



DISCLOSURE STATEMENT

Dated: June 1, 2020

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, 2021;
- 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.



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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, 2018.

## **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 Lake Junaluska, 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 "BBB+" 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, 2019, Givens Estates had 542 residents occupying independent living residences, 41 residents in Wood Assisted Living, and 72 residents in Givens Estates Health Center for a total of 655 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.



**Robin J. Suddreth, Health Services Director**

Ms. Suddreth has been Health Services Director since 2016 and was Health Care Administrator from 1998 - 2016. She is responsible for the ongoing operation and management of Givens Estates Health Center, Wood Assisted Living, Givens Estates Home Care and Environmental Services. She is the Privacy Officer for Givens Estates. Prior to coming to Givens Estates, Ms. Suddreth served as the Assistant Director of a non-profit firm serving autistic persons in Asheville, North Carolina; and Nursing Home Administrator for for-profit firms in Canton, Clyde and Rocky Mount, North Carolina. She has served on several community Boards of Directors, including, The Council on Aging. She is a 1985 graduate from the University of North Carolina Asheville with a degree in Health Services Management.

**Scott Farkas, CPA, Controller**

Mr. Farkas has been Controller for Givens Estates since November 2014 and was Controller for Givens Highland Farms from September 2012 to November 2014. He previously worked as a Senior Associate with Dixon Hughes Goodman, an accounting firm. With Dixon Hughes Goodman, he provided oversight of the annual audits of The Givens Estates, Inc. and the previous ownership of Givens Highland Farms. A graduate of Appalachian State University with B.S.B.A. in Accounting, he has participated in the audits of CCRCs and other healthcare facilities throughout four southern states.

**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.

### **Mr. Joseph P. McGuire, Vice-Chairperson**

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.

### **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.

**Mrs. Kathryn R. Durity, Assistant Secretary**

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.

**Mr. Horace S. Jennings, 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.

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

**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. Ann H. Aldridge** – 2542 Silverbrook Court, Morganton, NC 28655

Mrs. Aldridge is a freelance sign language interpreter and a retired administrator of the North Carolina School for the Deaf. She is a member of Oak Hill United Methodist Church, Morganton, District Lay Delegate to Annual Conference and Lay Delegate to Jurisdictional Conference. She also serves on the Catawba Valley District Committee on Ministry. She returned to the board in 2015 after serving as a member from 2008 - 2014 and is on the Nominating Committee.

**Grace C. Allen** – 956 Eastview Rd., Sylva, NC 28779

Mrs. Allen is a Professor of Finance at Western Carolina University. She teaches Investment, Corporate Finance and Portfolio Management. She has taught at Western for 29 years where she is also the founder and program director for the CFP® Board-Registered Program. Grace is a member of First United Methodist Church in Waynesville and is on the Investment Committee.

**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.

**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 and is on the Strategic Planning Committee.

**Mr. William B. Cagle** – PO Box 1530, Asheville, NC 28802

Mr. Cagle is an attorney and a member of the Local and State Bar Associations. He is a member of Central United Methodist Church, Asheville. He has been a board member since 1994 and is an honorary life member of the Board.

**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 in front 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.

**Reverend Elizabeth McPherson Crissman** – 27 Balm Grove Ave., Asheville, NC 28806

Reverend Crissman is an ordained elder in the Western North Carolina Conference of The United Methodist Church and serves as the Blue Ridge District Superintendent of the United Methodist Church in the Western North Carolina Conference. She served as founder and Executive Director of Plowpoint, a non-profit organization committed to transforming leaders and churches for the transformation of local communities. She has been a board member since 2016.

**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.

**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.

**Mrs. Jane H. Fuller** - 39 Evergreen St., Brevard, NC 28712

Mrs. Fuller is a retired mathematics educator having served as a supervising teacher, mentor, college instructor and math department chairperson. She has been active in National Council of Teachers of Mathematics (NCTM) and the North Carolina Teacher of Advanced Placement Calculus (NCAAPMT) and a past member of North Carolina Association of Educators (NCAE), National Education Association (NEA) and Professional Educators of North Carolina (PENC). She is a member of First United Methodist Church, Brevard where she has served as an official board member and is in training for Stephens Ministry. She has been a Givens board member since 2014 and is on the Investment Committee and Chairs the Nominating 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, and President of Givens Highland Farms' Residents Corporation.

**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.

**Mr. Kenneth M. Hughes** - 12 Cedar Chine, Asheville, NC 28803

Mr. Hughes is a retired CPA and is the former Chairman and CEO of Dixon, Hughes, Goodman, CCP. He is a member of the Western Carolina University Foundation Board. He is a member of the Central United Methodist Church, is on the Investment Committee and has been a board member since 2017.

**Mrs. Dorothy J. Johnson** - 63 Tomahawk Trl., Marion, NC 28752

Mrs. Johnson is a retired special education teacher for McDowell county schools. She is a lay speaker,

Treasurer of United Methodist Women, and a member of Addie's Chapel United Methodist church. She has been a board member since 2014 and is on the Resident and Health Services 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.

**Bishop Paul L. Leeland** – PO Box 18750, Charlotte, NC 28218

Bishop Leeland is the Bishop of the Western North Carolina Conference and former bishop of the Alabama-West Florida Conference. As a member of the North Carolina Conference, he served small, medium, and large membership churches. He served as the District Superintendent of the Goldsboro District and he was appointed Assistant to the Bishop and Director of Ministerial Relations serving under two bishops. He has been a board member since 2016.

**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.

**Mr. Clifton B. Metcalf** – 30 Harrell Drive, Lake Junaluska, NC 28745

Mr. Metcalf is retired Vice Chancellor for Advancement and External Affairs at Western Carolina University; Treasurer of the North Carolina Retired Governmental Employees Association and serves in its Executive and Legislative Committees; and member of the Mountain Area Health Education Center (MAHEC) Board of Directors, the Greater Ivy Community Development Association in Madison County, and the First United Methodist Church, Waynesville. He is a former Legislative Liaison of the University of North Carolina system. He has been a Givens board member since 2015 and is on the Finance, Human Resource and Group Health Plan Committee.

**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.

**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.

**Mrs. Josephine C. Pyatt** - PO Box 1621, Marion, NC 28752

Mrs. Pyatt is a retired registered nurse. She is a board member of New Hope of McDowell Co. Inc., and volunteers with Hospice of McDowell Co. and McDowell County Arts Council. She is a member of the Lions Club and Member at Large for the United Methodist Women of the Blue Ridge District. She is a member of East Marion United Methodist Church. She has been a board member since 2014 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.

**Dr. Lucian C. Rice** - 347 Vanderbilt Road, Asheville, NC 28803

Dr. Rice is a physician with Biltmore Medical Associates. He is a member of Central United Methodist Church, Asheville. He has been a board member since 1982.

**Mrs. Florence E. Schwein** - Givens Estates, 108 Strawbridge Court, Asheville, NC 28803

Mrs. Schwein is the retired Director of the Centennial Museum and Chihuahuan Desert Gardens and Museum Studies at The University of Texas at El Paso (UTEP). She was also the founding Director of the Cleveland, Ohio, Police Museum and Outreach Director at the Renwick Gallery of the Smithsonian Institution. Mrs. Schwein is a Givens Estates resident and past Resident Council President. She has been a board member since 2016 and is on the Resident and Health Services Committee.

**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.

**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 Life Long 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.

**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.

**The Reverend Chris M. Westmoreland** – 86 Arcadia Lake Dr., Clyde, NC 28721

Reverend Westmoreland is the lead pastor at Long's Chapel United Methodist Church. He was the lead pastor at Assurance UMC Huntsville/Charlotte NC, Clyde Central UMC, and Youth Minister at Orange UMA Chapel Hill. He is a member of the WNCC Board of Ordained Ministry and is the past Chair of the Methodist Counseling and Consultation Services. He has been a board member since 2016.

**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 1<sup>st</sup> Bank and Trust. He is a Buncombe County Commissioner and 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 the next 10 years. 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 33 of 35 apartments with 10% deposits and began construction in March 2020. Phase II has 29 of 45 apartments with 10% deposits. Given the current sales pace, we project Phase II construction will begin in July 2020. Friendship Park apartments range in size from 900 - 1,300 square feet. Improvements to Oxford Commons Dining, Wellness Center and commons areas began in February 2020.

### **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 smokefree. 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, prewiring 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 YOUR 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 \$238.00 per month. A maximum carryover of \$476.00 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.

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.

### 2020 Individual and Guest Meals

Beverages (when purchase is less than \$9.25)	\$ 1.25
Soup	\$ 3.75
Dessert	\$ 3.75
Salad Bar, Small Plate	\$ 5.25
Salad Bar, Dinner Plate	\$ 8.75
Lunch Special	\$ 9.25
Vegetable Plate, Lunch or Dinner	\$ 8.75
Hot Bar Buffet, Lunch	\$ 11.25
Hot Bar Buffet, Dinner	\$ 14.75
Sunday Brunch, Theme Dinner or Holiday Buffet	Priced according to menu
Children (up to age 10; age 3 and under - free)	\$ 8.00
Meal Delivery Fee	\$ 3.50

Free coffee from 7:00 a.m. - 11:00 a.m. daily (no carry out containers)  
(All purchases totaling \$9.25 or more include choice of one beverage and one bread serving per person)

**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 33-36 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 page-33 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, 2020**

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**

**2020 Entrance Fee - Ranges**

**Apartments**

	0% Refund	50% Refund	90% Refund**
Studio	\$40,500	\$59,800	\$96,800
Studio w/Kitchen*	\$47,100 - \$52,300	\$69,500 - \$77,100	\$112,600 - \$124,900
One Bedroom	\$96,000 - \$98,200	\$141,600 - \$144,900	\$229,300 - \$234,700
Two Bedroom*	\$124,500 - \$138,300	\$183,800 - \$204,100	\$297,600 - \$330,500

**Oxford Commons**

**2020 Entrance Fee - Ranges**

**Apartments**

	0% Refund	50% Refund	90% Refund**
Aster	\$177,000 - \$181,400	\$261,200 - \$267,700	\$422,900 - \$433,500
Buttercup	\$180,400 - \$181,400	\$266,200 - \$267,700	\$431,000 - \$433,500
Aster Deluxe*	\$217,200 - \$219,900	\$320,500 - \$324,600	\$519,000 - \$525,600
Azalea*	\$235,700 - \$240,100	\$347,800 - \$354,300	\$563,200 - \$573,700
Camellia*	\$245,900 - \$250,100	\$363,000 - \$369,100	\$587,700 - \$597,600
Daisy*	\$253,400 - \$260,100	\$374,100 - \$383,900	\$605,700 - 621,700
Iris*	\$272,200 - \$277,800	\$401,700 - \$410,000	\$650,400 - \$663,900
Laurel*	\$301,600 - \$308,200	\$445,100 - \$454,900	\$720,700 - \$736,600
Orchid*	\$341,300 - \$345,500	\$503,800 - \$509,900	\$815,700 - \$825,600
Primrose*	\$342,600 - \$347,200	\$505,600 - \$512,500	\$818,700 - \$829,800
Tulip*	\$347,500 - \$355,200	\$512,900 - \$524,300	\$830,500 - \$848,900
Violet*	\$366,500 -	\$541,000 -	\$875,900 -

	\$370,100	\$546,300	\$884,500
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**Creekside  
Apartment Homes**

**2020 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Wisteria	\$320,400	\$472,800	\$765,600
Willow	\$368,700	\$544,200	\$881,100
Magnolia	\$405,600	\$598,600	\$969,300

**Duplexes**

**2020 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Lady Huntingdon Lane*	\$218,200 - \$228,500	\$322,000 - \$337,200	\$521,400 - \$546,000
Cokesbury Lane*	\$384,500 - \$394,900	\$567,500 - \$582,900	\$918,900 - \$943,800

**Houses**

**2020 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Houses*	\$208,400 - \$272,400	\$307,600 - \$402,000	\$498,100 - \$650,900

**Cottage Homes**

**2020 Entrance Fee - Ranges**

	0% Refund	50% Refund	90% Refund**
Dogwood*	\$380,900 - \$574,000	\$562,200 - \$847,200	\$910,300 - \$1,371,700
Redbud*	\$374,500 - \$554,500	\$552,800 - \$818,500	\$895,100 - \$1,325,300
Silverbell*	\$394,200 - \$602,600	\$581,800 - \$889,400	\$942,000 - \$1,440,000

**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 \$238.00 per person per month (as of January 1, 2020)
- 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 2020 Independent Living Monthly Service Fees by unit type. Monthly service fees for Friendship Park are for 2021.

<b>Asbury Commons Apartments</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Studio	\$1,504	N/A
Studio w/Kitchen	\$1,658	N/A
One Bedroom	\$2,129	\$2,897
Two Bedroom	\$2,594	\$3,362

<b>Oxford Commons Apartments</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Aster	\$2,951	\$4,158
Buttercup	\$2,990	\$4,197
Aster Deluxe	\$3,296	\$4,503
Azalea	\$3,555	\$4,762
Camellia	\$3,555	\$4,762
Daisy	\$3,689	\$4,896
Iris	\$3,701	\$4,908
Laurel	\$3,915	\$5,122
Orchid	\$4,073	\$5,280
Primrose	\$4,106	\$5,313
Tulip	\$4,120	\$5,327
Violet	\$4,231	\$5,438

<b>Creekside Apartment Homes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Wisteria	\$3,678	\$4,885
Willow	\$4,000	\$5,207
Magnolia	\$4,086	\$5,293

<b>Duplexes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Lady Huntingdon Lane	\$3,030	\$4,039
Cokesbury Lane	\$3,905	\$5,102

<b>Houses</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Houses***	\$2,878 - \$3,392	\$3,887 - \$4,401

<b>Cottage Homes</b>	<b>Fee for Single</b>	<b>Fee for Double</b>
Dogwood***	\$4,160 - \$4,528	\$5,367 - \$5,735
Redbud***	\$4,192 - \$4,588	\$5,399 - \$5,795
Silverbell***	\$4,259 - 4,670	\$5,466 - \$5,877

<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	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
One Occupant (\$'s per month)	126	74	114	341	95
Two Occupants (\$'s per month)	53	30	37	34	30
Approximate Percentage Increase	4.9%	2.9%	3.9%	7.5%	2.8%

Health Care Room Charges					
Givens Health Center - skilled care (\$'s per day 7 approx. % increase)	11 4.6%	17 6.49%	18 6.77%	15 4.98%	21 6.74%
Wood Assisted Living (\$'s per month & approx. % increase)	160 3.4%	295 6%	210 4%	265 5%	262 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.

2020 Assisted Living Monthly Rates	
<b>BASIC LEVEL OF CARE</b>	
Studio Apartment	\$5,400
Deluxe Studio Apartment	\$5,918
One Bedroom Apartment - Single Occupancy	\$8,881
One Bedroom Apartment - Double Occupancy	\$10,848
<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	2020 Private Room	2020 Semi-Private Room
Sales Wing	\$349	\$292
Starnes Wing	\$375	\$314

**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 - 2016 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 2020

Attachment 6 - Audited Balance Sheets and Income Statements at 12/31/18 and 12/31/19 and Unaudited Balance sheet and Income Statement at 4/30/20

Attachment 7 - 5-Year forecast of Revenues, Support Expenses, Cash Flow and Assumptions and Financial Projection for the Years Ending December 31, 2024

Attachment 8 - Comparison of the 2019 Audited Financial Statements to the 2019 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  
Horace H. Hunt  
Gregory D. Hutchins  
Horace S. Jennings  
Dorothy J. Johnson  
Thomas A. Leshar  
Doris P. Loomis

Daniel G. Martin  
J. Lawrence McCleskey  
J. Edgar McFarland  
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Ronald A. Sistrunk  
Patricia S. Smith  
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G. Edward Towson, III  
R. Keith Turman  
Frances C. Waser  
Della J. Watson  
Alfred J. Whitesides, Jr.  
Charles W. Wilson, II  
George W. Wooten  
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 \$238.00 per month. A maximum carryover of \$476.00 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.**
- 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 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

\_\_\_\_\_  
Resident Date

\_\_\_\_\_  
Resident Date

THE GIVENS ESTATES, INC.

