2007 were refunded in April 2017 with \$52,980,000 Series 2017 Refunding Bonds. Interest is payable monthly at 2.84 percent with a final maturity on July 1, 2033. The following table shows the principal and interest payments for the Series 2017 Refunding Bonds:

**Table 15**  
**Series 2017 Refunding Bonds Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2021	\$ 2,968	\$ 1,181	\$ 4,149
2022	3,000	1,097	4,097
2023	3,080	1,010	4,090
2024	3,160	922	4,082
2025	3,240	831	4,071
Thereafter	27,462	3,090	30,552
Total	\$ 42,910	\$ 8,131	\$ 51,041

Source: Management

**See Independent Accountants' Compilation Report**

*Series 2021 Bonds*

Construction costs for the Brookside Project, the Vista Ridge Project and the Dining Renovation are assumed to be funded with the Series 2021 Bonds. Interest is payable at 4.00 percent per annum. Principal is assumed to commence of December 1, 2034 with a final maturity on December 1, 2051. The following table shows the assumed principal and interest payments for the Series 2021 Bonds:

**Table 16**  
**Series 2021 Bonds Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2022	\$ -	\$ 1,176	\$ 1,176
2023	-	1,765	1,765
2024	-	1,765	1,765
2025	-	1,765	1,765
Thereafter	44,114	33,756	77,870
<b>Total</b>	<b>\$ 44,114</b>	<b>\$ 40,227</b>	<b>\$ 84,341</b>

Source: Management

**Deferred Revenue from Entrance Fees** – Management assumes that Entrance Fees will increase approximately 3.0 percent annually depending on unit type.

The assumed turnover of the independent living units for Givens Estates, Givens Highland Farms and Givens Gerber Park II and initial Entrance Fees received for Friendship Park, Brookside Project, and the Vista Ridge Project are presented in the following table:

**Table 17**  
**Schedule of Entrance Fees Received - Independent Living Units**

Year Ending December 31,	Friendship Park Initial Entrance Fees	Brookside Project Initial Entrance Fees	Vista Ridge Project Initial Entrance Fees	Turnover Entrance Fees	Total
2021	64	-	-	60	124
2022	15	-	-	60	75
2023	-	-	-	60	60
2024	-	29	34	60	123
2025	-	-	-	60	60

Source: Management

See Independent Accountants' Compilation Report

**INDEPENDENT ACCOUNTANTS' REPORT ON  
SUPPLEMENTAL INFORMATION**

The Board of Directors  
The Givens Estates, Inc. & Subsidiaries  
Asheville, North Carolina

We have compiled the accompanying consolidated projected balance sheets and related projected consolidated statements of operations, changes in net assets and cash flows of Givens Estates, Inc. & Subsidiaries, as of and for the each of the five years ending December 31, 2025, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The projected balance sheets and related projected statements of operations, changes in net assets and cash flows of The Givens Estates, Inc., Givens Highland Farms, LLC, Givens Gerber Park II, LLC, and Life Ministries Outreach, LLC are presented for purposes of additional analysis and are not a required part of the consolidated projected financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated projected financial statements.

*Dixon Hughes Goodman LLP*

Atlanta, Georgia  
May 12, 2021

## THE GIVENS ESTATES, INC.

### Projected Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ 6,826	\$ 8,519	\$ 8,330	\$ 8,146	\$ 7,966
Residential revenue	16,651	20,054	20,656	21,276	21,914
Assisted living revenue	3,802	3,916	4,033	4,154	4,279
Long-term care revenue	7,738	7,970	8,209	8,455	8,709
Residential food service revenue	1,852	1,907	1,965	2,024	2,084
Contributions and bequests	550	556	561	567	572
Net assets released from restrictions-operations	216	222	229	236	243
Management fee	1,115	1,031	1,057	1,216	1,314
Grant revenue	2,956	-	-	-	-
Other revenue	1,612	1,661	1,711	1,762	1,815
Investment income	1,261	1,658	1,972	2,265	2,576
<b>Total unrestricted revenues, gains and other support</b>	<b>44,579</b>	<b>47,494</b>	<b>48,723</b>	<b>50,101</b>	<b>51,472</b>
<b>Expenses:</b>					
Administration	2,949	3,037	3,128	3,222	3,319
Assisted living	1,444	1,487	1,532	1,578	1,625
Long-term care	6,969	7,178	7,393	7,615	7,843
Home care	204	210	216	223	229
Maintenance	3,754	3,867	3,983	4,103	4,226
Dining services	3,692	3,804	3,968	4,087	4,209
Housekeeping	1,566	1,613	1,662	1,711	1,763
Laundry	34	35	36	37	38
Marketing	722	744	766	789	813
Resident services	2,429	2,502	2,577	2,654	2,734
Utilities	1,349	1,390	1,481	1,526	1,572
Outreach	579	596	614	633	652
Bad debts	16	16	17	17	18
Insurance	260	268	276	284	292
Depreciation	5,343	5,786	5,609	5,466	5,290
Interest expense:					
Amortization of deferred financing costs	25	25	25	25	25
Interest-Series 2017 Bonds	1,219	1,097	1,010	922	831
<b>Total expenses</b>	<b>32,554</b>	<b>33,655</b>	<b>34,293</b>	<b>34,892</b>	<b>35,479</b>
<b>Operating income</b>	<b>12,025</b>	<b>13,839</b>	<b>14,430</b>	<b>15,209</b>	<b>15,993</b>
Net assets released from restrictions-capital projects	620	20	20	20	20
<b>Change in net assets without donor restrictions</b>	<b>\$ 12,645</b>	<b>\$ 13,859</b>	<b>\$ 14,450</b>	<b>\$ 15,229</b>	<b>\$ 16,013</b>

