



North Carolina Department of Insurance
 Continuing Care Retirement Community
 Annual Disclosure Statement Filing Supplement

North Carolina Department of Insurance
 Financial Analysis and Receivership Division
 Special Entities Section
 1203 Mail Service Center
 Raleigh, NC 27699-1203

Instructions:

Type or print your responses. Do not use pencil. If information is pre-printed, verify the information pre-printed, and correct any information that is incorrect.

Unanswered questions and blank lines will not be accepted. If no answers or entries are to be made, write "None", "Not Applicable", "N/A", or "-0-" in the space provided. Do NOT leave a blank space.

If additional information, explanations, supporting statements or schedules are added or are necessary, the additions should be properly marked with a cross-reference to the item being answered.

Submit filings or questions to: specialentitiessubmissions@ncdoi.gov

Section I. Facility Information:

A. General Information:

Facility Name: Givens Highland Farms License Number: 51-01
 Address 1: 200 Tabernacle Road
 Address 2: _____
 City: Black Mountain County: Buncombe State: NC Zip Code: 28711-7733
 Phone Number: (828) 669-6473 Fax Number: (828) 669-2817 Toll Free Number: _____
 Year Opened: 1971 Date Licensed: 8/23/2004 Web Page: www.givenshighlandfarms.org

Administrator/Executive Director:

Prefix: Mr. First Name: Kenneth Middle Name: W. Last Name: Kramer Suffix: _____
 Title: Executive Director E-Mail Address: kkramer@givenshighlandfarms.org
 Phone Number: (828) 357-3606 Extension: _____

Facility Contact (person to whom all correspondence should be addressed):

Prefix: Mr. First Name: Kenneth Middle Name: W. Last Name: Kramer Suffix: _____
 Title: Executive Director E-Mail Address: kkramer@givenshighlandfarms.org
 Company: Givens Highland Farms, LLC.
 Address: 200 Tabernacle Road
 City: Black Mountain State: NC Zip Code: 28711-
 Phone Number: (828) 357-3606 Extension: _____ Fax Number: (828) 669-2817

Facility Owner:

Name: The Givens Estates, Inc.
 Address 1: 2360 Sweeten Creek Road
 Address 2: _____
 City: Asheville State: NC Zip Code: 28803-

Management Company (if applicable):

Management Company Name: _____

B. Unit/Occupancy Analysis:

Note: The total number of licensed ACH Beds and Nursing Beds is expected to agree with the total number of licensed beds listed in the most recent version of the State Medical Facilities Plan.

Data as of: _____

Independent Living Units:	A		B		= A - B		
	Total Units	Unoccupied and Unavailable	Total ILU Available	Unoccupied but Reserved *	Number Occupied	Under Development	Number Residents
Independent Living Units:	289	1	288	1		36	368

* Unit(s) must be reserved under a signed contract.

If units are unoccupied and unavailable, explain (used as storage, under renovation, guest room, etc.):
 One (1) apartment being held for internal resident who has until May 2024 to decide if they want the apartment.

Assisted Living:	A			B		= A - B	
	Total Beds/Units	Total Open Beds	Total Closed Beds	Unoccupied and Unavailable	Total ALU Available	Number Occupied	Number Residents
Licensed ACH Beds:							
In Licensed Nursing Home:							
In Licensed ACH:							
Unlicensed AL Units:							

"Closed beds" are beds that are available only to residents of the facility, in accordance with Policy LTC, who have entered into a continuing care contract with the provider.

"Open beds" are beds that are available to either residents of the facility or to individuals of the general community.

If beds/units are unoccupied and unavailable, explain (used as storage, under renovation, in a semi-private room, etc.):

Nursing Home Beds:	A			B		= A - B	
	Total Beds	Total Open Beds	Total Closed Beds	Unoccupied and Unavailable	Total NH Beds Available	Number Occupied	Number Residents
Licensed NH Beds:	60	60	0	0	60	51	51

"Closed beds" are beds that are available only to residents of the facility, in accordance with Policy NH-2, who have entered into a continuing care contract with the provider.

"Open beds" are beds that are available to either residents of the facility or to individuals of the general community.

If beds are unoccupied and unavailable, explain (used as storage, under renovation, in a semi-private room, etc.):
 We are operating 51 beds due to the current environment.

Section II. Provider Information:

A. General Information:

Provider Name: Givens Highland Farms, LLC

Mailing Address 1: 200 Tabernacle Road

Mailing Address 2: _____

City: Black Mountain State: NC Zip Code: 28711- Tax ID #: 51-0199312

Phone Number: (828) 357-3606 Fax Number: N/A Tax Status: Not-For-Profit

Entity Type: LLC Incorporation Date: 12/2012 State of Incorporation: NC

B. Answer the Questions Below:

1. On what dates did the provider hold the semi-annual meetings required by G.S. § 58-64-40(b) with the residents of the facility named above?