\_\_\_\_\_  
Executive Director Date



**RESIDENCE AND SERVICES AGREEMENT  
SCHEDULE I**

**Givens Estates  
Asheville, North Carolina**

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

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

Residence Number: \_\_\_\_\_ Occupancy Date: \_\_\_\_\_

**ENTRANCE FEE**

**Zero Percent (0%) Refund Option**

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

**Fifty Percent (50%) Refund Option**

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

**Ninety Percent (90%) Refund Option**

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

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)

**MONTHLY FEE**

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

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

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

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

## 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, 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 \$238.00 per month. A maximum carryover of \$476.00 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



**2020 SERVICE FEES**

**INDIVIDUAL AND GUEST MEALS**

Soup .....	\$ 3.75
Salad Bar, Small Plate .....	\$ 5.25
Salad Bar, Dinner Plate .....	\$ 8.75
Lunch Special .....	\$ 9.25
(includes beverage & bread)	
Hot Bar Buffet, Lunch .....	\$ 11.25
(includes all buffet options, beverage, & bread)	
Hot Bar Buffet, Dinner .....	\$ 14.75
(includes all buffet options, beverage, & bread)	
Dessert .....	\$ 3.75
Fresh Fruit .....	\$ 3.50
Vegetable Plate, Lunch or Dinner .....	\$ 8.75
Protein Plate .....	\$ 8.75
Sunday Brunch/Theme Dinner/Holiday Buffet .....	priced by menu
Children (up to age 10; age 3 and under – free) .....	\$ 8.00
Meal Delivery Fee .....	\$ 3.50 per delivery
Beverages (when purchase is less than \$9.25) .....	\$ 1.25

All purchases totaling \$9.25 or more include choice of one beverage and one bread serving per person

Free coffee from 7:00 a.m. – 11:00 a.m. daily  
*(Please, no multiple service carryout containers)*

- Residents have \$238.00/per person in dining dollars credited to their meal plan accounts each month and \$476.00/per person can be carried over from month to month. Any balance exceeding that amount will expire at month end.
- 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 .....	\$35 per hour
Maintenance .....	\$35 per hour
Grounds .....	\$35 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	Basic Pedicure* .....	\$28.00
Gel Manicure .....	\$30.00	<i>*(Includes a foot soak, nail clip and file, lotion, &amp; polish)</i>	
Polish Change .....	\$10.00	Hand & Foot Massage	
File & Polish Only .....	\$12.00	15 Minutes .....	\$20.00
Nail Trim & File .....	\$14.00	30 Minutes .....	\$40.00
House Calls* .....	\$10.00		
<i>*(Upon request for an additional fee)</i>			

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 .....	\$5,400 per month
Deluxe Studio Apartment .....	\$5,918 per month
One Bedroom Apartment – Single Occupancy.....	\$8,881 per month
One Bedroom Apartment – Double Occupancy .....	\$10,848 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**

Starnes Semi-Private.....	\$314 per day
Starnes Private .....	\$375 per day
Sales Semi-Private .....	\$292 per day
Sales Private.....	\$349 per day

**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 .....\$20.00

### Arden Area:

Long Shoals Road to Old Airport Road .....\$25.00

### Biltmore Forest/Park/Village Area:

Rock Hill Road to Swannanoa River Road .....\$25.00

### Fletcher Area:

North Fletcher – Old Airport Rd. to Cane Creek Rd. (5 to 6 miles) .....\$26.00

South Fletcher – Cane Creek Rd. to Smiley Flea Market Area (6 to 10 miles) .....\$31.00

Park Ridge Hospital area (12 miles) .....\$41.00

**Airport (ONE WAY) Monday - Friday only** .....\$30.00

### Mission Hospital Area:

Swannanoa River Rd. to Hilliard St (5 to 6 miles) .....\$26.00

### Downtown Area:

South of Interstate 240 to Hilliard St (6 to 10 miles) .....\$31.00

### North Asheville:

North of Interstate 240 to Beaver Lake (6 to 10 miles) .....\$31.00

### West Asheville Area:

Interstate 40 to Enka Exit/Patton Ave (6 to 10 miles) .....\$31.00

### Fairview Area:

Interstate 40 to Exit 55 (6 to 10 miles) .....\$31.00

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 \$31.00 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 \$19.00 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 12/31/18 and 12/31/19

Unaudited Balance Sheet and Income Statement at 4/30/20

# **THE GIVENS ESTATES, INC. AND SUBSIDIARIES**

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**Consolidated Financial Statements and  
Supplementary Information**

**Years Ended December 31, 2019 and 2018**

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## **Independent Auditors' Report**

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

### ***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, 2019 and 2018, 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, 2019 and 2018, 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.

***Emphasis of Matter – New Accounting Pronouncement***

As discussed in Note 1 to the consolidated financial statements, during the year ended December 31, 2019, the Company implemented the provisions of Financial Accounting Standards Board Accounting Standards Update ASU 2015-14, Revenue from Contracts with Customers (Topic 606). As a result of adopting this new standard, the Company restated amounts previously reported as of and for the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

***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.

Sincerely,

*Dixon Hughes Goodman LLP*

**Greenville, South Carolina  
April 21, 2020**

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b> <b>(As adjusted)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 21,533,091	\$ 9,052,772
Assets limited as to use, current portion	27,436	33,739
Accounts receivable, net	1,777,565	1,392,265
Contributions receivable net, current portion	65,357	55,802
Other receivables	1,895,544	1,843,827
Prepaid expenses	580,806	585,455
Total current assets	<b>25,879,799</b>	12,963,860
Non-current assets:		
Property and equipment, net	153,785,643	153,700,698
Assets limited as to use, less current portion	2,428,778	2,262,366
Investments restricted for statutory operating reserve	11,548,000	11,265,000
Investments	40,425,393	33,340,820
Contributions receivable net, less current portion	178,092	122,732
Other assets	806,961	902,992
Intangibles, net	6,110,965	8,227,243
Interest rate swap asset	-	56,128
Total non-current assets	<b>215,283,832</b>	209,877,979
Total assets	<b>\$ 241,163,631</b>	<b>\$ 222,841,839</b>

See accompanying notes.

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2019 and 2018**

**(Continued)**

	<b>2019</b>	<b>2018</b> <b>(As adjusted)</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 3,714,423	\$ 3,229,846
Payroll accruals and related withholdings	2,546,221	2,214,869
Interest payable	167,115	186,286
Agency funds	27,436	33,739
Estimated resident refunds payable, current portion	4,928,000	4,938,000
Long-term debt, current portion	5,916,371	3,811,680
Total current liabilities	<u>17,299,566</u>	<u>14,414,420</u>
Long-term liabilities:		
Long-term debt, net	61,563,164	65,450,191
Resident refunds payable, net of current portion	48,800,633	47,920,540
Deferred revenue from entrance fees	67,374,191	61,818,522
Interest rate swap liability	305,722	-
Advance admission deposits	999,434	879,684
Total long-term liabilities	<u>179,043,144</u>	<u>176,068,937</u>
Total liabilities	<u>196,342,710</u>	<u>190,483,357</u>
Net assets:		
Without donor restrictions	36,015,347	24,729,397
With donor restrictions	8,805,574	7,629,085
Total net assets	<u>44,820,921</u>	<u>32,358,482</u>
Total liabilities and net assets	<u>\$ 241,163,631</u>	<u>\$ 222,841,839</u>

See accompanying notes.

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u> <u>(As adjusted)</u>
Revenues, gains and other support:		
Long-term care revenue, net	\$ 14,709,317	\$ 14,157,041
Residential revenue, including amortization of entrance fees of \$9,040,000 and \$7,994,000 in 2019 and 2018, respectively	33,152,863	29,953,559
Assisted living revenue, net	5,428,721	5,358,317
Residential food service revenue	2,735,202	2,680,805
Contributions and bequests	406,381	851,974
Interest and dividend income	1,105,294	888,128
Realized gain on investments	121,334	89,139
Net assets released from restrictions—operations	512,908	496,987
Other revenue	2,364,757	2,981,348
	<u>60,536,777</u>	<u>57,457,298</u>
Total revenues, gains and other support		
Expenses:		
Long-term care	14,240,743	13,465,915
Residential	23,275,548	21,369,239
Assisted living	3,905,094	3,730,559
Outreach	1,108,035	950,438
Bad debts	34,160	144,005
Depreciation	7,015,670	6,565,093
Amortization	2,135,633	1,206,232
Interest	2,175,240	2,151,365
	<u>53,890,123</u>	<u>49,582,846</u>
Total expenses		
Operating income	<u>6,646,654</u>	<u>7,874,452</u>
Non-operating gain (loss):		
Unrealized gain (loss) on investments	4,481,738	(3,386,840)
Gain on disposal of property and equipment	34,521	-
Change in interest rate swap value	(361,850)	56,128
	<u>4,154,409</u>	<u>(3,330,712)</u>
Total non-operating gain (loss), net		
Excess of revenues over expenses	10,801,063	4,543,740
Other changes in net assets without donor restrictions:		
Net assets released from restrictions—capital projects	484,887	13,126
	<u>484,887</u>	<u>13,126</u>
Change in net assets without donor restrictions	<u>\$ 11,285,950</u>	<u>\$ 4,556,866</u>

See accompanying notes.



**The Givens Estates, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u> <u>(As adjusted)</u>
Net assets without donor restrictions:		
Excess of revenues over expenses	\$ 10,801,063	\$ 4,543,740
Net assets released from restrictions—capital projects	484,887	13,126
	<u>11,285,950</u>	<u>4,556,866</u>
Change in net assets without donor restrictions		
Net assets with donor restrictions:		
Contributions	992,719	685,674
Net investment income (loss)	1,134,534	(444,511)
LifeMinistries income	47,031	65,335
Net assets released from restrictions—operating	(512,908)	(496,987)
Net assets released from restrictions—capital	(484,887)	(13,126)
	<u>1,176,489</u>	<u>(203,615)</u>
Change in net assets with donor restrictions		
Change in net assets	12,462,439	4,353,251
Net assets, beginning of year	<u>32,358,482</u>	<u>28,005,231</u>
Net assets, end of year	<u>\$ 44,820,921</u>	<u>\$ 32,358,482</u>

See accompanying notes.

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u> <u>(As adjusted)</u>
Cash flows from operating activities:		
Change in net assets	\$ 12,462,439	\$ 4,353,251
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,015,670	6,565,093
Amortization of deferred financing costs	44,143	80,615
Amortization of intangible assets	2,116,278	1,206,232
Realized and unrealized (gain) loss on investments	(4,603,072)	3,297,701
Gain on disposal of property and equipment	(34,521)	-
Change in swap value	361,850	(56,128)
Proceeds from entrance fees	13,647,585	11,791,258
Amortization of entrance fees	(9,037,822)	(7,994,314)
Bad debts	34,160	144,005
Contributions restricted for capital projects	129,616	148,527
Net change in assets and liabilities:		
Change in receivables, prepaids and other assets	(531,443)	(73,093)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	305,363	(343,358)
Net cash provided by operating activities	<u>21,910,246</u>	<u>19,119,789</u>
Cash flows from investing activities:		
Property and equipment purchases	(7,299,806)	(17,269,085)
Proceeds from sale of property and equipment	9,730	-
Reimbursement of development costs paid for related parties	96,031	(902,992)
Change in assets limited as to use and investments	<u>(2,924,610)</u>	<u>(11,360,965)</u>
Net cash used by investing activities	<u>(10,118,655)</u>	<u>(29,533,042)</u>

See accompanying notes.

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

**(Continued)**

	<u>2019</u>	<u>2018</u> <u>(As adjusted)</u>
Cash flows from financing activities:		
Repayment of long-term debt	\$ (3,811,680)	\$ (13,606,753)
Proceeds from long-term debt	2,029,691	11,060,124
Financing costs incurred	(44,490)	-
Refunds of entrance fees	(4,453,857)	(7,193,232)
Refundable portion of entrance fees received	2,832,100	586,353
Entrance fee received from initial units	4,266,580	13,502,410
Contributions restricted for capital projects	(129,616)	(148,527)
	<u>688,728</u>	<u>4,200,375</u>
Change in cash and cash equivalents	12,480,319	(6,212,878)
Cash and cash equivalents, beginning of year	<u>9,052,772</u>	<u>15,265,650</u>
Cash and cash equivalents, end of year	<u>\$ 21,533,091</u>	<u>\$ 9,052,772</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 2,194,411</u>	<u>\$ 2,152,865</u>
Non-cash activities:		
Purchase of property and equipment in accounts payable at year-end	<u>\$ 545,445</u>	<u>\$ 769,427</u>
Resident refunds in accounts payable at year-end	<u>\$ 828,824</u>	<u>\$ 977,014</u>

**See accompanying notes.**

## **Notes to Consolidated Financial Statements**

### **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 265 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.

The Company has adopted the provisions of the fair value option for financial assets and financial liabilities, which permits entities to choose to measure eligible items at fair value at specified election dates. The fair value option (i) may be applied instrument by instrument, with certain exceptions, (ii) is irrevocable (unless a new election date occurs), and (iii) is applied only to entire instruments and not to portions of instruments. The Company has elected the fair value option for investments and assets limited as to use, and as such these securities are treated as trading securities. Unrealized gains or losses are reported within the performance indicator, excess of revenues over expenses.

***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, 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.

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

### **Notes to Consolidated Financial Statements**

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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. Prior to 2019, the Company analyzed goodwill for impairment annually. There was no impairment recorded in 2018. See further discussion under New Accounting Pronouncements.

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

Givens Estates, Inc. operates two Life Plan communities. In exchange for an entrance fee, which ranges from approximately \$39,400 to \$1,400,800 at Givens Estates and approximately \$34,500 to \$758,800 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 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.

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

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***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 \$4,928,000 and \$4,938,000 at December 31, 2019 and 2018, 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, 2019 and 2018 were approximately \$78,982,000 and \$73,229,000, 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.

***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.

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

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***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, 2019.

***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, 2019 and 2018, 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 2.9% for December 31, 2019 and 3.1% at December 31, 2018 based on management's estimate of interest earnings. At December 31, 2019 and 2018, 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 19. The Company allocates expenses on a functional basis among its various programs and supporting services. The schedule of expenses in Note 19 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.

***New accounting pronouncements***

**Intangibles-Goodwill and Other: Accounting for Goodwill**

Goodwill represents the excess of the cost over the fair value of the net assets of the acquired businesses. Effective January 1, 2019, the Company adopted the provisions of Accounting Standards Update ("ASU") No. 2019-06, *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities.*, which extends the alternative to accounting for goodwill for private companies to non-profit entities. The alternative allows an entity to amortize goodwill over a period not to exceed 10 years. Under the alternative, goodwill is tested for impairment only when a triggering event occurs or circumstances change that indicate that the fair value of the entity (or reporting unit) may be less than its carrying amount.



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

### **Notes to Consolidated Financial Statements**

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The Company adopted the accounting alternative for goodwill as of January 1, 2019 and is amortizing goodwill on a straight-line basis over 6.5 years.

#### Revenue from Contracts with Customers

During 2019, the Company 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 Company’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 Company’s performance obligations within that portfolio. The five-step model defined by ASC Topic 606 requires the Company to: (1) identify contracts with customers, (2) identify the Company’s performance obligations under those contracts, (3) determine the transaction prices of those contracts, (4) allocate the transaction prices to the Company’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 result in an adjustment to our net assets except for the write-off of deferred marketing costs that are not considered incremental costs as defined in ASC Topic 606 and did not have a material impact on the amount and timing of revenue recognition for the year ended December 31, 2019.

The promised goods or services in the resident 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.

Upon adoption of ASC Topic 606, entities should evaluate costs associated with acquiring life care contracts to determine if they meet the requirements for capitalization under FASB ASC 340-40-25. Under FASB ASC 340-40-25-2, the incremental costs of obtaining a contract are those that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

As such, the entity has retrospectively adjusted the prior year consolidated financial statements for the removal of deferred marketing costs previously recorded on the balance sheets.