## Supplemental Disclosure

## THE GIVENS ESTATES, INC.

### Projected Statements of Changes in Net Assets For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
Net assets without donor restrictions:					
Operating income	\$ 12,025	\$ 13,839	\$ 14,430	\$ 15,209	\$ 15,993
Net assets released from restrictions-capital projects	620	20	20	20	20
Change in net assets without donor restrictions	12,645	13,859	14,450	15,229	16,013
Net assets with donor restrictions:					
Contributions	900	300	300	300	300
Net assets released from restrictions	(836)	(242)	(249)	(256)	(263)
Change in net assets with donor restrictions	64	58	51	44	37
Change in net assets	12,709	13,917	14,501	15,273	16,050
Net assets, beginning of year	69,976	82,685	96,602	111,103	126,376
Net assets, end of year	\$ 82,685	\$ 96,602	\$ 111,103	\$ 126,376	\$ 142,426

### Supplemental Disclosure

**THE GIVENS ESTATES, INC.**

Projected Statements of Cash Flows  
For Each of the Five Years Ending December 31,  
(in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 12,709	\$ 13,917	\$ 14,501	\$ 15,273	\$ 16,050
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(6,826)	(8,519)	(8,330)	(8,146)	(7,966)
Depreciation	5,343	5,786	5,609	5,466	5,290
Amortization of deferred financing costs	25	25	25	25	25
Bad debts	16	16	17	17	18
Contributions restricted for capital projects	(620)	(20)	(20)	(20)	(20)
Proceeds from entrance fees - routine turnover, non-refundable portion	6,610	6,808	7,013	7,231	7,447
Net change in working capital:					
Change in receivables and prepaid expenses	666	(204)	(67)	(67)	(69)
Change in accounts payable, other accrued liabilities, and payroll accruals	(2,459)	(238)	160	143	151
Net cash provided by operating activities	15,464	17,571	18,908	19,922	20,926
<b>Cash flows from investing activities:</b>					
Capital additions	(23,309)	(1,300)	(1,300)	(1,300)	(1,300)
Change in investments	(26,258)	(17,065)	(13,943)	(14,889)	(15,792)
Change in assets limited as to use:					
Operating reserve-Givens Estates	153	(171)	(224)	(205)	(211)
Other	(94)	(101)	(106)	(109)	(114)
Investment in LLCs	(214)	(225)	(231)	(236)	(245)
Net cash used by investing activities	(49,722)	(18,862)	(15,804)	(16,739)	(17,662)
<b>Cash flows from financing activities:</b>					
Proceeds from entrance fees - routine turnover, refundable portion	2,773	2,856	2,942	3,033	3,124
Proceeds from initial entrance fees - Friendship Park	17,647	4,314	-	-	-
Proceeds from Friendship Park Note Payable	15,000	-	-	-	-
Principal payments-Friendship Park Note Payable	(15,000)	-	-	-	-
Principal payments-Series 2017 Bonds	(2,968)	(3,000)	(3,080)	(3,160)	(3,240)
Payment of refundable entrance fees	(2,815)	(2,899)	(2,986)	(3,076)	(3,168)
Contributions restricted for capital projects	620	20	20	20	20
Net cash provided (used) by financing activities	15,257	1,291	(3,104)	(3,183)	(3,264)
Change in cash and cash equivalents	(19,001)	-	-	-	-
Cash and cash equivalents, beginning of year	22,001	3,000	3,000	3,000	3,000
Cash and cash equivalents, end of year	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