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

	<u>2018</u> <u>Previously</u> <u>Presented</u>	<u>Adjustment</u>	<u>2018</u> <u>(As Adjusted)</u>
<u>Balance Sheet:</u>			
Deferred marketing costs, net	\$ 629,125	\$ (629,125)	\$ -
Total non-current assets	210,507,104	(629,125)	209,877,979
Total assets	223,470,964	(629,125)	222,841,839
Long-term debt, net	65,431,360	18,831	65,450,191
Total long-term liabilities	176,050,106	18,831	176,068,937
Total liabilities	190,464,526	18,831	190,483,357
Net assets:			
Without donor restriction	25,377,353	(647,956)	24,729,397
Total net assets	33,006,438	(647,956)	32,358,482
Total liabilities and net assets	223,470,964	(629,125)	222,841,839
<u>Statements of Operations and Changes in Net Assets:</u>			
Residential	\$ 20,993,548	\$ 375,691	21,369,239
Amortization	1,246,581	(40,349)	1,206,232
Interest	2,156,073	(4,708)	2,151,365
Total expenses	49,252,212	330,634	49,582,846
Operating income	8,205,086	(330,634)	7,874,452
Excess of revenues over expenses	4,874,374	(330,634)	4,543,740
Change in net assets without donor restrictions	4,887,500	(330,634)	4,556,866
Change in net assets	4,683,885	(330,634)	4,353,251
Net assets, beginning of year	28,322,553	(317,322)	28,005,231
Net assets, end of year	33,006,438	(647,956)	32,358,482
<u>Cash Flows:</u>			
Change in net assets	\$ 4,683,885	\$ (330,634)	\$ 4,353,251
Amortization of deferred financing costs	85,323	(4,708)	80,615
Amortization of intangible assets	1,246,581	(40,349)	1,206,232
Net cash provided by operating activities	19,495,480	(375,691)	19,119,789
Marketing costs incurred	(352,152)	352,152	-
Net cash used by investing activities	(29,885,194)	352,152	(29,533,042)
Finance costs incurred	(23,539)	23,539	-
Net cash used by financing activities	4,176,836	23,539	4,200,375

## **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 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 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.

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. Cumulative dining revenues amount to \$2,512,916 and \$2,474,191, and cumulative communications revenue amounts to \$131,890 and \$62,483, as of December 31, 2019 and 2018, respectively. Additionally, residential revenue in the table below excludes revenue from the amortization of entrance fees which amounts to \$9,030,222 and \$7,994,314, as of December 31, 2019 and 2018, respectively. 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. For assisted living the amount of the ancillary services as they appear on the Consolidated Statement of Operations are \$360,566 and \$317,357 as of December 31, 2019 and 2018, respectively. For long-term care the amount of ancillary services as they appear on the Consolidated Statement of Operations are \$1,369,992 and \$1,540,990 as of December 31, 2019 and 2018, respectively.

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

	December 31, 2019			Total
	Residential	Assisted Living	Long-term Care	
Private pay	\$ 26,767,447	\$ 5,068,155	\$ 9,022,972	\$ 40,858,574
Medicare and Medicare Advantage	-	-	3,201,795	3,201,795
Medicaid	-	-	1,114,558	1,114,558
<b>Total</b>	<b><u>\$ 26,767,447</u></b>	<b><u>\$ 5,068,155</u></b>	<b><u>\$ 13,339,325</u></b>	<b><u>\$ 45,174,927</u></b>

  

	December 31, 2018			Total
	Residential	Assisted Living	Long-term Care	
Private pay	\$ 24,495,919	\$ 5,040,960	\$ 8,780,129	\$ 38,317,008
Medicare and Medicare Advantage	-	-	2,438,751	2,438,751
Medicaid	-	-	1,397,171	1,397,171
<b>Total</b>	<b><u>\$ 24,495,919</u></b>	<b><u>\$ 5,040,960</u></b>	<b><u>\$ 12,616,051</u></b>	<b><u>\$ 42,152,930</u></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 2019 or 2018.

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, 2019 and 2018. 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.

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

Assets at fair value as of December 31, 2019 and 2018 consist of the following:

	<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	<u>1,696,916</u>	-	-	<u>1,696,916</u>
	<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), 41% Sensitive (community services, energy, industrials, and technology), and 24% Defensive (consumer defense, healthcare, and utilities).

	<b>December 31, 2018</b>			<b>Fair Value</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Stocks <sup>(1)</sup>	\$ 12,471,598	\$ -	\$ -	\$ 12,471,598
Exchange traded funds	4,306,521	-	-	4,306,521
Mutual funds	9,930,432	-	-	9,930,432
Corporate bonds	-	5,063,975	-	5,063,975
Government securities	<u>1,062,973</u>	-	-	<u>1,062,973</u>
	<u>\$ 27,771,524</u>	<u>\$ 5,063,975</u>	<u>\$ -</u>	<u>32,835,499</u>
Investments at NAV (a)				<u>5,701,972</u>
Total investments at fair value				<u>\$ 38,537,471</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 56,128</u>	<u>\$ -</u>	<u>\$ 56,128</u>

<sup>(1)</sup>These assets combined are held with Morgan Stanley and at December 31, 2018 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 Company has \$6,086,879 and \$8,364,454 of cash and cash equivalents included in investments and assets limited as to use on the consolidated balance sheets at December 31, 2019 and 2018, 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, 2019 and 2018.

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

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, 2019</u>	<u>Fair Value at December 31, 2018</u>	<u>Unfunded Commitments</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
UMF Diversified Fund	\$ 7,149,495	\$ 5,701,972	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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
By Board	\$ 2,156,212	\$ 2,018,013
Other funds	272,566	244,353
Held on behalf of others	<u>27,436</u>	<u>33,739</u>
	2,456,214	2,296,105
Less current portion	<u>27,436</u>	<u>33,739</u>
	<u>\$ 2,428,778</u>	<u>\$ 2,262,366</u>

**5. Property and Equipment**

Property and equipment consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 8,522,121	\$ 9,949,269
Buildings	187,755,226	193,797,662
Furniture and equipment	13,251,527	20,653,358
Vehicles	386,163	987,747
Construction in progress	<u>6,360,669</u>	<u>1,130,547</u>
	216,275,706	226,518,583
Less accumulated depreciation	<u>(62,490,063)</u>	<u>(72,817,885)</u>
	<u>\$ 153,785,643</u>	<u>\$ 153,700,698</u>

Several large construction projects were started in 2019. Construction commitments at December 31, 2019 consisted of approximately \$8,360,000 to the project contractors.

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

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**6. Net Assets with Donor Restrictions**

Net assets with donor restrictions were available for the following purposes at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Supplemental assistance	\$ 7,186,346	\$ 5,951,366
Capital projects	9,928	345,127
General services	704,856	538,741
Outreach	<u>904,444</u>	<u>793,851</u>
	<u>\$ 8,805,574</u>	<u>\$ 7,629,085</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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Supplemental assistance	\$ 264,021	\$ 205,156
Outreach expenses	49,955	66,240
General services	<u>198,932</u>	<u>225,591</u>
Used for operations	512,908	496,987
Used for capital projects	<u>484,887</u>	<u>13,126</u>
	<u>\$ 997,795</u>	<u>\$ 510,113</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 \$244,199 in 2019 and \$344,479 in 2018.

There are two board members affiliated with the two law firms that serve as legal counsel for the Company. Related legal expenses incurred during 2019 and 2018 were \$40,336 and \$53,136, 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 Givens Estates, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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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 \$185,813. 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, 2019 and 2018 consist of the following:

<u>2019</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets:		
Resident contracts	\$ 9,649,855	\$ 8,544,143
Amortized intangible assets:		
Goodwill	\$ 5,915,299	\$ 910,046
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
<u>2018</u>		
Amortized intangible assets:		
Resident contracts	\$ 9,649,855	\$ 7,337,911
Unamortized intangible assets:		
Goodwill	\$ 5,915,299	\$ -



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

The estimated amortization expense for future periods at December 31, 2019, are as follows:

2020	\$ 2,015,759
2021	910,046
2022	910,046
2023	910,046
2024	910,046
2025	<u>455,022</u>
	<u>\$ 6,110,965</u>

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

**9. Long-Term Debt**

Long-term debt at December 31, 2019 and 2018 consists of:

	<u>2019</u>	<u>2018</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, 2019 and 2018. Principal payments began in 2017 with final payment due in 2033.	<b>\$ 45,760,000</b>	48,535,000
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>10,440,027</b>	11,020,024
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>7,247,068</b>	7,576,480
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.	<b>1,991,281</b>	-
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>	-
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.	<u>2,375,759</u>	<u>2,503,030</u>
	<b>67,852,545</b>	69,634,534
Less current portion	<b>(5,916,371)</b>	(3,811,680)
Less unamortized debt issuance costs	<u><b>(373,010)</b></u>	<u>(372,663)</u>
	<u><b>\$ 61,563,164</b></u>	<u>\$ 65,450,191</u>

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

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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, 2019, are as follows:

2020	\$ 5,916,371
2021	3,958,971
2022	14,746,080
2023	3,409,412
2024	3,489,412
Thereafter	<u>36,332,299</u>
	<u>\$ 67,852,545</u>

### **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 2019 and 2018 was \$684,048 and \$561,030, 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 maximum plan costs of approximately \$3,799,000 for the 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, 2019 and 2018 were \$595,098 and \$506,230, respectively, for unpaid claims. Claims of \$2,400,326 and \$3,017,901 were paid during the 2019 and 2018 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 \$488,054 (\$356,812 for the Givens Estates campus and \$131,242 for the Givens Highland Farms campus) and \$369,508 for the years ended December 31, 2019 and 2018, 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).

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 clinic and office space on the Givens Estates campus, 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 daily impact of memory diseases.

The services and funds provided to these outreach programs from the Company were \$1,428,070 (\$1,233,151 for the Givens Estates campus and \$194,919 for the Givens Highland Farms campus) and \$1,254,786 for the years ended December 31, 2019 and 2018, 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, 2019, Givens Estates, Inc. and Subsidiaries were in compliance with this statute. The operating reserve is approximately \$11,548,000 (\$7,457,000 and \$4,091,000 for Givens Estates and Givens Highland Farms, respectively) and \$11,265,000 at December 31, 2019 and 2018, 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, 2019 and 2018. 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 Givens Estates, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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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 \$7,800,000. The swap expires December 2026 and effectively fixes the variable interest rate of the \$7,800,000 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>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>

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

<u>Asset Categories</u>	<u>2018</u>
Cash and cash equivalents	\$ 9,052,772
Accounts receivable, net	1,392,265
Investments	33,340,820
Assets limited as to Use – board designated	2,018,013
Less: donor restricted amounts	(7,629,085)
	<u>\$ 38,174,785</u>

**18. Subsequent events**

The Company has evaluated its subsequent events through April 21, 2020, which represents the date the consolidated financial statements were available to be issued and, with the exception of the event noted below, concluded that there are no additional items requiring disclosure in the consolidated financial statements.

Subsequent to the balance sheet date, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak may disrupt our business as well as our ability to acquire new residents going forward. The extent of the impact of the outbreak on the Organization's performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company's residents, employees and vendors, and governmental, regulatory and private sector responses. The consolidated financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

The Company carries a significant balance of marketable equity securities. As of the date the consolidated financial statements were available to be issued, the economic uncertainty caused by the outbreak has resulted in a severe decline in the value of marketable securities, including many of those held by the Company.

**19. 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, 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	2,175,240	-	-	2,175,240
	<u>\$ 46,092,327</u>	<u>\$ 6,366,625</u>	<u>\$ 1,431,171</u>	<u>\$ 53,890,123</u>
Total expenses included in the expenses section on the consolidated statement of operations and changes in net assets				

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

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The following is a schedule of expenses by both nature and function for the year ended December 31, 2018:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 19,598,776	\$ 4,105,050	\$ 633,517	\$ 24,337,343
Medical and personal care	3,858,908	-	-	3,858,908
Food service	2,723,654	-	-	2,723,654
Facility services	3,718,399	-	-	3,718,399
Administration	-	1,035,351	-	1,035,351
Marketing & development	-	-	819,860	819,860
Utilities & insurance	2,632,515	534,126	-	3,166,641
Depreciation	6,565,093	-	-	6,565,093
Amortization	1,206,232	-	-	1,206,232
Interest	<u>2,151,365</u>	<u>-</u>	<u>-</u>	<u>2,151,365</u>
Total expenses included in the expenses section on the consolidated statement of operations and changes in net assets	<u>\$ 42,454,942</u>	<u>\$ 5,674,527</u>	<u>\$ 1,453,377</u>	<u>\$ 49,582,846</u>

***Supplementary Information***

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Balance Sheet**  
**December 31, 2019**

	<b>ESTATES</b>		
	<b>Operating Fund</b>	<b>Special Use Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 14,494,920	\$ 953,102	\$ 15,448,022
Assets limited as to use, current portion	21,356	-	21,356
Accounts receivable, net of allowances	976,043	-	976,043
Contributions receivable net, current portion	-	65,357	65,357
Interfund receivable (payable)	2,552	(2,552)	-
Other receivables	1,060,057	17,809	1,077,866
Prepaid expenses	361,001	-	361,001
	<u>16,915,929</u>	<u>1,033,716</u>	<u>17,949,645</u>
Total current assets			
Non-current assets:			
Property and equipment, net	106,035,737	-	106,035,737
Due from affiliate	6,028,014	-	6,028,014
Assets limited as to use, less current portion	2,156,212	-	2,156,212
Investments restricted for statutory operating reserve	7,457,000	-	7,457,000
Investments	33,433,353	7,321,200	40,754,553
Contributions receivable net, less current portion	-	178,092	178,092
Other assets	806,961	-	806,961
Intangibles, net	-	-	-
	<u>155,917,277</u>	<u>7,499,292</u>	<u>163,416,569</u>
Total non-current assets			
	<u>\$ 172,833,206</u>	<u>\$ 8,533,008</u>	<u>\$ 181,366,214</u>
Total assets			

See independent auditors' report.



**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Balance Sheet**  
**December 31, 2019**

<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 176,108	\$ 5,610,920	\$ 298,041	\$ -	\$ 21,533,091
-	6,080	-	-	27,436
-	799,171	2,351	-	1,777,565
-	-	-	-	65,357
-	-	-	-	-
6,550	660,585	150,543	-	1,895,544
-	219,805	-	-	580,806
<u>182,658</u>	<u>7,296,561</u>	<u>450,935</u>	<u>-</u>	<u>25,879,799</u>
-	36,144,004	11,605,902	-	153,785,643
120,806	-	-	(6,148,820)	-
-	272,566	-	-	2,428,778
-	4,091,000	-	-	11,548,000
-	(329,160)	-	-	40,425,393
-	-	-	-	178,092
-	-	-	-	806,961
-	6,110,965	-	-	6,110,965
<u>120,806</u>	<u>46,289,375</u>	<u>11,605,902</u>	<u>(6,148,820)</u>	<u>215,283,832</u>
<u>\$ 303,464</u>	<u>\$ 53,585,936</u>	<u>\$ 12,056,837</u>	<u>\$ (6,148,820)</u>	<u>\$ 241,163,631</u>

See independent auditors' report.

**Givens Estates, Inc. and Subsidiaries**  
**Consolidating Balance Sheet**  
**December 31, 2019**

	<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	\$ 2,055,619	\$ -	\$ 2,055,619
Payroll accruals and related withholdings	1,688,354	-	1,688,354
Interest payable	111,909	-	111,909
Agency funds	21,356	-	21,356
Estimated resident refunds payable, current portion	3,690,000	-	3,690,000
Long-term debt, current portion	2,888,410	-	2,888,410
	<u>10,455,648</u>	<u>-</u>	<u>10,455,648</u>
Total current liabilities			
Long-term liabilities:			
Long-term debt, net	42,575,410	-	42,575,410
Due to affiliate	803	-	803
Resident refunds payable, net of current portion	19,138,014	-	19,138,014
Deferred revenue from entrance fees	52,906,176	-	52,906,176
Interest rate swap	-	-	-
Advance admission deposits	798,650	-	798,650
	<u>115,419,053</u>	<u>-</u>	<u>115,419,053</u>
Total long-term liabilities			
	<u>125,874,701</u>	<u>-</u>	<u>125,874,701</u>
Total liabilities			
	<u>125,874,701</u>	<u>-</u>	<u>125,874,701</u>
Net assets (deficit):			
Without donor restrictions	46,958,505	-	46,958,505
With donor restrictions	-	8,533,008	8,533,008
	<u>46,958,505</u>	<u>8,533,008</u>	<u>55,491,513</u>
Total net assets (deficit)			
	<u>46,958,505</u>	<u>8,533,008</u>	<u>55,491,513</u>
Total liabilities and net assets	<u>\$ 172,833,206</u>	<u>\$ 8,533,008</u>	<u>\$ 181,366,214</u>

See independent auditors' report.

<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 8,904	\$ 1,622,390	\$ 27,510	\$ -	\$ 3,714,423
23,293	824,752	9,822	-	2,546,221
-	55,206	-	-	167,115
-	6,080	-	-	27,436
-	1,238,000	-	-	4,928,000
-	2,698,549	329,412	-	5,916,371
<u>32,197</u>	<u>6,444,977</u>	<u>366,744</u>	<u>-</u>	<u>17,299,566</u>
-	12,070,098	6,917,656	-	61,563,164
1,251,576	4,869,348	27,093	(6,148,820)	-
-	29,662,619	-	-	48,800,633
-	14,417,111	50,904	-	67,374,191
-	-	305,722	-	305,722
-	200,784	-	-	999,434
<u>1,251,576</u>	<u>61,219,960</u>	<u>7,301,375</u>	<u>(6,148,820)</u>	<u>179,043,144</u>
<u>1,283,773</u>	<u>67,664,937</u>	<u>7,668,119</u>	<u>(6,148,820)</u>	<u>196,342,710</u>
(980,309)	(14,351,567)	4,388,718	-	36,015,347
-	272,566	-	-	8,805,574
<u>(980,309)</u>	<u>(14,079,001)</u>	<u>4,388,718</u>	<u>-</u>	<u>44,820,921</u>
<u>\$ 303,464</u>	<u>\$ 53,585,936</u>	<u>\$ 12,056,837</u>	<u>\$ (6,148,820)</u>	<u>\$ 241,163,631</u>

See independent auditors' report.

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2019**

	<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	\$ 9,366,191	\$ -	\$ 5,343,126	\$ -	\$ -	\$ 14,709,317
Residential revenue, including amortization	22,476,013	-	8,934,474	1,742,376	-	33,152,863
Assisted living revenue, net	3,586,859	-	1,841,862	-	-	5,428,721
Residential food service revenue	1,628,823	-	1,106,379	-	-	2,735,202
Contributions and bequests	307,997	-	4,319	94,065	-	406,381
Interest and dividend income	1,021,294	-	84,000	-	-	1,105,294
Realized gain	95,698	-	25,636	-	-	121,334
Net assets released - operations	418,287	167,031	47,590	-	(120,000)	512,908
Other revenue	3,779,800	-	666,201	121,841	(2,203,085)	2,364,757
<b>Total revenues, gains and other support</b>	<b>42,680,962</b>	<b>167,031</b>	<b>18,053,587</b>	<b>1,958,282</b>	<b>(2,323,085)</b>	<b>60,536,777</b>
Expenses:						
Administration	4,005,630	-	1,752,329	218,360	-	5,976,319
Assisted living	1,333,853	-	567,461	-	-	1,901,314
Long-term care	5,774,386	-	3,845,087	-	-	9,619,473
Home care	205,228	-	588,344	-	-	793,572
Maintenance	4,142,417	-	2,223,657	89,829	-	6,455,903
Dining services	3,942,108	-	2,505,446	288,375	-	6,735,929
Housekeeping	1,603,407	-	991,861	10,409	-	2,605,677
Laundry	31,698	-	163,389	-	-	195,087
Management fees	1,159,346	-	894,602	149,137	(2,203,085)	-
Marketing	834,188	-	447,387	57,151	-	1,338,726
Resident services	2,588,361	-	226,825	59,689	-	2,874,875
Utilities	1,481,086	-	688,826	183,336	-	2,353,248
Insurance	267,949	-	275,804	27,509	-	571,262
Outreach	791,933	252,919	183,183	-	(120,000)	1,108,035
Bad debts	3,329	-	30,831	-	-	34,160
Depreciation	4,837,081	-	1,870,419	308,170	-	7,015,670
Amortization	-	-	2,135,633	-	-	2,135,633
Interest	1,414,354	-	468,486	292,400	-	2,175,240
<b>Total expenses</b>	<b>34,416,354</b>	<b>252,919</b>	<b>19,859,570</b>	<b>1,684,365</b>	<b>(2,323,085)</b>	<b>53,890,123</b>
Operating income (loss)	8,264,608	(85,888)	(1,805,983)	273,917	-	6,646,654

**See independent auditors' report.**

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2019**

**(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	\$ 4,032,389	\$ -	\$ 449,349	\$ -	\$ -	\$ 4,481,738
Gain on disposal of property and equipment	34,521	-	-	-	-	34,521
Change in interest rate swap value	-	-	-	(361,850)	-	(361,850)
Total non-operating gain (loss), net	<u>4,066,910</u>	<u>-</u>	<u>449,349</u>	<u>(361,850)</u>	<u>-</u>	<u>4,154,409</u>
Excess (deficit) of revenues over expenses	12,331,518	(85,888)	(1,356,634)	(87,933)	-	10,801,063
Other changes in net assets without donor restrictions:						
Net assets released –capital projects	<u>464,815</u>	<u>-</u>	<u>20,072</u>	<u>-</u>	<u>-</u>	<u>484,887</u>
Change in net assets without donor restrictions	<u>\$ 12,796,333</u>	<u>\$ (85,888)</u>	<u>\$ (1,336,562)</u>	<u>\$ (87,933)</u>	<u>\$ -</u>	<u>\$ 11,285,950</u>
Net assets with donor restrictions:						
Contributions	\$ 913,939	\$ -	\$ 78,780	\$ -	\$ -	\$ 992,719
Net investment income	1,117,439	-	17,095	-	-	1,134,534
LifeMinistries income	-	167,031	-	-	(120,000)	47,031
Net assets released –operating	(418,287)	(167,031)	(47,590)	-	120,000	(512,908)
Net assets released –capital	<u>(464,815)</u>	<u>-</u>	<u>(20,072)</u>	<u>-</u>	<u>-</u>	<u>(484,887)</u>
	<u>1,148,276</u>	<u>-</u>	<u>28,213</u>	<u>-</u>	<u>-</u>	<u>1,176,489</u>
Change in net assets (deficit)	13,944,609	(85,888)	(1,308,349)	(87,933)	-	12,462,439
Net assets (deficit), beginning of year as adjusted	<u>41,546,904</u>	<u>(894,421)</u>	<u>(12,770,652)</u>	<u>4,476,651</u>	<u>-</u>	<u>32,358,482</u>
Net assets (deficit), end 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>

**See independent auditors' report.**

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Statement of Cash Flows**  
**Year Ended December 31, 2019**

	<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	\$ 13,944,609	\$ (85,888)	\$ (1,308,349)	\$ (87,933)	\$ 12,462,439
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Depreciation	4,837,081	-	1,870,419	308,170	7,015,670
Amortization of deferred financing costs	24,788	-	19,355	-	44,143
Amortization of intangible assets	-	-	2,116,278	-	2,116,278
Realized and unrealized gains on investments	(4,128,087)	-	(474,985)	-	(4,603,072)
Gain on disposal of property and equipment	(34,521)	-	-	-	(34,521)
Change in swap value	-	-	-	361,850	361,850
Proceeds from entrance fees	10,654,342	-	2,975,089	18,154	13,647,585
Amortization of entrance fees	(7,390,848)	-	(1,646,974)	-	(9,037,822)
Bad debts	3,329	-	30,831	-	34,160
Contributions restricted for capital	129,616	-	-	-	129,616
Net change in assets and liabilities:					
Change in receivables, prepaids and other assets	(97,543)	(5,986)	(426,419)	(1,495)	(531,443)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	217,838	6,274	180,098	(98,847)	305,363
Net cash provided (used) by operating activities	<u>18,160,604</u>	<u>(85,600)</u>	<u>3,335,343</u>	<u>499,899</u>	<u>21,910,246</u>
Cash flows from investing activities:					
Property and equipment purchases	(3,859,804)	-	(3,315,568)	(124,434)	(7,299,806)
Proceeds from sale of property and equipment	9,730	-	-	-	9,730
Change in due to/from affiliates	(533,422)	224,360	191,223	117,839	-
Reimbursement of development costs paid for related parties	96,031	-	-	-	96,031
Change in assets limited as to use and investments	<u>(2,823,026)</u>	<u>-</u>	<u>(101,584)</u>	<u>-</u>	<u>(2,924,610)</u>
Net cash provided (used) by investing activities	<u>(7,110,491)</u>	<u>224,360</u>	<u>(3,225,929)</u>	<u>(6,595)</u>	<u>(10,118,655)</u>

**See independent auditors' report.**

**The Givens Estates, Inc. and Subsidiaries**  
**Consolidating Statement of Cash Flows**  
**Year Ended December 31, 2019**

**(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	\$ (2,775,000)	\$ -	\$ (707,268)	\$ (329,412)	\$ (3,811,680)
Proceeds from long-term debt	38,410	-	1,991,281	-	2,029,691
Financing costs incurred	-	-	(44,490)	-	(44,490)
Refunds of entrance fees	(3,162,155)	-	(1,291,702)	-	(4,453,857)
Refundable entrance fees received	2,142,080	-	690,020	-	2,832,100
Entrance fee received from initial units	1,046,090	-	3,220,490	-	4,266,580
Contributions restricted for capital	(129,616)	-	-	-	(129,616)
	<u>(2,840,191)</u>	<u>-</u>	<u>3,858,331</u>	<u>(329,412)</u>	<u>688,728</u>
Net cash provided (used) by financing activities					
Change in cash and cash equivalents	8,209,922	138,760	3,967,745	163,892	12,480,319
Cash and cash equivalents, beginning of year	<u>7,238,100</u>	<u>37,348</u>	<u>1,643,175</u>	<u>134,149</u>	<u>9,052,772</u>
Cash and cash equivalents, end 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>
Supplemental disclosure of cash flow information:					
Cash paid during the year for interest	<u>\$ 1,421,140</u>	<u>\$ -</u>	<u>\$ 480,871</u>	<u>\$ 292,400</u>	<u>\$ 2,194,411</u>
Non-cash activities:					
Purchase of property and equipment in accounts payable at year-end	<u>\$ 155,444</u>	<u>\$ -</u>	<u>\$ 390,001</u>	<u>\$ -</u>	<u>\$ 545,445</u>
Resident refunds in accounts payable at year-end	<u>\$ 419,912</u>	<u>\$ -</u>	<u>\$ 408,912</u>	<u>\$ -</u>	<u>\$ 828,824</u>

**See independent auditors' report.**

**The Givens Estates, Inc. & Subsidiaries**  
**Statements of Operations**  
**For the Period ending April 30, 2020**

<b>Unrestricted revenues,gains and other support</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>
Long-term care revenue	4,924,687	4,967,972	(\$43,285)	-0.9%
Residential revenue	8,398,824	8,344,367	54,457	0.7%
Amortization of entrance fees	3,086,769	2,705,535	381,235	14.1%
Assisted living revenue	1,739,731	1,906,665	(166,934)	-8.8%
Residential dining services revenue	983,006	974,234	8,771	0.9%
Contributions and bequests	130,211	162,368	(32,157)	-19.8%
Assets released from restrictions - operating	238,251	88,000	150,251	170.7%
Interest income	480,473	290,868	189,605	65.2%
Realized gain	(515,863)	0	(515,863)	N/A
Other revenue	722,654	731,820	(9,166)	-1.3%
<b>Total unrestricted revenues, gains and other support</b>	<b>20,188,742</b>	<b>20,171,829</b>	<b>16,914</b>	<b>0.1%</b>
<b>Expenses:</b>				
Long-term care	4,834,386	4,707,848	(126,538)	-2.7%
Residential	7,494,448	7,736,514	242,065	3.1%
Assisted Living	1,364,517	1,413,317	48,800	3.5%
Outreach expense	325,242	317,051	(8,191)	-2.6%
Bad debts	15,197	22,001	6,804	30.9%
Depreciation	2,342,430	2,339,604	(2,826)	-0.1%
Amortization	719,292	719,844	552	0.1%
Interest	686,755	672,465	(14,290)	-2.1%
<b>Total expenses</b>	<b>17,782,268</b>	<b>17,928,645</b>	<b>146,377</b>	<b>0.8%</b>
<b>Operating Income (Loss)</b>	<b>2,406,474</b>	<b>2,243,184</b>	<b>163,290</b>	<b>7.3%</b>
<b>Non-operating income (expense)</b>				
Gain (loss) on disposal of property	2,883	0	2,883	N/A
Unrealized gains (losses) on investments	(2,157,624)	0	(2,157,624)	N/A
<b>Total non-operating expenses</b>	<b>(2,154,741)</b>	<b>0</b>	<b>(2,154,741)</b>	<b>N/A</b>
Excess revenue over (under) expenses	251,733	2,243,184	(1,991,451)	-88.8%
Net assets released for capital projects	0	375,000	(375,000)	-100.0%
<b>Change in unrestricted net assets</b>	<b>\$251,733</b>	<b>\$2,618,184</b>	<b>(2,366,451)</b>	<b>-90.4%</b>



**The Givens Estates, Inc. & Subsidiaries**  
**Balance Sheets (Unaudited)**  
**April 30, 2020 and 2019**

	2020			2019
	Unrestricted Fund	Restricted Fund	Total	Total
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 29,703,182	\$ 1,382,810	\$ 31,085,992	\$ 30,954,692
Assets Limited to Use, Current	\$ 26,476		\$ 26,476	\$ 27,436
Accounts Receivable, net	\$ 1,774,095		\$ 1,774,095	\$ 1,777,566
Contributions Receivable, Current		\$ 65,357	\$ 65,357	\$ 65,357
Other Receivables	\$ 1,046,229	\$ 17,809	\$ 1,064,038	\$ 1,869,260
Escrow Deposits	\$ 868,400	\$ -	\$ 868,400	\$ -
Prepaid Expenses	\$ 598,523		\$ 598,523	\$ 579,017
<b>Total Current Assets</b>	<b>\$ 34,016,905</b>	<b>\$ 1,465,976</b>	<b>\$ 35,482,881</b>	<b>\$ 35,273,327</b>
Noncurrent Assets				
Property and Equipment, net	\$ 155,611,415		\$ 155,611,415	\$ 153,785,643
Goodwill	\$ 5,405,540		\$ 5,405,540	\$ 6,110,965
Assets Whose Use Is Limited, less Current	\$ 2,217,148		\$ 2,217,148	\$ 2,194,405
Other Assets:			\$ -	\$ -
Bond Proceeds Held by Trustee	\$ -		\$ -	\$ -
Contributions Rec, Net of Current		\$ 178,092	\$ 178,092	\$ 178,092
Interfund receivable (payable)	\$ (198,615)	\$ 198,615	\$ -	\$ (0)
Investments	\$ 34,721,969	\$ 6,628,326	\$ 41,350,296	\$ 43,594,915
Deferred Costs	\$ -		\$ -	\$ -
<b>Total Noncurrent Assets</b>	<b>\$ 197,757,458</b>	<b>\$ 7,005,033</b>	<b>\$ 204,762,492</b>	<b>\$ 205,864,020</b>
<b>Total Assets</b>	<b>\$ 231,774,363</b>	<b>\$ 8,471,009</b>	<b>\$ 240,245,373</b>	<b>\$ 241,137,348</b>
<b>Liabilities and Fund Balances</b>				
Current Liabilities:				
Accounts Payable and Other Accrued Liab	\$ 1,898,412		\$ 1,898,412	\$ 3,724,581
Payroll Accruals and Related Withholdings	\$ 2,625,039		\$ 2,625,039	\$ 2,498,674
Interest Payable	\$ 179,764		\$ 179,764	\$ 167,115
Escrow Deposits	\$ 868,400		\$ 868,400	\$ -
Agency Funds	\$ 26,476		\$ 26,476	\$ 27,436
Long-term debt, current portion	\$ 3,916,680		\$ 3,916,680	\$ 3,886,680
<b>Total Current Liabilities</b>	<b>\$ 9,514,771</b>	<b>\$ -</b>	<b>\$ 9,514,771</b>	<b>\$ 10,304,486</b>
Long-Term Liabilities:				
Long-term debt, net of current portion	\$ 63,415,916		\$ 63,415,916	\$ 63,592,855
Deferred revenue - refundable	\$ 54,289,619		\$ 54,289,619	\$ 53,728,633
Deferred revenue - non refundable	\$ 66,937,269		\$ 66,937,269	\$ 67,361,480
Advanced Admission Deposits	\$ 1,044,038		\$ 1,044,038	\$ 1,050,338
Interest Rate Swap	\$ 305,722		\$ 305,722	\$ 305,722
<b>Total Long-Term Liabilities</b>	<b>\$ 185,992,563</b>	<b>\$ -</b>	<b>\$ 185,992,563</b>	<b>\$ 186,039,028</b>
<b>Fund Balances</b>	<b>\$ 36,267,029</b>	<b>\$ 8,471,009</b>	<b>\$ 44,738,038</b>	<b>\$ 44,793,835</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 231,774,363</b>	<b>\$ 8,471,009</b>	<b>\$ 240,245,373</b>	<b>\$ 241,137,348</b>