**Supplemental Disclosure**

## THE GIVENS ESTATES, INC.

### Projected Balance Sheets At December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b><u>Assets</u></b>					
Current assets:					
Cash and cash equivalents	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Assets limited as to use, current portion	20	20	20	20	20
Accounts receivable, net	905	1,075	1,104	1,134	1,165
Other receivables	345	355	366	377	388
Contributions receivable, current portion	25	25	25	25	25
Escrow deposits	1,104	1,104	1,104	1,104	1,104
Prepaid expenses	285	293	303	312	321
<b>Total current assets</b>	<b>5,684</b>	<b>5,872</b>	<b>5,922</b>	<b>5,972</b>	<b>6,023</b>
Non-current assets:					
Property and equipment, net	138,026	133,540	129,231	125,065	121,075
Investments	63,746	80,811	94,754	109,643	125,435
Assets limited as to use, less current portion:					
Operating reserve-Givens Estates	7,540	7,711	7,935	8,140	8,351
Other	2,532	2,633	2,739	2,848	2,962
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	807	807	807	807	807
Due from affiliates	5,895	6,120	6,351	6,587	6,832
<b>Total assets</b>	<b>\$ 224,280</b>	<b>\$ 237,544</b>	<b>\$ 247,789</b>	<b>\$ 259,112</b>	<b>\$ 271,535</b>
<b><u>Liabilities and Net Assets</u></b>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 4,826	\$ 4,970	\$ 5,139	\$ 5,293	\$ 5,450
Interest payable	95	87	80	72	65
Agency funds	20	20	20	20	20
Escrow deposits	1,104	1,104	1,104	1,104	1,104
Unearned revenue	373	-	-	-	-
Resident refunds payable	3,898	3,900	3,921	3,960	4,015
Series 2017 Bonds, current maturities	3,000	3,080	3,160	3,239	3,330
<b>Total current liabilities</b>	<b>13,316</b>	<b>13,161</b>	<b>13,424</b>	<b>13,688</b>	<b>13,984</b>
Long-term liabilities:					
Series 2017 Bonds, less current maturities	36,942	33,862	30,702	27,462	24,132
Deferred financing costs, net	(247)	(222)	(197)	(173)	(148)
Due to affiliate	298	298	298	298	298
Refundable entrance fees, net of current portion	18,786	18,805	18,906	19,092	19,364
Deferred revenue from entrance fees	71,715	74,253	72,768	71,584	70,694
Advance admission deposits	785	785	785	785	785
<b>Total liabilities</b>	<b>141,595</b>	<b>140,942</b>	<b>136,686</b>	<b>132,736</b>	<b>129,109</b>
Net assets					
Without donor restrictions	73,794	87,653	102,103	117,332	133,345
With donor restrictions	8,891	8,949	9,000	9,044	9,081
<b>Total net assets</b>	<b>82,685</b>	<b>96,602</b>	<b>111,103</b>	<b>126,376</b>	<b>142,426</b>
<b>Total liabilities and net assets</b>	<b>\$ 224,280</b>	<b>\$ 237,544</b>	<b>\$ 247,789</b>	<b>\$ 259,112</b>	<b>\$ 271,535</b>

## Supplemental Disclosure

## GIVENS HIGHLAND FARMS, LLC.

### Projected Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ 1,900	\$ 1,841	\$ 1,807	\$ 2,525	\$ 2,990
Residential revenue	8,224	8,366	8,656	10,830	12,037
Assisted living revenue	1,748	-	-	-	-
Long-term care revenue	5,501	5,666	5,835	6,009	6,188
Residential food service revenue	1,176	1,178	1,180	1,182	1,185
Grant revenue	1,360	-	-	-	-
Other revenue	763	785	808	832	856
Investment income	93	95	98	101	104
<b>Total unrestricted revenues, gains and other support</b>	<b>20,765</b>	<b>17,931</b>	<b>18,384</b>	<b>21,479</b>	<b>23,360</b>
<b>Expenses:</b>					
Administration	2,015	1,879	1,934	2,127	2,189
Assisted living	623	-	-	-	-
Skilled nursing	3,900	3,627	3,733	3,841	3,952
Home care	440	455	468	482	496
Maintenance	2,285	2,312	2,380	2,618	2,693
Dining services	2,560	2,406	2,476	2,724	2,803
Housekeeping	783	773	796	875	901
Laundry	131	122	125	138	142
Marketing	657	681	701	771	793
Resident services	672	630	648	713	734
Utilities	561	562	578	636	654
Outreach	138	142	146	161	165
Bad debts	35	35	35	35	35
Management fees	966	892	914	1,069	1,163
Insurance	296	309	318	350	360
Depreciation	2,074	2,129	2,634	3,135	3,028
Amortization of intangible assets	910	910	910	910	455
Interest expense:					
Amortization of deferred financing costs	4	23	23	20	20
Interest-Bank Loan	224	294	276	259	241
Interest-Series 2021 Bonds	-	-	-	1,765	1,765
<b>Total expenses</b>	<b>19,274</b>	<b>18,181</b>	<b>19,095</b>	<b>22,629</b>	<b>22,589</b>
<b>Operating income</b>	<b>\$ 1,491</b>	<b>\$ (250)</b>	<b>\$ (711)</b>	<b>\$ (1,150)</b>	<b>\$ 771</b>
Net assets released from restrictions-capital projects	500	-	-	-	-
<b>Change in net deficit without donor restrictions</b>	<b>\$ 1,991</b>	<b>\$ (250)</b>	<b>\$ (711)</b>	<b>\$ (1,150)</b>	<b>\$ 771</b>

## Supplemental Disclosure

## GIVENS HIGHLAND FARMS, LLC.

### Projected Statements of Operations and Changes in Net Deficits For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
Net deficit without donor restrictions					
Operating income	\$ 1,491	\$ (250)	\$ (711)	\$ (1,150)	\$ 771
Net assets released from restrictions-capital projects	500	-	-	-	-
Change in net deficit without donor restrictions	1,991	(250)	(711)	(1,150)	771
Net assets with donor restrictions:					
Contributions	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ 1,991	\$ (250)	\$ (711)	\$ (1,150)	\$ 771
Net deficit, beginning of year	\$ (13,499)	\$ (11,508)	\$ (11,758)	\$ (12,469)	\$ (13,619)
Net deficit, end of year	\$ (11,508)	\$ (11,758)	\$ (12,469)	\$ (13,619)	\$ (12,848)

## Supplemental Disclosure

## GIVENS HIGHLAND FARMS, LLC.

### Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Cash flows from operating activities:</b>					
Change in net deficit	\$ 1,991	\$ (250)	\$ (711)	\$ (1,150)	\$ 771
Adjustments to reconcile net income to net cash provided by operating activities:					
Amortization of entrance fees	(1,900)	(1,841)	(1,807)	(2,525)	(2,990)
Depreciation	2,074	2,129	2,634	3,135	3,028
Amortization of intangible assets	910	910	910	910	455
Amortization of deferred financing costs	4	23	23	20	20
Bad debts	35	35	35	35	35
Proceeds from entrance fees - routine turnover, non-refundable portion	2,000	2,000	2,000	2,000	2,000
Net change in working capital:					
Change in receivables and prepaid expenses	(491)	17	(112)	(230)	(167)
Change in accounts payable, other accrued liabilities, and payroll accruals	617	316	80	269	113
<b>Net cash provided by operating activities</b>	<b>5,240</b>	<b>3,339</b>	<b>3,052</b>	<b>2,464</b>	<b>3,265</b>
<b>Cash flows from investing activities:</b>					
Capital additions	(1,374)	(22,470)	(22,672)	(1,000)	(1,000)
Change in investments	(5,294)	(824)	(531)	(19,723)	(622)
Change in assets limited as to use:					
Other	-	-	-	(1,029)	-
Givens Highland Farms Project Fund	(40,000)	20,000	20,000	-	-
Funded Interest Account	(3,970)	1,176	1,765	1,029	-
Operating reserve-Givens Highland Farms	(48)	291	(102)	(317)	(131)
<b>Net cash used by investing activities</b>	<b>(50,686)</b>	<b>(1,827)</b>	<b>(1,540)</b>	<b>(21,040)</b>	<b>(1,753)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from entrance fees - routine turnover, refundable portion	395	395	395	395	395
Proceeds from initial entrance fees-Brookside	-	-	-	9,409	-
Proceeds from initial entrance fees-Vista Ridge	-	-	-	10,679	-
Proceeds from Series 2021 Bonds	44,114	-	-	-	-
Principal payments-Bank Loan	(707)	(707)	(707)	(707)	(707)
Deferred financing costs	(598)	-	-	-	-
Payment of refundable entrance fees	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
<b>Net cash provided (used) by financing activities</b>	<b>42,004</b>	<b>(1,512)</b>	<b>(1,512)</b>	<b>18,576</b>	<b>(1,512)</b>
Change in cash and cash equivalents	(3,442)	-	-	-	-
Cash and cash equivalents, beginning of year	4,192	750	750	750	750
Cash and cash equivalents, end of year	750	750	750	750	750

## Supplemental Disclosure

## GIVENS HIGHLAND FARMS, LLC.

### Projected Balance Sheets At December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Assets limited as to use, current portion	4	4	4	1,033	1,033
Accounts receivable, net	848	769	794	923	999
Other receivables	1,524	1,568	1,614	1,662	1,710
Prepaid expenses and inventory	220	203	209	227	234
<b>Total current assets</b>	<b>3,346</b>	<b>3,294</b>	<b>3,371</b>	<b>4,595</b>	<b>4,726</b>
Non-current assets:					
Property and equipment	53,362	75,832	98,504	99,504	100,504
Less: accumulated depreciation	(12,172)	(14,301)	(16,935)	(20,070)	(23,098)
Property and equipment, net	41,190	61,531	81,569	79,434	77,406
Intangible assets	3,185	2,275	1,365	455	-
Assets limited as to use-other	500	500	500	500	500
Givens Highland Farms Project Fund	40,000	20,000	-	-	-
Funded Interest Account	3,970	2,794	1,029	-	-
Investments	5,333	6,157	6,688	26,411	27,033
Operating reserve-Givens Highland Farms	4,248	3,957	4,059	4,376	4,507
<b>Total assets</b>	<b>\$ 101,772</b>	<b>\$ 100,508</b>	<b>\$ 98,581</b>	<b>\$ 115,771</b>	<b>\$ 114,172</b>
<b>Liabilities and Net Deficit</b>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 3,388	\$ 3,127	\$ 3,218	\$ 3,489	\$ 3,603
Interest payable	487	1,064	1,053	1,051	1,050
Agency funds	4	4	4	4	4
Resident refunds payable	1,532	1,532	1,532	1,532	1,532
Bank Loan, current portion	707	707	707	707	707
<b>Total current liabilities</b>	<b>6,118</b>	<b>6,434</b>	<b>6,514</b>	<b>6,783</b>	<b>6,896</b>
Long-term liabilities:					
Bank Loan, net of current portion	10,726	10,019	9,312	8,605	7,897
Deferred financing costs	(632)	(609)	(586)	(566)	(546)
Series 2021 Bonds	44,114	44,114	44,114	44,114	44,114
Due To Givens Estates	4,097	4,097	4,097	4,097	4,097
Refundable entrance fees, net of current portion	30,585	29,780	28,975	48,258	47,453
Deferred revenue from entrance fees	17,983	18,142	18,335	17,810	16,820
Advance admission deposits	289	289	289	289	289
<b>Total liabilities</b>	<b>113,280</b>	<b>112,266</b>	<b>111,050</b>	<b>129,390</b>	<b>127,020</b>
Net deficit					
Without donor restrictions	(12,008)	(12,258)	(12,969)	(14,119)	(13,348)
With donor restrictions	500	500	500	500	500
<b>Total net deficit</b>	<b>(11,508)</b>	<b>(11,758)</b>	<b>(12,469)</b>	<b>(13,619)</b>	<b>(12,848)</b>
<b>Total liabilities and net deficit</b>	<b>\$ 101,772</b>	<b>\$ 100,508</b>	<b>\$ 98,581</b>	<b>\$ 115,771</b>	<b>\$ 114,172</b>