**The Givens Estates, Inc. & Subsidiaries**  
**Statement of Cash Flows Of The Unrestricted Fund (Unaudited)**  
**For the Period ending April 30, 2020**

Cash flows from operating activities:	
Change in net assets	251,733
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	\$2,342,430
Amortization	\$719,292
(Gain) loss on sale of equipment	(\$2,883)
Unrealized (gain) losses on investments	2,157,624
Change in swap value	0
Proceeds from residential living entrance fees	3,181,943
Amortization of entrance fees	(3,086,769)
Bad Debts	15,197
Contributions restricted for capital projects	0
Net change in assets and liabilities:	
Change in receivables and prepaid expenses	(123,315)
Change in accounts payable, other accrued liabilities, payroll accruals and admission deposits	(976,580)
Due to restricted fund	199,687
Net cash provided by operating activities	<u>4,678,359</u>
Cash flows from investing activities:	
Property and equipment purchases	(4,532,443)
Change in assets limited as to use and investments	(611,515)
Net cash used in investing activities	<u>(5,143,959)</u>
Cash flows from financing activities:	
Principal payments of long-term debt	(1,290,561)
Proceeds from debt	1,129,755
Financing costs incurred	0
Refunds of entrance fees	(2,083,771)
Refundable portion of entrance fees received	1,462,976
New apartments entrance fee deposits	1,221,355
Contributions restricted for capital projects	0
Net cash provided by (used in) financing activities	<u>439,754</u>
Net increase (decrease) in cash and cash equivalents	(25,844)
Cash and cash equivalents at beginning of year	<u>29,729,026</u>
Cash and cash equivalents at end of period	<u><u>29,703,182</u></u>
Supplemental disclosure of cash flow information -	
Cash paid during the year for interest	671,109

ATTACHMENT 7

5-Year Forecast of Revenues, Support Expenses, Cash Flow and Assumptions  
and Financial Projection for the Years Ending December 31, 2024

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

Compilation of a Financial Projection

For Each of the Five Years Ending  
December 31, 2024

(with Independent Accountants'  
Compilation Report thereon)

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

Compilation of a Financial Projection

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**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, 2024 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 assumption occurs during the projection period that the Corporation's newly constructed and yet to be constructed independent living units are successfully marketed and achieve and maintain projected occupancy levels, 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 27, 2020

## THE GIVENS ESTATES, INC. & SUBSIDIARIES

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

	2020	2021	2022	2023	2024
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ 8,117	\$ 8,663	\$ 10,050	\$ 9,833	\$ 9,622
Residential revenue	25,069	26,401	29,714	30,696	31,714
Assisted living revenue	5,740	5,923	6,110	6,305	6,505
Long-term care revenue, net	15,013	15,340	15,739	16,152	16,576
Residential food service revenue	2,933	3,024	3,078	3,134	3,191
Contributions and bequests	541	548	556	563	571
Net assets released from restrictions-operations	210	216	223	229	236
Other revenue	2,449	2,499	2,577	2,657	2,740
Investment income	893	1,356	1,514	1,831	2,124
<b>Total unrestricted revenues, gains and other support</b>	<b>60,965</b>	<b>63,970</b>	<b>69,561</b>	<b>71,400</b>	<b>73,279</b>
<b>Expenses:</b>					
Administration	5,424	5,591	5,757	5,928	6,102
Assisted living	2,106	2,168	2,232	2,299	2,367
Long-term care	9,339	9,614	9,899	10,192	10,493
Home care	826	851	876	901	928
Maintenance	6,548	6,817	7,019	7,228	7,442
Dining services	7,039	7,273	7,539	7,763	7,993
Housekeeping	3,003	3,137	3,231	3,327	3,426
Laundry	48	49	50	52	53
Marketing	1,222	1,263	1,301	1,340	1,380
Resident services	2,900	2,991	3,080	3,172	3,266
Utilities	2,511	2,625	2,753	2,835	2,920
Outreach	953	980	1,010	1,041	1,072
Bad debts	66	67	68	69	70
Insurance	594	618	637	655	674
Depreciation	7,056	7,853	8,595	8,459	8,354
Amortization of intangible assets	2,017	910	910	910	910
Interest expense:					
Amortization of deferred financing costs	57	28	28	25	25
Interest-Bank Loan	437	294	276	259	241
Interest-Gerber Bank Loan	280	262	249	236	224
Interest-Series 2017 Bonds	1,300	1,181	1,097	1,010	922
<b>Total expenses</b>	<b>53,726</b>	<b>54,572</b>	<b>56,607</b>	<b>57,701</b>	<b>58,862</b>
<b>Operating income</b>	<b>7,239</b>	<b>9,398</b>	<b>12,954</b>	<b>13,699</b>	<b>14,417</b>
Net assets released from restrictions--capital projects	1,270	20	20	20	20
<b>Change in net assets without donor restrictions</b>	<b>\$ 8,509</b>	<b>\$ 9,418</b>	<b>\$ 12,974</b>	<b>\$ 13,719</b>	<b>\$ 14,437</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)

	2020	2021	2022	2023	2024
<b>Net assets without donor restrictions:</b>					
Operating income	\$ 7,239	\$ 9,398	\$ 12,954	\$ 13,699	\$ 14,417
Net assets released from restrictions-capital projects	1,270	20	20	20	20
Change in net assets without donor restrictions	8,509	9,418	12,974	13,719	14,437
<b>Net assets with donor restrictions:</b>					
Contributions	900	300	300	300	300
Net assets released from restrictions	(1,480)	(236)	(243)	(249)	(256)
Change in net assets with donor restrictions	(580)	64	57	51	44
Change in net assets	7,929	9,482	13,031	13,770	14,481
Net assets, beginning of year	44,821	52,750	62,232	75,263	89,033
Net assets, end of year	\$ 52,750	\$ 62,232	\$ 75,263	\$ 89,033	\$ 103,514

**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)

	2020	2021	2022	2023	2024
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 7,929	\$ 9,482	\$ 13,031	\$ 13,770	\$ 14,481
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(8,117)	(8,663)	(10,050)	(9,833)	(9,622)
Depreciation	7,056	7,853	8,595	8,459	8,354
Amortization of intangible assets	2,017	910	910	910	910
Amortization of deferred financing costs	57	28	28	25	25
Bad debts	66	67	68	69	70
Contributions restricted for capital projects	(1,270)	(20)	(20)	(20)	(20)
Proceeds from entrance fees - routine turnover, non-refundable portion	8,178	8,374	8,577	8,793	9,008
Net change in working capital:					
Change in receivables and prepaid expenses	707	(208)	(318)	(193)	(198)
Change in accounts payable, other accrued liabilities, and payroll accruals	(230)	195	179	181	187
Net cash provided by operating activities	16,393	18,018	21,000	22,161	23,195
<b>Cash flows from investing activities:</b>					
Capital additions	(33,583)	(17,665)	(2,331)	(2,332)	(2,332)
Change in investments	(16,267)	1,999	(17,464)	(14,202)	(15,105)
Change in assets limited as to use - operating reserve	(345)	(323)	(340)	(328)	(337)
Change in assets limited as to use - other	(85)	(90)	(93)	(97)	(101)
Net cash used by investing activities	(50,280)	(16,079)	(20,228)	(16,959)	(17,875)
<b>Cash flows from financing activities:</b>					
Proceeds from entrance fees - routine turnover, refundable portion	3,205	3,290	3,378	3,471	3,564
Proceeds from initial entrance fees - Friendship Park	-	17,647	4,314	-	-
Proceeds from initial entrance fees-Cottages Project	7,685	-	-	-	-
Payment of refundable entrance fees	(4,015)	(4,099)	(4,186)	(4,276)	(4,368)
Principal payments-Bank Loan	(707)	(707)	(707)	(707)	(707)
Principal payments-Gerber Bank Loan	(329)	(328)	(328)	(328)	(328)
Proceeds from Friendship Park Note Payable	14,569	3,392	-	-	-
Proceeds from Meadownmont Note Payable	6,609	-	-	-	-
Payments of Friendship Park Note Payable	-	(18,000)	-	-	-
Payments of Cottages Project Note Payable	(8,600)	-	-	-	-
Principal payments-Series 2017 Bonds	(2,850)	(2,930)	(3,000)	(3,080)	(3,160)
Contributions restricted for capital projects	1,270	20	20	20	20
Net cash provided (used) by financing activities	16,837	(1,715)	(509)	(4,900)	(4,979)
Change in cash and cash equivalents	(17,050)	224	263	302	341
Cash and cash equivalents, beginning of year	21,533	4,483	4,707	4,970	5,272
Cash and cash equivalents, end of year	\$ 4,483	\$ 4,707	\$ 4,970	\$ 5,272	\$ 5,613

**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)

	2020	2021	2022	2023	2024
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 4,483	\$ 4,707	\$ 4,970	\$ 5,272	\$ 5,613
Assets limited as to use, current portion	26	26	26	26	26
Accounts receivable, net	1,900	1,982	2,175	2,239	2,305
Other receivables	1,170	1,208	1,247	1,288	1,330
Contributions receivable, current portion	25	25	25	25	25
Prepaid expenses and inventory	579	600	618	637	656
Total current assets	8,183	8,548	9,061	9,487	9,955
<b>Non-current assets:</b>					
Property and equipment, net	180,313	190,125	183,862	177,736	171,714
Goodwill, intangible assets	4,094	3,184	2,274	1,364	454
Investments	56,693	54,694	72,158	86,360	101,465
Assets limited as to use, less current portion:					
Operating reserve-Givens Estates	7,693	7,883	8,110	8,321	8,538
Operating reserve-Givens Highland Farms	4,200	4,333	4,446	4,563	4,683
Other	2,515	2,605	2,698	2,795	2,896
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	807	807	807	807	807
Total assets	\$ 264,548	\$ 272,229	\$ 283,466	\$ 291,483	\$ 300,562
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable and other accrued liabilities	\$ 6,051	\$ 6,264	\$ 6,462	\$ 6,653	\$ 6,849
Interest payable	148	130	112	102	94
Agency funds	26	26	26	26	26
Resident refunds payable	4,924	4,936	4,964	5,010	5,072
Bank Loan, current portion	707	707	707	707	707
Gerber Bank Loan, current portion	328	328	328	328	328
Series 2017 Bonds, current maturities	2,930	3,000	3,080	3,160	3,240
Total current liabilities	15,114	15,391	15,679	15,986	16,316
<b>Long-term liabilities:</b>					
Bank Loan, net of current portion	11,401	10,694	9,987	9,280	8,572
Friendship Park Note Payable	14,608	-	-	-	-
Gerber Bank Loan, less current portion	6,590	6,261	5,934	5,606	5,278
Series 2017 Bonds, less current maturities	39,980	36,980	33,900	30,740	27,500
Deferred financing costs, net	(316)	(288)	(260)	(235)	(211)
Refundable entrance fees, net of current portion	55,642	54,882	54,206	53,618	53,116
Deferred revenue from entrance fees	67,473	84,771	87,451	86,149	85,171
Interest rate swap	306	306	306	306	306
Advance admission deposits	1,000	1,000	1,000	1,000	1,000
Total liabilities	211,798	209,997	208,203	202,450	197,048
<b>Net assets</b>					
Without donor restrictions	44,524	53,942	66,916	80,635	95,072
With donor restrictions	8,226	8,290	8,347	8,398	8,442
Total net assets	52,750	62,232	75,263	89,033	103,514
Total liabilities and net assets	\$ 264,548	\$ 272,229	\$ 283,466	\$ 291,483	\$ 300,562

**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, 2024

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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, 2024. Accordingly, the accompanying projection reflects Management’s judgment as of May 27, 2020, 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 hypothetical assumption that the Corporation’s newly constructed and yet to be constructed independent living units are successfully marketed and achieve and maintain projected occupancy levels.

**Background of the Corporation** – The Givens Estates, Inc., a non-profit, North Carolina corporation, and Givens Highland Farms, LLC, a non-profit, North Carolina limited liability corporation were formed as continuing care retirement communities (“CCRCs”) committed to providing the full continuum of care 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”.

See Independent Accountants’ Compilation Report

**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). 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 Corporation has entered into a lease with Givens Gerber Park, LLC, where the Corporation owns the land that 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). Givens Estates has an investment in Givens Gerber Park III, LLC in the amount of approximately \$185,000. This amount relates to unreimbursed development and construction costs of Givens Gerber Park III, LLC that will be reimbursed through Givens Gerber Park III loans and developer fees. The Corporation has entered into a lease with Givens Gerber Park of Asheville III, LLC, where the Corporation owns the land where 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 homes, duplex and cottage units, a 47-unit assisted living facility, an 84-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- 100 Percent Amortization Plan<sup>(1)(2)</sup></b>	<b>Monthly Service Fees<sup>(1)</sup></b>
<i>Independent Living Units:</i>				
Apartments – Asbury Commons	52	95%	\$ 96,458	\$ 2,152
Apartments – Oxford Commons	136	95%	286,121	3,744
Apartments – Creekside	72	95%	353,775	3,860
Villas	23	95%	113,233	2,208
Houses and Duplexes	67	95%	278,527	3,351
Cottages	59	95%	451,225	4,334
<b>Total / Weighted Average</b>	<b>409</b>	<b>95%</b>	<b>\$ 286,768</b>	<b>\$ 3,496</b>
Assisted Living Units	47	95%	\$ 9,000	\$ 5,759
Health Center beds	84	92%	N/A	9,510
<b>Total Units / Beds</b>	<b>540</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, 2020.
- (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.

**See Independent Accountants’ Compilation Report**

*Friendship Park Project Description*

Management is constructing a multi-phased 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 August 2021; and
- Phase II: Construction of 45 Friendship Park Apartments, assumed to be completed in October 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 – 100 Percent Amortization Plan <sup>(1)</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 Fees indicated are assumed to be effective upon opening of Friendship Park beginning in September 2021.