## Supplemental Disclosure

## GIVENS GERBER PARK II, LLC.

### Projected Statements of Operations and Changes in Net Assets For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Unrestricted revenues, gains and other support:</b>					
Residential revenue	\$ 1,831	\$ 1,886	\$ 1,943	\$ 2,001	\$ 2,061
Contributions and bequests	39	40	41	42	43
Other revenue	144	148	152	157	162
<b>Total unrestricted revenues, gains and other support</b>	<b>2,014</b>	<b>2,074</b>	<b>2,136</b>	<b>2,200</b>	<b>2,266</b>
<b>Expenses:</b>					
Administration	219	226	233	240	247
Maintenance	137	141	145	149	153
Dining services	281	289	298	307	316
Housekeeping	14	14	14	14	14
Marketing	42	43	44	45	46
Residential	92	95	98	101	104
Utilities	229	236	243	250	258
Bad debts	3	3	3	3	3
Management fees	157	139	143	147	151
Insurance	36	37	38	39	40
Depreciation	313	313	313	314	314
Gerber Bank Loan interest	263	262	249	236	224
<b>Total expenses</b>	<b>1,786</b>	<b>1,798</b>	<b>1,821</b>	<b>1,845</b>	<b>1,870</b>
 Operating income	 228	 276	 315	 355	 396
 Change in net assets without donor restrictions	 \$ 228	 \$ 276	 \$ 315	 \$ 355	 \$ 396
 Net assets without donor restrictions					
Operating income	\$ 228	\$ 276	\$ 315	\$ 355	\$ 396
Change in net assets without donor restrictions	228	276	315	355	396
 Net assets with donor restrictions					
Contributions	-	-	-	-	-
Net assets released from restrictions-operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
 Change in net assets	 \$ 228	 \$ 276	 \$ 315	 \$ 355	 \$ 396
 Net assets, beginning of year	 \$ 4,337	 \$ 4,565	 \$ 4,841	 \$ 5,156	 \$ 5,511
 Net assets, end of year	 \$ 4,565	 \$ 4,841	 \$ 5,156	 \$ 5,511	 \$ 5,907

### Supplemental Disclosure

## GIVENS GERBER PARK II, LLC.

### Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 228	\$ 276	\$ 315	\$ 355	\$ 396
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	313	313	313	314	314
Bad debts	3	3	3	3	3
Net change in working capital:					
Change in receivables and prepaid expenses	(61)	(5)	(5)	(6)	(5)
Change in accounts payable, other accrued liabilities, and payroll accruals	16	(2)	1	1	1
<b>Net cash provided by operating activities</b>	<b>499</b>	<b>585</b>	<b>627</b>	<b>667</b>	<b>709</b>
<b>Cash flows from investing activities:</b>					
Capital additions	(5)	(5)	(5)	(5)	(5)
<b>Net cash used by investing activities</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>Cash flows from financing activities:</b>					
Principal payments-Gerber Bank Loan	(328)	(328)	(328)	(328)	(328)
<b>Net cash used by financing activities</b>	<b>(328)</b>	<b>(328)</b>	<b>(328)</b>	<b>(328)</b>	<b>(328)</b>
Change in cash and cash equivalents	166	252	294	334	376
Cash and cash equivalents, beginning of year	795	961	1,213	1,507	1,841
<b>Cash and cash equivalents, end of year</b>	<b>\$ 961</b>	<b>\$ 1,213</b>	<b>\$ 1,507</b>	<b>\$ 1,841</b>	<b>\$ 2,217</b>

### Supplemental Disclosure

## GIVENS GERBER PARK II, LLC.

### Projected Balance Sheets At December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b><u>Assets</u></b>					
Current assets:					
Cash and cash equivalents	\$ 961	\$ 1,213	\$ 1,507	\$ 1,841	\$ 2,217
Accounts receivable, net	65	67	69	71	73
Other receivables	12	12	12	12	12
<b>Total current assets</b>	<b>1,038</b>	<b>1,292</b>	<b>1,588</b>	<b>1,924</b>	<b>2,302</b>
Non-current assets:					
Property and equipment	12,099	12,104	12,109	12,114	12,119
Less: accumulated depreciation	(1,111)	(1,424)	(1,737)	(2,050)	(2,364)
Property and equipment, net	10,988	10,680	10,372	10,064	9,755
<b>Total assets</b>	<b>\$ 12,026</b>	<b>\$ 11,972</b>	<b>\$ 11,960</b>	<b>\$ 11,988</b>	<b>\$ 12,057</b>
<b><u>Liabilities and Net Assets</u></b>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 35	\$ 33	\$ 34	\$ 35	\$ 36
Due to Givens Estates	104	104	104	104	104
Gerber Bank Loan, current portion	328	328	328	328	328
<b>Total current liabilities</b>	<b>467</b>	<b>465</b>	<b>466</b>	<b>467</b>	<b>468</b>
Long-term liabilities:					
Gerber Bank Loan, less current portion	6,261	5,933	5,605	5,277	4,949
Advance admission deposits	25	25	25	25	25
Interest Rate Swap	708	708	708	708	708
<b>Total liabilities</b>	<b>7,461</b>	<b>7,131</b>	<b>6,804</b>	<b>6,477</b>	<b>6,150</b>
Net assets					
Without donor restrictions	4,565	4,841	5,156	5,511	5,907
With donor restrictions	-	-	-	-	-
<b>Total net assets</b>	<b>4,565</b>	<b>4,841</b>	<b>5,156</b>	<b>5,511</b>	<b>5,907</b>
<b>Total liabilities and net assets</b>	<b>\$ 12,026</b>	<b>\$ 11,972</b>	<b>\$ 11,960</b>	<b>\$ 11,988</b>	<b>\$ 12,057</b>