**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	August 2021	October 2021
Available for occupancy	September 2021	November 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 be financed with proceeds from initial 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 is anticipated to be completed in March 2021. Total costs for the Oxford Dining Renovation are assumed to approximate \$9,500,000 and be funded with cash from Corporation.

**See Independent Accountants’ Compilation Report**

**Givens Highland Farms**

Givens Highland Farms is located on 75 acres of land in Black Mountain, North Carolina and 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:

<b>Type of Unit</b>	<b>Total Units</b>	<b>Occupancy Percentage</b>	<b>Entrance Fee- 100 Percent Amortization Plan<sup>(1)</sup></b>	<b>Monthly Service Fees<sup>(1)</sup></b>
<i>Independent Living Units:</i>				
Apartments – Garden	91	95%	\$ 152,800	\$ 2,881
Apartments – Prentice Lodge	28	89%	64,500	4,060
Condominiums	32	97%	238,000	3,133
Cluster Homes	45	92%	208,200	2,992
Freestanding Homes	4	95%	319,000	3,613
Meadowmont	64	99%	283,700	3,315
Cottages	16	94%	316,500	3,550
Total / weighted average	280	95%	\$ 204,252	\$ 3,194
Assisted living units	30	79%	N/A	\$ 6,886
Skilled nursing beds	60	79%	N/A	8,718
Total / weighted average	370	91%		

Source: Management

(1) Entrance Fees and Monthly Service Fees indicated are effective January 1, 2020.

*The Cottages Project*

Management is planning an expansion project at Givens Highland Farms for the construction of 16 independent free-standing living units to be built in one phase (the “Cottages Project”). Total construction and related project costs for the Cottages Project are assumed to approximate \$8,600,000 and be financed with proceeds from initial entrance fees and a loan from Capital Bank (the “Cottages Note Payable”). The following table summarizes the assumed timeline for construction completion and fill-up of The Cottages Project:

**See Independent Accountants’ Compilation Report**



**Table 5**  
**Givens Highland Farms**  
**Assumed Project Construction and Fill-Up Timeline for The Cottages Project**

Commenced Construction	August 2019
Complete Construction	September 2020
Available for Occupancy	October 2020
Achieve Stabilized Occupancy of 95%	November 2020

Source: Management

The following table summarizes the Cottages' unit configuration, approximate square footages, Entrance Fees, and Monthly Service Fees.

**Table 6**  
**Givens Highland Farms**  
**The Cottages Project – Unit Configuration, Entrance Fees, and Monthly Service Fees**

Type of Unit	Total Units	Square Footage	Entrance Fees- 50 Percent Amortization Plan <sup>(1)</sup>	Entrance Fees- 75 Percent Amortization Plan <sup>(1)</sup>	Monthly Service Fees <sup>(1)</sup>
<i>The Cottages Project:</i>					
One Bedroom with Den	2	1,326	\$377,000	\$474,000	\$3,212
Two Bedroom	5	1,510	\$445,000	\$553,300	\$3,455
Two Bedroom with Den	9	1,708	\$498,000	\$626,100	\$3,678
<b>Total/Weighted Average:</b>	16	1,598	\$466,313	\$584,338	\$3,550

Source: Management

(1) Monthly Service Fees and Entrance Fees are stated in 2020 dollars.

### **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 \$1,366 to \$2,419 on a sliding scale based on income.

See Independent Accountants' Compilation Report

**Table 7**  
**Givens Gerber Park II**  
**Unit Configuration**

Type of Unit	Total Units	Square Footage	Monthly Service Fees <sup>(1)(2)</sup>
One Bedroom	60	750	\$ 1,366 - \$2,241
Two Bedroom	22	1,100	\$ 1,536 - \$2,419
<b>Total/Weighted Average:</b>	<b>82</b>	<b>844</b>	<b>\$1,824</b>

Source: Management

(1) Monthly Service Fees and Entrance Fees are stated in 2020 dollars.

(2) Second person Monthly Service Fees are \$265 in 2020 dollars.

### 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 strict 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, global investment and financial markets (including in the United States) have experienced substantial volatility, with significant declines attributed to COVID-19 concerns and associated economic impacts of the curtailment of public life described above. As with nearly all industries and companies operating through the COVID-19 pandemic, the Corporation expects to encounter further volatility and disruption in its operations and in the local, national and global economies.

An outbreak of an infectious disease, including the growth in the magnitude or severity of COVID-19 cases in the Corporation’s service area, could result in an abnormally high demand for health care services. Further, the changing global economic conditions or global health concerns surrounding the COVID-19 pandemic may also affect the Corporation’s partners, suppliers, distributors and payors, potentially disrupting or delaying the Corporation’s supply chain, project construction progress and reimbursement by private payors.

The extent of COVID-19’s effect on the Corporation’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, the potential impact of the COVID-19 pandemic could materially adversely impact the Corporation’s financial condition, liquidity and results of operations, as well as national and local economies. As a result, Management has not estimated the potential impact of COVID-19 on the Corporation in its projection.

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## 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.

Payment of the Entrance Fee and a Monthly Service Fee entitles the Resident to occupy the selected Independent Living Unit 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.

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*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.

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**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 balance sheet. For purposes of the projection, Management has not projected realized or unrealized gains or losses on investments.

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**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 34 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 balance sheet and the amortization is included in interest expense on the statement of operations.

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**Resident Refunds Payable** – Resident refunds payable include estimated Entrance Fee refunds due to Residents that have the 50 percent, 65 percent, 75 percent, 76 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 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 2015, Givens Highland Farms began offering a 65 percent refundable contract option for the cluster homes, condominiums and homes with the refund declining to 65 percent over a 16-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% refundable contracts. The refundable portion of contracts signed before December 1, 2012 for the cluster homes, condominiums and homes declines to 76 percent over a seven-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.

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**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 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.

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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.

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The promised goods or services in the resident 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 represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid.

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**Summary of Significant 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, and 3.5 percent at Givens Highland Farms.

**Residential Revenue** – Management assumes residential revenues at Givens Estates and Givens Gerber Park II to increase approximately 3.0 percent annually, and 3.3 percent at Givens Highland Farms.

**Operating Expenses** – Management assumes operating expenses will increase approximately 3.0 percent annually at Givens Estates and Givens Gerber Park II, and 2.9 percent at Givens Highland Farms.

**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 2.0 percent throughout the projection period.

**Contributions and Bequests** – Management assumes contributions and bequests without donor restrictions to Givens Estates to increase approximately 1.0 percent annually throughout the projection period.

**Summary of Significant 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:

<b>Table 8</b>		
<b>Working Capital – Days on Hand</b>		
Accounts receivable	15	days of resident revenues
Other receivables	176	days of resident revenues
Prepaid expenses	5	days of operating expenses
Accounts payable	38	days of operating expenses
Other accrued liabilities	13	days of operating expenses

Source: Management

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**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:

	2020	2021	2022	2023	2024
Board designated:					
Assistance endowment <sup>(1)</sup>	\$ 2,242	\$ 2,332	\$ 2,425	\$ 2,522	\$ 2,623
Agency funds	20	20	20	20	20
Assistance endowment <sup>(2)</sup>	279	279	279	279	279
Total – other	2,541	2,631	2,724	2,821	2,922
Less current portion	(26)	(26)	(26)	(26)	(26)
Assets limited as to use,					
Less current portion – other	\$ 2,515	\$ 2,605	\$ 2,698	\$ 2,795	\$ 2,896

Source: Management

(1) Assistance endowment funds for Givens Estates.

(2) Assistance endowment funds for Givens Highland Farms.

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.

**Property and Equipment** – Management assumes disposal of property and equipment and capital additions as follows:

	2020	2021	2022	2023	2024
Beginning balance	\$216,277	\$249,859	\$267,524	\$269,856	\$272,188
Capital additions–Friendship Park <sup>(1)</sup>	24,222	15,334	-	-	-
Capital additions–The Cottages <sup>(1)</sup>	6,081	-	-	-	-
Routine Capital additions	3,279	2,331	2,332	2,332	2,331
Total capital costs	249,859	267,524	269,856	272,188	274,519
Less accumulated depreciation	(69,546)	(77,399)	(85,994)	(94,452)	(102,805)
Property and equipment, net	\$180,313	\$190,125	\$183,862	\$177,736	\$171,714

Source: Management

(3) Includes interest costs capitalized during construction.

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**Long-Term Debt** – Management assumes long-term debt to consist of the following:

**Table 11**  
**Schedule of Long-Term Debt**  
**(in thousands of dollars)**

Balances at December 31,	2020	2021	2022	2023	2024
Bank Loan	\$ 12,108	\$ 11,401	\$ 10,694	\$ 9,987	\$ 9,279
Gerber Bank Loan	6,918	6,589	6,262	5,934	5,606
Friendship Park Note Payable	14,608	-	-	-	-
Series 2017 Bonds	42,910	39,980	36,980	33,900	30,740
Long-term debt	76,544	57,970	53,936	49,821	45,625
Less current portion	(3,965)	(4,035)	(4,115)	(4,195)	(4,275)
Long-term debt, net	\$ 72,579	\$ 53,935	\$ 49,821	\$ 45,626	\$ 41,350

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 to be 3.50 percent per annum for fiscal year 2020 and 2.50 percent per annum for fiscal years 2021 through 2024. The following table shows the principal and interest payments for the Bank Loan:

**Table 12**  
**Bank Loan Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2020	\$ 707	\$ 447	\$ 1,154
2021	707	306	1,013
2022	707	278	985
2023	707	260	967
2024	707	243	950
Thereafter	9,279	1,246	10,525
Total	\$ 12,814	\$ 2,780	\$ 15,594

Source: Management

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*Gerber Bank Loan*

Construction costs for Givens Gerber Park II are funded with the Gerber Bank Loan, which commenced in April 2018. As of December 31, 2019, the Gerber Bank Loan balance was approximately \$7.2 million. The Gerber Bank Loan 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 13**  
**Gerber II Bank Loan Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2020	\$ 328	\$ 275	\$ 603
2021	328	262	590
2022	328	249	577
2023	328	236	564
2024	328	224	552
Thereafter	5,605	409	6,014
Total	\$ 7,245	\$ 1,655	\$ 8,900

Source: Management

*The Cottages Project Note Payable*

Capital additions for the Cottages Project are funded with the initial Entrance Fees and the Cottages Project Note Payable. The interest rate on the Cottages Project Note Payable is assumed to be 3.50 percent per annum. The Cottages Project Note Payable is anticipated to be repaid by December 2020.

**Table 14**  
**The Cottages Note Payable Schedule of Principal and Interest Payments**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2020	\$ 8,600	\$ 204	\$ 8,804
Total	\$ 8,600	\$ 204	\$ 8,804

Source: Management

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*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. Monthly principal payments began May 1, 2017 with the final payment due 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
2020	\$ 2,850	\$ 1,263	\$ 4,113
2021	2,930	1,181	4,111
2022	3,000	1,097	4,097
2023	3,080	1,010	4,090
2024	3,160	831	3,991
Thereafter	30,740	3,090	33,830
<b>Total</b>	<b>\$ 45,760</b>	<b>\$ 8,472</b>	<b>\$ 54,232</b>

Source: Management

*Friendship Park Note Payable*

Capital additions for the Friendship Park Project are funded with the initial Entrance Fees and the Friendship Park Note Payable. The interest rate on the Friendship Park Note Payable is estimated to be 5.00 percent per annum. The Friendship Park Note Payable is anticipated to be repaid with initial Entrance Fees by December 2021.

**Table 16**  
**Friendship Park Note Payable Schedule of Principal and Interest**  
**(in thousands of dollars)**

Year Ending December 31,	Principal	Interest	Total Payments
2020	\$ -	\$ 250	\$ 250
2021	18,000	750	18,750
<b>Total</b>	<b>\$ 18,000</b>	<b>\$ 1,000</b>	<b>\$ 19,000</b>

Source: Management

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**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 and the Cottages are presented in the following table:

<b>Year Ending December 31,</b>	<b>Cottages Project Initial Entrance Fees</b>	<b>Friendship Park Initial Entrance Fees</b>	<b>Turnover Entrance Fees</b>	<b>Total</b>
2020	16	-	60	76
2021	-	65	60	125
2022	-	15	60	75
2023	-	-	60	60
2024	-	-	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 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, 2024, 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 27, 2020

## THE GIVENS ESTATES, INC.

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

	2020	2021	2022	2023	2024
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ 6,650	\$ 6,795	\$ 8,217	\$ 8,034	\$ 7,856
Residential revenue	15,660	16,582	19,516	20,101	20,704
Assisted living revenue	3,706	3,818	3,932	4,050	4,172
Long-term care revenue	9,440	9,724	10,015	10,316	10,625
Residential food service revenue	1,675	1,725	1,777	1,830	1,885
Contributions and bequests	449	453	458	462	467
Net assets released from restrictions-operations	210	216	223	229	236
Management fee	1,110	1,119	1,148	1,178	1,210
Other revenue	1,612	1,660	1,710	1,761	1,814
Investment income	800	1,261	1,415	1,729	2,018
<b>Total unrestricted revenues, gains and other support</b>	<b>41,312</b>	<b>43,353</b>	<b>48,411</b>	<b>49,690</b>	<b>50,987</b>
<b>Expenses:</b>					
Administration	3,621	3,730	3,842	3,957	4,075
Assisted living	1,422	1,464	1,508	1,554	1,600
Long-term care	5,326	5,485	5,650	5,820	5,994
Home care	321	331	341	351	362
Maintenance	4,301	4,431	4,564	4,701	4,842
Dining services	4,191	4,317	4,497	4,632	4,771
Housekeeping	1,912	1,969	2,028	2,089	2,152
Laundry	5	5	5	5	5
Marketing	582	599	617	636	655
Resident services	2,396	2,468	2,542	2,618	2,697
Utilities	1,641	1,690	1,791	1,844	1,900
Outreach	563	579	597	615	633
Bad debts	28	29	30	31	32
Insurance	314	324	334	344	354
Depreciation	4,866	5,510	6,201	6,031	5,895
Interest expense:					
Amortization of deferred financing costs	25	25	25	25	25
Interest-Series 2017 Bonds	1,300	1,181	1,097	1,010	922
<b>Total expenses</b>	<b>32,814</b>	<b>34,137</b>	<b>35,669</b>	<b>36,263</b>	<b>36,914</b>
<b>Operating income</b>	<b>8,498</b>	<b>9,216</b>	<b>12,742</b>	<b>13,427</b>	<b>14,073</b>
<b>Net assets released from restrictions-capital projects</b>	<b>1,270</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Change in net assets without donor restrictions</b>	<b>\$ 9,768</b>	<b>\$ 9,236</b>	<b>\$ 12,762</b>	<b>\$ 13,447</b>	<b>\$ 14,093</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)

	2020	2021	2022	2023	2024
<b>Net assets without donor restrictions:</b>					
Operating income	\$ 8,498	\$ 9,216	\$ 12,742	\$ 13,427	\$ 14,073
Net assets released from restrictions-capital projects	1,270	20	20	20	20
Change in net assets without donor restrictions	9,768	9,236	12,762	13,447	14,093
<b>Net assets with donor restrictions:</b>					
Contributions	900	300	300	300	300
Net assets released from restrictions	(1,480)	(236)	(243)	(249)	(256)
Change in net assets with donor restrictions	(580)	64	57	51	44
Change in net assets	9,188	9,300	12,819	13,498	14,137
Net assets, beginning of year	55,492	64,680	73,980	86,799	100,297
Net assets, end of year	\$ 64,680	\$ 73,980	\$ 86,799	\$ 100,297	\$ 114,434