### Supplemental Disclosure

## LIFE MINISTRIES OUTREACH, LLC.

### Projected Statements of Operations and Changes in Net Deficits For Each of the Five Years Ending December 31, (in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and bequests	56	58	60	62	64
<b>Total unrestricted revenues, gains and other support</b>	<b>56</b>	<b>58</b>	<b>60</b>	<b>62</b>	<b>64</b>
<b>Expenses:</b>					
Outreach	275	283	291	300	309
<b>Total expenses</b>	<b>275</b>	<b>283</b>	<b>291</b>	<b>300</b>	<b>309</b>
Operating income	\$ (219)	\$ (225)	\$ (231)	\$ (238)	\$ (245)
Change in net deficit without donor restrictions	\$ (219)	\$ (225)	\$ (231)	\$ (238)	\$ (245)
Net assets without donor restrictions					
Operating income	\$ (219)	\$ (225)	\$ (231)	\$ (238)	\$ (245)
Change in net assets without donor restrictions	(219)	(225)	(231)	(238)	(245)
Net assets with donor restrictions					
Contributions	-	-	-	-	-
Net assets released from restrictions-operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ (219)	\$ (225)	\$ (231)	\$ (238)	\$ (245)
Net deficit, beginning of year	\$ (1,084)	\$ (1,303)	\$ (1,528)	\$ (1,759)	\$ (1,997)
Net deficit, end of year	\$ (1,303)	\$ (1,528)	\$ (1,759)	\$ (1,997)	\$ (2,242)

### Supplemental Disclosure

**LIFE MINISTRIES OUTREACH, LLC.**

Projected Statements of Cash Flows  
For Each of the Five Years Ending December 31,  
(in thousands of dollars)

	2021	2022	2023	2024	2025
<b>Cash flows from operating activities:</b>					
Change in net deficit	\$ (219)	\$ (225)	\$ (231)	\$ (238)	\$ (245)
Adjustments to reconcile net income to net cash provided by operating activities:					
Net change in working capital:					
Change in receivables and prepaid expenses	1	-	-	-	-
Change in accounts payable, other accrued liabilities, and payroll accruals	3	1	1	2	1
Net cash used by operating activities	(215)	(224)	(230)	(236)	(244)
<b>Cash flows from investing activities:</b>					
Change in due to Givens Estates	219	225	231	238	245
Net cash provided by investing activities	219	225	231	238	245
<b>Cash flows from financing activities:</b>					
Net cash provided (used) by financing activities	-	-	-	-	-
Change in cash and cash equivalents	4	1	1	2	1
Cash and cash equivalents, beginning of year	133	137	138	139	141
Cash and cash equivalents, end of year	\$ 137	\$ 138	\$ 139	\$ 141	\$ 142

**Supplemental Disclosure**

**LIFE MINISTRIES OUTREACH, LLC.**

Projected Balance Sheets  
At December 31,  
(in thousands of dollars)

	2021	2022	2023	2024	2025
<b><u>Assets</u></b>					
Current assets:					
Cash and cash equivalents	\$ 137	\$ 138	\$ 139	\$ 141	\$ 142
Total current assets	137	138	139	141	142
Due from affiliate	120	120	120	120	120
Total assets	\$ 257	\$ 258	\$ 259	\$ 261	\$ 262
<b><u>Liabilities and Net Deficit</u></b>					
Current liabilities:					
Accounts payable and other accrued liabilities	40	41	42	44	45
Total current liabilities	40	41	42	44	45
Long-term liabilities:					
Due To Givens Estates	1,520	1,745	1,976	2,214	2,459
Total liabilities	1,560	1,786	2,018	2,258	2,504
Net deficit					
Without donor restrictions	(1,303)	(1,528)	(1,759)	(1,997)	(2,242)
With donor restrictions	-	-	-	-	-
Total net deficit	(1,303)	(1,528)	(1,759)	(1,997)	(2,242)
Total liabilities and net deficit	\$ 257	\$ 258	\$ 259	\$ 261	\$ 262

**Supplemental Disclosure**

## ATTACHMENT 8

The Givens Estates  
 Comparison of 2020 Audited Financial Statements to the 2020 Forecast  
 Statement of Operations  
 December 31, 2020