**Supplemental Disclosure**

## THE GIVENS ESTATES, INC.

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

	2020	2021	2022	2023	2024
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 9,188	\$ 9,300	\$ 12,819	\$ 13,498	\$ 14,137
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(6,650)	(6,795)	(8,217)	(8,034)	(7,856)
Depreciation	4,866	5,510	6,201	6,031	5,895
Amortization of deferred financing costs	25	25	25	25	25
Bad debts	28	29	30	31	32
Contributions restricted for capital projects	(1,270)	(20)	(20)	(20)	(20)
Proceeds from entrance fees - routine turnover, non-refundable portion	6,555	6,751	6,954	7,170	7,385
Net change in working capital:					
Change in receivables and prepaid expenses	729	(108)	(219)	(91)	(93)
Change in accounts payable, other accrued liabilities, and payroll accruals	(258)	99	114	104	107
Net cash provided by operating activities	13,213	14,791	17,687	18,714	19,612
<b>Cash flows from investing activities:</b>					
Capital additions	(25,522)	(16,634)	(1,300)	(1,300)	(1,300)
Change in investments	(12,605)	2,202	(17,188)	(13,829)	(14,631)
Change in assets limited as to use - operating reserve	(236)	(190)	(227)	(211)	(217)
Change in assets limited as to use - other	(85)	(90)	(93)	(97)	(101)
Investment in LLCs	(215)	(222)	(228)	(235)	(242)
Net cash used by investing activities	(38,663)	(14,934)	(19,036)	(15,672)	(16,491)
<b>Cash flows from financing activities:</b>					
Proceeds from entrance fees - routine turnover, refundable portion	2,828	2,913	3,001	3,094	3,187
Proceeds from initial entrance fees - Friendship Park	-	17,647	4,314	-	-
Payment of refundable entrance fees	(2,815)	(2,899)	(2,986)	(3,076)	(3,168)
Proceeds from Friendship Park Note Payable	14,569	3,392	-	-	-
Payments of Friendship Park Note Payable	-	(18,000)	-	-	-
Principal payments on Series 2017 Bonds	(2,850)	(2,930)	(3,000)	(3,080)	(3,160)
Contributions restricted for capital projects	1,270	20	20	20	20
Net cash provided (used) by financing activities	13,002	143	1,349	(3,042)	(3,121)
Change in cash and cash equivalents	(12,448)	-	-	-	-
Cash and cash equivalents, beginning of year	15,448	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)

	2020	2021	2022	2023	2024
<b>Assets</b>					
<b>Current assets:</b>					
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	1,002	1,056	1,219	1,252	1,286
Other receivables	459	473	487	502	517
Contributions receivable, current portion	25	25	25	25	25
Prepaid expenses	365	376	388	400	412
Total current assets	4,871	4,950	5,139	5,199	5,260
<b>Non-current assets:</b>					
Property and equipment, net	126,692	137,816	132,915	128,184	123,589
Investments	53,360	51,158	68,346	82,175	96,806
Assets limited as to use, less current portion:					
Operating reserve	7,693	7,883	8,110	8,321	8,538
Other	2,242	2,332	2,425	2,522	2,623
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	807	807	807	807	807
Due from affiliates	6,243	6,465	6,693	6,928	7,170
Total assets	\$ 201,958	\$ 211,461	\$ 224,485	\$ 234,186	\$ 244,843
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable and other accrued liabilities	\$ 3,497	\$ 3,602	\$ 3,724	\$ 3,835	\$ 3,950
Interest payable	102	95	88	80	73
Agency funds	20	20	20	20	20
Resident refunds payable	3,686	3,698	3,726	3,772	3,834
Series 2017 Bonds, current maturities	2,930	3,000	3,080	3,160	3,240
Total current liabilities	10,235	10,415	10,638	10,867	11,117
<b>Long-term liabilities:</b>					
Friendship Park Note payable	14,608	-	-	-	-
Series 2017 Bonds, less current maturities	39,980	36,980	33,900	30,740	27,500
Deferred financing costs, net	(310)	(285)	(260)	(235)	(211)
Refundable entrance fees, net of current portion	19,117	19,180	19,327	19,562	19,883
Deferred revenue from entrance fees	52,849	70,392	73,282	72,156	71,321
Advance admission deposits	799	799	799	799	799
Total liabilities	137,278	137,481	137,686	133,889	130,409
<b>Net assets</b>					
Without donor restrictions	56,727	65,963	78,725	92,172	106,265
With donor restrictions	7,953	8,017	8,074	8,125	8,169
Total net assets	64,680	73,980	86,799	100,297	114,434
Total liabilities and net assets	\$ 201,958	\$ 211,461	\$ 224,485	\$ 234,186	\$ 244,843

## Supplemental Disclosure

## GIVENS HIGHLAND FARMS, LLC.

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

	2020	2021	2022	2023	2024
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ 1,467	\$ 1,868	\$ 1,833	\$ 1,799	\$ 1,766
Residential revenue	7,621	7,977	8,301	8,641	8,997
Assisted living revenue	2,034	2,105	2,178	2,255	2,333
Long-term care revenue	5,573	5,616	5,724	5,836	5,951
Residential food service revenue	1,258	1,299	1,301	1,304	1,306
Contributions and bequests	-	-	-	-	-
Net assets released from restrictions-operations	-	-	-	-	-
Other revenue	715	739	764	790	817
Investment income	93	95	99	102	106
<b>Total unrestricted revenues, gains and other support</b>	<b>18,761</b>	<b>19,699</b>	<b>20,200</b>	<b>20,727</b>	<b>21,276</b>
<b>Expenses:</b>					
Administration	1,577	1,628	1,675	1,724	1,773
Assisted living	684	704	724	745	767
Skilled nursing	4,013	4,129	4,249	4,372	4,499
Home care	505	520	535	550	566
Maintenance	2,156	2,292	2,358	2,427	2,497
Dining services	2,594	2,694	2,772	2,853	2,936
Housekeeping	1,074	1,150	1,184	1,218	1,253
Laundry	43	44	45	47	48
Marketing	553	574	591	608	626
Resident services	429	446	459	473	486
Utilities	695	755	777	800	823
Outreach	120	123	127	131	135
Bad debts	35	35	35	35	35
Management fees	934	980	1,005	1,031	1,059
Insurance	244	256	264	271	279
Depreciation	1,879	2,031	2,080	2,112	2,141
Amortization of intangible assets	2,017	910	910	910	910
Interest expense:					
Amortization of deferred financing costs	32	3	3	-	-
Interest-Bank Loan	437	294	276	259	241
<b>Total expenses</b>	<b>20,021</b>	<b>19,568</b>	<b>20,069</b>	<b>20,566</b>	<b>21,074</b>
Operating income	\$ (1,260)	\$ 131	\$ 131	\$ 161	\$ 202
Change in net deficit without donor restrictions	\$ (1,260)	\$ 131	\$ 131	\$ 161	\$ 202

## 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)

	2020	2021	2022	2023	2024
<b>Net deficit without donor restrictions</b>					
Operating income	\$ (1,260)	\$ 131	\$ 131	\$ 161	\$ 202
Net assets released from restrictions-capital projects	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-
Change in net deficit without donor restrictions	(1,260)	131	131	161	202
<b>Net assets with donor restrictions:</b>					
Contributions	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ (1,260)	\$ 131	\$ 131	\$ 161	\$ 202
Net deficit, beginning of year	\$ (14,079)	\$ (15,339)	\$ (15,208)	\$ (15,077)	\$ (14,916)
Net deficit, end of year	\$ (15,339)	\$ (15,208)	\$ (15,077)	\$ (14,916)	\$ (14,714)

**Supplemental Disclosure**

## GIVENS HIGHLAND FARMS, LLC.

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

	2020	2021	2022	2023	2024
<b>Cash flows from operating activities:</b>					
Change in net deficit	\$ (1,260)	\$ 131	\$ 131	\$ 161	\$ 202
Adjustments to reconcile net income to net cash provided by operating activities:					
Amortization of entrance fees	(1,467)	(1,868)	(1,833)	(1,799)	(1,766)
Depreciation	1,879	2,031	2,080	2,112	2,141
Amortization of intangible assets	2,017	910	910	910	910
Amortization of deferred financing costs	32	3	3	-	-
Bad debts	35	35	35	35	35
Proceeds from entrance fees - routine turnover, non-refundable portion	1,623	1,623	1,623	1,623	1,623
Net change in working capital:					
Change in receivables and prepaid expenses	(113)	(95)	(94)	(97)	(99)
Change in accounts payable, other accrued liabilities, and payroll accruals	31	96	64	75	78
Net cash provided by operating activities	2,777	2,866	2,919	3,020	3,124
<b>Cash flows from investing activities:</b>					
Capital additions	(8,031)	(1,000)	(1,000)	(1,000)	(1,000)
Change in investments	(3,662)	(203)	(276)	(373)	(474)
Change in assets limited as to use - operating reserve	(109)	(133)	(113)	(117)	(120)
Net cash used by investing activities	(11,802)	(1,336)	(1,389)	(1,490)	(1,594)
<b>Cash flows from financing activities:</b>					
Proceeds from entrance fees - routine turnover, refundable portion	377	377	377	377	377
Proceeds from initial entrance fees-Cottages	7,685	-	-	-	-
Payment of refundable entrance fees	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Principal payments-Bank Loan	(707)	(707)	(707)	(707)	(707)
Principal payments-Cottages Note Payable	(8,600)	-	-	-	-
Proceeds from Cottages Note Payable	6,609	-	-	-	-
Net cash provided (used) by financing activities	4,164	(1,530)	(1,530)	(1,530)	(1,530)
Change in cash and cash equivalents	(4,861)	-	-	-	-
Cash and cash equivalents, beginning of year	5,611	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)

	2020	2021	2022	2023	2024
<b><u>Assets</u></b>					
Current assets:					
Cash and cash equivalents	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Assets limited as to use, current portion	6	6	6	6	6
Accounts receivable, net	834	860	888	917	947
Other receivables	709	733	758	784	810
Prepaid expenses and inventory	214	224	230	237	244
Total current assets	2,513	2,573	2,632	2,694	2,757
Non-current assets:					
Property and equipment	54,273	55,273	56,273	57,273	58,273
Less: accumulated depreciation	(11,977)	(14,008)	(16,088)	(18,200)	(20,341)
Property and equipment, net	42,296	41,265	40,185	39,073	37,932
Intangible assets	4,094	3,184	2,274	1,364	454
Assets limited as to use	273	273	273	273	273
Investments	3,333	3,536	3,812	4,185	4,659
Statutory Operating Reserve Fund	4,200	4,333	4,446	4,563	4,683
Total assets	\$ 56,709	\$ 55,164	\$ 53,622	\$ 52,152	\$ 50,758
<b><u>Liabilities and Net Deficit</u></b>					
Current liabilities:					
Accounts payable and other accrued liabilities	2,488	2,595	2,670	2,747	2,826
Interest payable	46	35	24	22	21
Agency funds	6	6	6	6	6
Resident refunds payable	1,238	1,238	1,238	1,238	1,238
Bank Loan, current portion	707	707	707	707	707
Total current liabilities	4,485	4,581	4,645	4,720	4,798
Long-term liabilities:					
Bank Loan, net of current portion	11,401	10,694	9,987	9,280	8,572
Deferred financing costs	(6)	(3)	-	-	-
Due To Givens Estates	4,869	4,869	4,869	4,869	4,869
Refundable entrance fees, net of current portion	36,525	35,702	34,879	34,056	33,233
Deferred revenue from entrance fees	14,573	14,328	14,118	13,942	13,799
Advance admission deposits	201	201	201	201	201
Total liabilities	72,048	70,372	68,699	67,068	65,472
Net deficit					
Without donor restrictions	(15,612)	(15,481)	(15,350)	(15,189)	(14,987)
With donor restrictions	273	273	273	273	273
Total net deficit	(15,339)	(15,208)	(15,077)	(14,916)	(14,714)
Total liabilities and net deficit	\$ 56,709	\$ 55,164	\$ 53,622	\$ 52,152	\$ 50,758

## 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)

	2020	2021	2022	2023	2024
<b>Unrestricted revenues, gains and other support:</b>					
Residential revenue	\$ 1,788	\$ 1,842	\$ 1,897	\$ 1,954	\$ 2,013
Contributions and bequests	38	39	40	41	42
Other revenue	97	100	103	106	109
<b>Total unrestricted revenues, gains and other support</b>	<b>1,923</b>	<b>1,981</b>	<b>2,040</b>	<b>2,101</b>	<b>2,164</b>
<b>Expenses:</b>					
Administration	226	233	240	247	254
Maintenance	91	94	97	100	103
Dining services	254	262	270	278	286
Housekeeping	17	18	19	20	21
Marketing	87	90	93	96	99
Residential	75	77	79	81	83
Utilities	175	180	185	191	197
Bad debts	3	3	3	3	3
Management fees	151	139	143	147	151
Insurance	37	38	39	40	41
Depreciation	311	312	314	316	318
Gerber Bank Loan interest	280	262	249	236	224
<b>Total expenses</b>	<b>1,707</b>	<b>1,708</b>	<b>1,731</b>	<b>1,755</b>	<b>1,780</b>
 Operating income	 216	 273	 309	 346	 384
 Change in net assets without donor restrictions	 \$ 216	 \$ 273	 \$ 309	 \$ 346	 \$ 384
<b>Net assets without donor restrictions</b>					
Operating income	\$ 216	\$ 273	\$ 309	\$ 346	\$ 384
Change in net assets without donor restrictions	216	273	309	346	384
 Change in net assets	 \$ 216	 \$ 273	 \$ 309	 \$ 346	 \$ 384
 Net assets, beginning of year	 \$ 4,389	 \$ 4,605	 \$ 4,878	 \$ 5,187	 \$ 5,533
 Net assets, end of year	 \$ 4,605	 \$ 4,878	 \$ 5,187	 \$ 5,533	 \$ 5,917

### 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)

	2020	2021	2022	2023	2024
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 216	\$ 273	\$ 309	\$ 346	\$ 384
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	311	312	314	316	318
Net change in working capital:					
Change in receivables and prepaid expenses	89	(2)	(2)	(2)	(2)
Change in accounts payable, other accrued liabilities, and payroll accruals	(5)	(1)	-	1	1
Net cash provided by operating activities	611	582	621	661	701
<b>Cash flows from investing activities:</b>					
Capital additions	(30)	(31)	(31)	(32)	(32)
Net cash used by investing activities	(30)	(31)	(31)	(32)	(32)
<b>Cash flows from financing activities:</b>					
Principal payments-Gerber Bank Loan	(329)	(328)	(328)	(328)	(328)
Net cash used by financing activities	(329)	(328)	(328)	(328)	(328)
Change in cash and cash equivalents	252	223	262	301	341
Cash and cash equivalents, beginning of year	298	550	773	1,035	1,336
Cash and cash equivalents, end of year	\$ 550	\$ 773	\$ 1,035	\$ 1,336	\$ 1,677

### Supplemental Disclosure

## GIVENS GERBER PARK II, LLC.

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

	2020	2021	2022	2023	2024
<b><u>Assets</u></b>					
Current assets:					
Cash and cash equivalents	\$ 550	\$ 773	\$ 1,035	\$ 1,336	\$ 1,677
Accounts receivable, net	64	66	68	70	72
Total current assets	614	839	1,103	1,406	1,749
Non-current assets:					
Property and equipment	12,122	12,153	12,184	12,216	12,248
Less: accumulated depreciation	(797)	(1,109)	(1,422)	(1,737)	(2,055)
Property and equipment, net	11,325	11,044	10,762	10,479	10,193
Total assets	\$ 11,939	\$ 11,883	\$ 11,865	\$ 11,885	\$ 11,942
<b><u>Liabilities and Net Deficit</u></b>					
Current liabilities:					
Accounts payable and other accrued liabilities	32	32	32	34	35
Gerber Bank Loan, current portion	328	328	328	328	328
Total current liabilities	360	360	360	362	363
<b>Long-term liabilities:</b>					
Gerber Bank Loan, less current portion	6,590	6,261	5,934	5,606	5,278
Due To Givens Estates	27	27	27	27	27
Deferred revenue from entrance fees	51	51	51	51	51
Interest Rate Swap	306	306	306	306	306
Total liabilities	7,334	7,005	6,678	6,352	6,025
<b>Net assets</b>					
Without donor restrictions	4,605	4,878	5,187	5,533	5,917
Total net assets	4,605	4,878	5,187	5,533	5,917
Total liabilities and net assets	\$ 11,939	\$ 11,883	\$ 11,865	\$ 11,885	\$ 11,942