	2020 Audited	2020 Forecast	Variance	%
<b>Unrestricted revenues, gains and other support:</b>				
Long-term care revenue	\$ 9,315,706	\$ 9,440,000	\$ (124,294)	-1%
Residential revenue, including amortization	22,946,994	22,310,000	636,994	3%
Assisted living revenue	3,686,557	3,706,000	(19,443)	-1%
Residential food service revenue	1,615,259	1,675,000	(59,741)	-4%
Contributions and grants	1,198,429	449,000	749,429	167%
Interest and dividend income	915,171	800,000	115,171	14%
Realized gain on investments	697,631	-	697,631	N/A
Net assets released - operations	313,542	210,000	103,542	49%
Other revenue	2,676,064	2,722,000	(45,936)	-2%
<b>Total unrestricted revenues, gains and other support</b>	<b>43,365,353</b>	<b>41,312,000</b>	<b>2,053,353</b>	<b>5%</b>
<b>Expenses:</b>				
Administration	4,392,580	3,621,000	771,580	21%
Assisted living	1,487,063	1,422,000	65,063	5%
Long-term care	5,609,671	5,326,000	283,671	5%
Home care	209,952	321,000	(111,048)	-35%
Maintenance	3,867,087	4,301,000	(433,913)	-10%
Dining services	3,803,646	4,191,000	(387,354)	-9%
Housekeeping	1,613,156	1,912,000	(298,844)	-16%
Laundry	35,013	5,000	30,013	600%
Marketing	744,069	582,000	162,069	28%
Resident services	2,501,587	2,396,000	105,587	4%
Utilities	1,389,751	1,641,000	(251,249)	-15%
Insurance	267,620	314,000	(46,380)	-15%
Outreach	650,510	563,000	87,510	16%
Bad debt expense	26,112	28,000	(1,888)	-7%
Depreciation	4,934,356	4,866,000	68,356	1%
Amortization	-	25,000	(25,000)	-100%
Interest	1,323,003	1,300,000	23,003	2%
<b>Total expenses</b>	<b>32,855,176</b>	<b>32,814,000</b>	<b>41,176</b>	<b>0%</b>
<b>Operating income (loss)</b>	<b>10,510,177</b>	<b>8,498,000</b>	<b>2,012,177</b>	<b>24%</b>
<b>Non-operating income (expense)</b>				
Unrealized gains on investments	3,271,853	-	3,271,853	N/A
Loss on disposal of property and equipment	(68,937)	-		N/A
Net assets released--capital projects	477,091	1,270,000	(792,909)	-62%
<b>Total non-operating income (expense)</b>	<b>3,680,007</b>	<b>1,270,000</b>	<b>3,271,853</b>	<b>258%</b>
<b>Change in net assets without donor restrictions</b>	<b>14,190,184</b>	<b>9,768,000</b>	<b>4,422,184</b>	<b>45%</b>
<b>Net assets with donor restrictions:</b>				
Contributions & Net investment income	1,085,058	900,000	185,058	21%
Net assets released from restrictions	(790,633)	(1,480,000)	689,367	-47%
<b>Change in net assets with donor restrictions</b>	<b>294,425</b>	<b>(580,000)</b>	<b>874,425</b>	<b>-151%</b>
<b>Change in net assets</b>	<b>\$ 14,484,609</b>	<b>\$ 9,188,000</b>	<b>\$ 5,296,609</b>	<b>58%</b>

**The Givens Estates**  
**Balance Sheet**  
**Comparison of 2020 Audited Financial Statements to the 2020 Forecast**  
**December 31, 2020**

	2020 Audited	2020 Forecast	Variance	%	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 22,000,697	\$ 3,000,000	\$ 19,000,697	633%	<b>2</b>
Assets limited as to use, current	23,481	20,000	3,481	17%	
Accounts receivable, net	901,617	1,002,000	(100,383)	-10%	
Contributions receivables, current	130,420	25,000	105,420	422%	
Other receivables	827,230	459,000	368,230	80%	
Escrow deposits	1,104,431	-	1,104,431	N/A	
Prepaid expenses	307,151	365,000	(57,849)	-16%	
Total current assets	25,295,027	4,871,000	20,424,027	419%	
Non-current assets:					
Property and equipment, net	120,060,273	126,692,000	(6,631,727)	-5%	<b>3</b>
Due from Affiliate	5,680,076	6,243,000	(562,924)	-9%	
Assets limited as to use, less current portion	2,434,550	2,242,000	192,550	9%	
Statutory operating reserve fund	7,693,000	7,693,000	-	0%	
Investments	37,487,852	53,360,000	(15,872,148)	-30%	<b>4</b>
Contributions receivables, less current portion	126,196	50,000	76,196	152%	
Other assets	806,961	807,000	(39)	0%	
Total noncurrent assets	174,288,908	197,087,000	(22,798,092)	-12%	
<b>Total assets</b>	<b>\$ 199,583,935</b>	<b>\$ 201,958,000</b>	<b>\$ (2,374,065)</b>	<b>-1%</b>	
<b>Liabilities and net assets</b>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 7,271,516	\$ 3,497,000	\$ 3,774,516	108%	<b>5</b>
Interest payable	104,939	102,000	2,939	3%	
Agency funds	23,481	20,000	3,481	17%	
Escrow deposits	1,104,431	-	1,104,431	N/A	
Unearned revenue	373,290	-	373,290	N/A	
Long-term debt, current portion	2,968,410	2,930,000	38,410	1%	
Refundable entrance fees, current portion	3,910,000	3,686,000	224,000	6%	
Total current liabilities	15,756,067	10,235,000	5,521,067	54%	
Long-term liabilities:					
Long-term debt, net of current portion	39,670,197	54,278,000	(14,607,803)	-27%	<b>6</b>
Due to affiliate	297,751	-	297,751	N/A	
Refundable entrance fees, net of current portion	18,849,264	19,117,000	(267,736)	-1%	
Deferred revenue from entrance fees	54,249,884	52,849,000	1,400,884	3%	
Resident deposits	784,650	799,000	(14,350)	-2%	
Total long-term liabilities	113,851,746	127,043,000	(13,191,254)	-10%	
Net Assets	69,976,122	64,680,000	5,296,122	8%	
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 199,583,935</b>	<b>\$ 201,958,000</b>	<b>\$ (2,374,065)</b>	<b>-1%</b>	