### 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)

	2020	2021	2022	2023	2024
<b>Unrestricted revenues, gains and other support:</b>					
Amortization of entrance fees	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and bequests	54	56	58	60	62
Net assets released from restrictions-operations	-	-	-	-	-
Total unrestricted revenues, gains and other support	54	56	58	60	62
<b>Expenses:</b>					
Outreach	270	278	286	295	304
Total expenses	270	278	286	295	304
Operating income	\$ (216)	\$ (222)	\$ (228)	\$ (235)	\$ (242)
Change in net deficit without donor restrictions	\$ (216)	\$ (222)	\$ (228)	\$ (235)	\$ (242)
Change in net deficit	\$ (216)	\$ (222)	\$ (228)	\$ (235)	\$ (242)
Net deficit, beginning of year	\$ (980)	\$ (1,196)	\$ (1,418)	\$ (1,646)	\$ (1,881)
Net deficit, end of year	\$ (1,196)	\$ (1,418)	\$ (1,646)	\$ (1,881)	\$ (2,123)

**Supplemental Disclosure**

**LIFE MINISTRIES OUTREACH, LLC.**

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

	2020	2021	2022	2023	2024
<b>Cash flows from operating activities:</b>					
Change in net deficit	\$ (216)	\$ (222)	\$ (228)	\$ (235)	\$ (242)
Adjustments to reconcile net income to net cash provided by operating activities:					
Net change in working capital:					
Change in receivables and prepaid expenses	5	-	-	-	(1)
Change in accounts payable, other accrued liabilities, and payroll accruals	2	1	1	1	1
Net cash used by operating activities	(209)	(221)	(227)	(234)	(242)
<b>Cash flows from investing activities:</b>					
Change in due to Givens Estates	216	222	228	235	242
Net cash provided by investing activities	216	222	228	235	242
<b>Cash flows from financing activities:</b>					
Net cash provided (used) by financing activities	-	-	-	-	-
Change in cash and cash equivalents	7	1	1	1	-
Cash and cash equivalents, beginning of year	176	183	184	185	186
Cash and cash equivalents, end of year	\$ 183	\$ 184	\$ 185	\$ 186	\$ 186

**Supplemental Disclosure**

## LIFE MINISTRIES OUTREACH, LLC.

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

	2020	2021	2022	2023	2024
<b><u>Assets</u></b>					
Current assets:					
Cash and cash equivalents	\$ 183	\$ 184	\$ 185	\$ 186	\$ 186
Other receivables	2	2	2	2	3
Total current assets	185	186	187	188	189
Due from affiliate	120	120	120	120	120
Total assets	\$ 305	\$ 306	\$ 307	\$ 308	\$ 309
<b><u>Liabilities and Net Deficit</u></b>					
Current liabilities:					
Accounts payable and other accrued liabilities	34	35	36	37	38
Total current liabilities	34	35	36	37	38
<b>Long-term liabilities:</b>					
Due To Givens Estates	1,467	1,689	1,917	2,152	2,394
Total liabilities	1,501	1,724	1,953	2,189	2,432
<b>Net deficit</b>					
Without donor restrictions	(1,196)	(1,418)	(1,646)	(1,881)	(2,123)
Total net deficit	(1,196)	(1,418)	(1,646)	(1,881)	(2,123)
Total liabilities and net deficit	\$ 305	\$ 306	\$ 307	\$ 308	\$ 309

### Supplemental Disclosure

The Givens Estates  
Comparison of 2019 Audited Financial Statements to 2019 Forecast  
Statement of Operations  
For the year ending December 31, 2019

ATTACHMENT 8

	<b>Audited</b>	<b>Forecast</b>	<b>Variance</b>	<b>%</b>	
<b>Unrestricted revenues,gains and other support</b>	<b>2019</b>	<b>2019</b>			
Long-term care revenue	9,366,191	9,061,000	\$305,191	3.4%	
<b>Residential revenue, including amortization</b>	<b>22,476,013</b>	<b>20,984,000</b>	<b>1,492,013</b>	<b>7.1%</b>	1
Assisted living revenue	3,586,859	3,597,000	(10,141)	-0.3%	
Residential dining services revenue	1,628,823	1,667,000	(38,177)	-2.3%	
Contributions and bequests	307,997	464,000	(156,003)	-33.6%	
Assets released from restrictions - operating	418,287	40,000	378,287	945.7%	
Investment income	1,021,294	1,210,000	(188,706)	-15.6%	
Realized gain	95,698	0	95,698	N/A	
<b>Other revenue</b>	<b>3,779,800</b>	<b>2,497,000</b>	<b>1,282,800</b>	<b>51.4%</b>	2
<b>Total unrestricted revenues, gains and other support</b>	<b>42,680,962</b>	<b>39,520,000</b>	<b>3,160,962</b>	<b>8.0%</b>	
<b>Expenses:</b>					
Administration	4,005,630	3,395,000	(610,630)	-18.0%	
Assisted living	1,333,853	1,333,000	(853)	-0.1%	
Long-term care	5,774,386	4,993,000	(781,386)	-15.6%	
Home care	205,228	301,000	95,772	31.8%	
Maintenance	4,142,417	4,033,000	(109,417)	-2.7%	
Dining services	3,942,108	3,929,000	(13,108)	-0.3%	
Housekeeping	1,603,407	1,561,000	(42,407)	-2.7%	
Laundry	31,698	4,000	(27,698)	-692.5%	
Marketing	834,188	546,000	(288,188)	-52.8%	
Resident services	2,588,361	2,478,000	(110,361)	-4.5%	
Utilities	1,481,086	1,538,000	56,914	3.7%	
Outreach	791,933	525,000	(266,933)	-50.8%	
Bad debts	3,329	37,000	33,671	91.0%	
Insurance	267,949	295,000	27,051	9.2%	
Depreciation	4,837,081	4,742,000	(95,081)	-2.0%	
Amortization	0	24,000	24,000	N/A	
Interest	1,414,354	1,311,000	(103,354)	-7.9%	
<b>Total expenses</b>	<b>33,257,008</b>	<b>31,045,000</b>	<b>(2,212,008)</b>	<b>-7.1%</b>	
<b>Operating Income (Loss)</b>	<b>9,423,954</b>	<b>8,475,000</b>	<b>948,954</b>	<b>11.2%</b>	
<b>Non-operating income (expense)</b>					
Gain on disposal of property and equipment	34,521	0	34,521	N/A	
<b>Unrealized gains (losses) on investments</b>	<b>4,032,389</b>	<b>0</b>	<b>4,032,389</b>	<b>N/A</b>	3
<b>Total non-operating expenses</b>	<b>4,066,910</b>	<b>0</b>	<b>4,066,910</b>	<b>N/A</b>	
Excess revenue over (under) expenses	13,490,864	8,475,000	5,015,864	59.2%	
Net assets released for capital projects	464,815	60,000	404,815	N/A	
<b>Change in unrestricted net assets</b>	<b>\$13,955,679</b>	<b>\$8,535,000</b>	<b>5,420,679</b>	<b>63.5%</b>	



**The Givens Estates**  
**Balance Sheet**  
**For the year ending December 31, 2019**

	<b>Audited</b>	<b>Forecast</b>			
	<b>2019</b>	<b>2019</b>	<b>Variance</b>	<b>%</b>	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	15,448,022	3,000,000	\$12,448,022	414.9%	4
Assets limited to use, current	21,356	20,000	1,356	6.8%	
Accounts receivable, net	976,043	807,000	169,043	20.9%	
Other receivables	1,077,866	528,000	549,866	104.1%	
Contributions receivable	65,357	25,000	40,357	161.4%	
Prepaid expenses	361,001	410,000	(48,999)	-12.0%	
<b>Total current assets</b>	<u>17,949,645</u>	<u>4,790,000</u>	<u>13,159,645</u>	<u>274.7%</u>	
Noncurrent assets:					
Property and equipment, net	106,035,737	109,190,000	3,154,263	-2.9%	
Due from Affiliate	6,028,014	5,755,000	(273,014)	4.7%	
Assets whose use is limited, less current portion	2,156,212	2,099,000	(57,212)	2.7%	
Operating reserve	7,457,000	7,457,000	0	0.0%	
Investments	40,754,553	43,008,000	2,253,447	-5.2%	5
Contributions receivable net, less current	178,092	50,000	(128,092)	256.2%	
Other Assets	806,961	903,000	(96,039)	N/A	
<b>Total noncurrent assets</b>	<u>163,416,569</u>	<u>168,462,000</u>	<u>(5,045,431)</u>	<u>-3.0%</u>	
<b>Total assets</b>	<u>181,366,214</u>	<u>173,252,000</u>	<u>8,114,214</u>	<u>4.7%</u>	
<b>Liabilities and net assets</b>					
Current liabilities:					
Accounts payable and other accrued liabilities	2,055,619	2,923,000	(867,381)	-29.7%	6
Payroll accruals and related withholdings	1,688,354	0	1,688,354	N/A	6
Interest payable	111,909	112,000	(91)	-0.1%	
Agency funds	21,356	20,000	1,356	6.8%	
Estimated resident refunds payable	3,690,000	3,637,000	53,000	1.5%	
Current portion of bonds payable	2,888,410	2,850,000	38,410	1.3%	
<b>Total current liabilities</b>	<u>10,455,648</u>	<u>9,542,000</u>	<u>913,648</u>	<u>9.6%</u>	
Long-term liabilities:					
Long-term debt, net of current	42,575,410	44,675,000	(2,099,590)	-4.7%	
Due to affiliate	803	91,000	(90,197)	-99.1%	
Resident refunds payable, net of current	19,138,014	19,619,000	(480,986)	-2.5%	
Deferred revenue from entrance fees	52,906,176	48,371,000	4,535,176	9.4%	7
Advanced admission deposits	798,650	668,000	130,650	19.6%	
<b>Total long-term liabilities</b>	<u>115,419,053</u>	<u>113,424,000</u>	<u>1,995,053</u>	<u>1.8%</u>	
<b>Total liabilities</b>	<u>125,874,701</u>	<u>122,966,000</u>	<u>2,908,701</u>	<u>2.4%</u>	
<b>Net assets</b>	<u>55,491,513</u>	<u>50,286,000</u>	<u>5,205,513</u>	<u>10.4%</u>	
<b>Total liabilities and net assets</b>	<u>181,366,214</u>	<u>173,252,000</u>	<u>8,114,214</u>	<u>4.7%</u>	

**The Givens Estates**  
**Statement of Cash Flows Of The Unrestricted Fund**  
**For the year ending December 31, 2019**

	<b>Audited</b>	<b>Forecast</b>	<b>Variance</b>	<b>%</b>	
	<b>2019</b>	<b>2019</b>			
Cash flows from operating activities:					
Change in net assets	13,944,609	8,735,000	5,209,609	59.6%	
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	4,837,081	4,742,000	95,081	2.0%	
Amortization	24,788	24,000	788	3.3%	
Realized and unrealized gains on investments	(4,162,608)	0	(4,162,608)	N/A	8
Proceeds from residential living entrance fees	10,654,342	4,726,000	5,928,342	125.4%	9
Amortization of entrance fees	(7,390,848)	(5,850,000)	(1,540,848)	26.3%	
Bad Debts	3,329	37,000	(33,671)	-91.0%	
Contributions restricted for capital projects	129,616	(60,000)	189,616	-316.0%	
Net change in assets and liabilities:					
Change in receivables and prepaid expenses	(97,543)	709,000	(806,543)	-113.8%	
Change in accounts payable, other accrued liabilities, payroll accruals and admission deposits	217,838	(160,000)	377,838	-236.1%	
Net cash provided by operating activities	<u>18,160,604</u>	<u>12,903,000</u>	<u>5,257,604</u>	<u>40.7%</u>	
Cash flows from investing activities:					
Property and equipment purchases	(3,850,074)	(7,100,000)	3,249,926	-45.8%	10
Change in due to/from affiliates	(533,422)	(170,000)	(363,422)	213.8%	
Change in assets limited as to use and investments	(2,726,995)	(9,146,000)	6,419,005	-70.2%	11
Net cash used in investing activities	<u>(7,110,491)</u>	<u>(16,416,000)</u>	<u>9,305,509</u>	<u>-56.7%</u>	
Cash flows from financing activities:					
Principal payments of long-term debt	(2,775,000)	(2,775,000)	0	0.0%	
Proceeds from long-term debt	38,410	2,100,000	(2,061,590)	-98.2%	12
Refunds of entrance fees	(3,162,155)	(2,387,000)	(775,155)	32.5%	
Refundable portion of entrance fees received	2,142,080	2,272,000	(129,920)	-5.7%	
Entrance fees received from initial units	1,046,090	0	1,046,090	N/A	
Contributions restricted for capital projects	(129,616)	60,000	(189,616)	-316.0%	
Net cash provided by (used in) financing activities	<u>(2,840,191)</u>	<u>(730,000)</u>	<u>(2,110,191)</u>	<u>289.1%</u>	
Net increase (decrease) in cash and cash equivalents	8,209,922	(4,243,000)	12,452,922	-293.5%	
Cash and cash equivalents at beginning of year	7,238,100	7,243,000	(4,900)	-0.1%	
Cash and cash equivalents at end of year	<u>15,448,022</u>	<u>3,000,000</u>	<u>12,448,022</u>	<u>414.9%</u>	

## **Notes to Comparison of 2019 Audited Financial Statements to 2019 Forecast**

For the Statement of Operations any variances greater than 5% and \$906,800 (.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 \$1,810,000 (1% of assets) are highlighted on the comparison and explained below.

### **Statement of Operations**

1. Residential revenue, including amortization – The audit was \$1,492,013 above the forecast. The variance was due to higher turnover and higher amortization of entrance fees. Most new residents are choosing lower cost, nonrefundable entrance fees which result in higher deferred revenues, higher amortization and more revenue recognized as income when the contract is terminated.
2. Other revenue – The audit was \$1,282,800 above the forecast. The audit includes an internal allocation of management fees revenue of \$1,159,346, which is not included in the forecast. The management fees revenue is eliminated in the consolidated financials. The audit also included the same amount as management fees under expenses. For this comparison, that was not included as it was also excluded from the forecast.
3. Unrealized gains on investments – Unrealized gains and losses are unpredictable and we really do not have any control over how the market will perform, so we do not include unrealized gains in the forecast.

### **Balance Sheet**

The balance sheet includes restricted and unrestricted assets for comparison.

4. Cash and cash equivalents – The audit was \$12,448,022 above the forecast. The forecast assumes any cash in excess of \$3,000,000 will be invested. We have let cash grow (instead of investing) due to ongoing large capital projects.
5. Investments ended the year \$2,253,447 below the forecast. The variance was largely due to strategic building of cash for short-term capital needs instead of increasing investments during the year.
6. Accounts payable and Payroll accruals are combined for the forecast. When combined, the variance is below the threshold requiring explanation.
7. Deferred revenue from entrance fees – Actual turnover was higher than forecast, thus more deferred revenues than the forecast.

### **Cash Flows**

Some accounts in the investing and financing activities of the Forecast were combined to facilitate comparability to the audit.

8. Realized and unrealized losses on investments – Unrealized gains and losses are unpredictable and we really do not have any control over how the market will perform, so we do not include unrealized gains in the forecast.
9. Proceeds from residential living entrance fees – This is the nonrefundable part of the entrance fee. Most new resident's chose nonrefundable entrance fees in 2020 and turnover was more than forecast.
10. Property and equipment purchases – The Oxford renovation (total cost to be \$9,524,000) and Friendship Park (total costs to be \$33,388,095) projects did start in 2019 but construction costs were lower than what we estimated for the forecast.
11. Change in assets limited as to use and investments – The forecast overestimated the actual change, which was mainly due to Givens building cash instead of putting excess funds in investments.
12. Proceeds from long-term debt – Since some of the new construction projects did not spend as much as we forecast, we did not need to access our construction loans.