**The Givens Estates**  
**Statement of Cash Flows**  
**Comparison of 2020 Audited Financial Statements to the 2020 Forecast**  
**December 31, 2020**

	2020 Audited	2020 Forecast	Variance	%	
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 14,484,609	\$ 9,188,000	\$ 5,296,609	58%	
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	4,934,356	4,866,000	68,356	1%	
Amortization of deferred financing costs	24,787	25,000		0%	
Realized and unrealized gains on investments	(3,969,484)	-	(3,969,484)	N/A	7
Loss on disposal of property and equipment	68,937	-		N/A	
Proceeds from entrance fees	9,462,631	6,555,000	2,907,631	44%	8
Amortization of entrance fees	(7,194,902)	(6,650,000)	(544,902)	8%	
Bad Debts	26,112	28,000	(1,888)	-7%	
Contributions restricted for capital projects	-	(1,270,000)	1,270,000	-100%	
Net change in working capital:					
Change in receivables and prepaid expenses	(764,798)	729,000	(1,493,798)	-205%	
Change in accounts payable and other accrued liabilities	2,217,945	(258,000)	2,475,945	-960%	9
Net cash provided by operating activities	19,290,193	13,213,000	6,077,193	46%	
<b>Cash flows from investing activities:</b>					
Property and equipment purchases	(16,329,802)	(25,522,000)	9,192,198	-36%	10
Change in due to/from affiliates	644,886	(215,000)	859,886	-400%	
Change in investments and assets limited as to use	6,719,722	(12,926,000)	19,645,722	-152%	11
Net cash provided (used) by investing activities	(8,965,194)	(38,663,000)	29,697,806	-77%	
<b>Cash flows from financing activities:</b>					
Refundable portion of entrance fees received	2,754,623	2,828,000	(73,377)	-3%	
Payment of refundable fees	(3,676,947)	(2,815,000)	(861,947)	31%	
Principal payments of long-term debt	(2,850,000)	(2,850,000)	-	0%	
Proceeds from debt	-	14,569,000	(14,569,000)	-100%	12
Contributions restricted for capital projects	-	1,270,000	(1,270,000)	-100%	
Net cash provided (used) by financing activities	(3,772,324)	13,002,000	(14,569,000)	-112%	
Change in cash and cash equivalents	6,552,675	(12,448,000)	19,000,675	-153%	
Cash and cash equivalents, beginning of year	15,448,022	15,448,000	22	0%	
Cash and cash equivalents, end of year	\$ 22,000,697	\$ 3,000,000	\$ 19,000,697	633%	

## **Notes to Comparison of 2020 Audited Financial Statements to 2020 Forecast**

For the Statement of Operations any variances greater than 5% and \$998,000 (which represents .5% of assets) are highlighted on the comparison and explained below. For the Balance Sheet and Statement of Cash Flows, any variances greater than 5% and \$1,996,000 (which represents 1% of assets) are highlighted on the comparison and explained below.

### **Statement of Operations**

1. Unrealized gains on investments – Unrealized gains and losses are unpredictable, and market performance is beyond our control. Consequently, we do not include unrealized gains in the forecast.

### **Balance Sheet**

The balance sheet includes restricted and unrestricted assets for comparison.

2. Cash and cash equivalents are \$19,000,697 above the forecast. The forecast assumes any cash exceeding \$3,000,000 will be invested. We have let cash grow (instead of investing) due to ongoing large capital projects.
3. Property and equipment are \$6,631,727 below the forecast. The variance is due to a delay in beginning construction on the Friendship Park project.
4. Investments ended the year \$15,872,148 below the forecast. The variance was largely due to strategic accumulation of cash for short-term capital needs instead of increasing investments during the year.
5. Accounts payable and other accrued liabilities are \$3,774,516 above the forecast. The variance is due to the large amount of construction payables at year end.
6. Long-term debt is \$14,607,803 below the forecast. The variance is partly due to the delay in beginning construction on the Friendship Park project. In addition, we have also decided to use our accumulated cash to help fund this project in lieu of drawing on the construction loan.

### **Cash Flows**

Some accounts in the investing and financing activities of the Forecast were combined to facilitate comparability to the audit.

7. Realized and unrealized losses on investments – Unrealized gains and losses are unpredictable, and market performance is beyond our control. Consequently, we do not include unrealized gains in the forecast.
8. Proceeds from residential living entrance fees – This is the nonrefundable

- portion of the entrance fee. Most new residents chose the nonrefundable entrance fee option in 2020 and turnover was higher than forecast.
9. Change in accounts payable and other accrued liabilities is \$2,475,945 above forecast. The variance is due to the large amount of construction payables at year end.
  10. Property and equipment purchases is \$9,192,198 below forecast. The variance is due to a delay in beginning construction on the Friendship Park project.
  11. Change in assets limited as to use and investments – The forecast overestimated the actual change, which was primarily due to Givens accumulating cash instead of investing excess funds.
  12. Proceeds from long-term debt is \$14,569,000 below forecast. The variance is partly due to the delay in beginning construction on the Friendship Park project. In addition, we have also decided to use our accumulated cash to fund this project in lieu of drawing on the construction loan.