Date #1: 07/17/2023 Date #2: 11/20/2023

a. Were all residents given seven (7) days advance notice of each semi-annual meeting?

Yes No If "No" attach a statement explaining why.

b. Were the meetings open for free discussion of subjects including, but not limited to, revenue, expenses, and financial trends and problems as they apply to the facility and discussions of proposed changes in policy, programs, and services?

Yes No If "No" attach a statement explaining why.

2. Has the provider been a party to any merger or consolidation?

Yes No If "Yes" attach a statement describing the merger or consolidation.

3. Has the provider had any licenses or registrations suspended or revoked by any governmental entity during the previous year?

Yes No If "Yes" attach a statement describing the suspension or revocation.

4. Has any change been made during the previous year in the by-laws, articles of incorporation, etc. of the provider?

Yes No If "Yes" furnish herewith a certified copy of the instrument as amended.

5. Is the provider currently in default of any financial ratio or loan agreement covenants?

Yes No If "Yes" attach a statement describing the default.

6. Have there been any changes in the criminal violation statement as required by G.S. § 58-64-20(a)(3)(c) since the last disclosure statement was filed with the North Carolina Department of Insurance?

Yes No If "Yes" attach a statement describing the violation.

Section III. Operating Reserve:

Pursuant to G.S. § 58-64-33, a provider shall maintain after the opening of a facility: an operating reserve equal to fifty percent (50%) of the total operating costs of the facility forecasted for the 12 month period following the period covered by the most recent disclosure statement filed with the Department. The forecast statements as required by G.S. 58-64-20(a)(12) shall serve as the basis for computing the operating reserve. In addition to total operating expenses, total operating costs will include debt service, consisting of principal and interest payments along with taxes and insurance on any mortgage loan or other long term financing, but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner. If the debt service portion is accounted for by way of another reserve account, the debt service portion may be excluded. If a facility maintains an occupancy level in excess of ninety percent (90%), a provider shall only be required to maintain a twenty five percent (25%) operating reserve upon approval of the Commissioner, unless otherwise instructed by the Commissioner. The operating reserve must be funded by cash, by invested cash, or by investment grade securities, including bonds, stocks, U.S. Treasury obligations, or obligations of U.S. government agencies.

In accordance with N.C.G.S. § 58-64-33(c), operating reserves shall only be released upon the submittal of a detailed request from the provider and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 business days prior to the date of withdrawal. Any request for the release of an operating reserve must include a plan for the replacement of the operating reserve.

A. Operating Reserve Calculation:

Using the table below, compute the required operating reserve for the facility named above. All numbers included in the table must be able to be traced back to the five-year forecasted financial statements included in the revised disclosure statement.

Total operating expenses		23,679,200
Principal payment on any long-term debt or mortgage payment	+	470,000
Depreciation expense	-	3,202,000
Amortization expense	-	796,100
Extraordinary items as approved by the Commissioner *	-	
Debt service portion, if provided for by way of a separate reserve account **	-	
Total operating costs	=	20,151,100
Occupancy Factor (see subsection C)	X	25%
OPERATING RESERVE REQUIREMENT ***	=	5,038,000

* Attach a copy of approval letter from the Commissioner.

**A provider may take a credit for debt service (principal and/or interest) if the debt service included in the operating reserve calculation is required, and is being held, in a separate reserve account in accordance with covenants in the provider's loan documents. If a credit is claimed, provide an explanation in subsection D. of this section and attach proof of the requirement.

*** The operating reserve requirement listed on this page must match the operating reserve requirement disclosed in the facility's disclosure statement and in the five-year forecasted financial statements.

B. Operating Reserve Assets:

Identify below the assets currently serving as the operating reserve for the facility named above:

	Description of Asset	Institution Holding Assets	Market Value
1.	Unrestricted investments at Morgan Stanley	Morgan Stanley	5,105,013
2.			
3.			
4.			
5.			
Total Market Value			5,105,013

C. Occupancy Factor:

For the purpose of the operating reserve, occupancy is calculated by dividing the sum of the total number of independent living units and assisted living units occupied by the sum of the total number of independent living units and assisted living units available.

1.	Total ILU + ALU Occupied + Reserved	289
2.	Total ILU + ALU Available	289
3.	Occupancy Percentage (Line 1 divided by Line 2 times 100)	96.7

If the Occupancy Percentage from Line 3 above is >90% use 25% as the Occupancy Factor

If the Occupancy Percentage from Line 3 above is < or = to 90% use 50% as the Occupancy Factor

D. Explanations:

E. Contracts:

Provide the number of each continuing care contract type in place on the reporting date stated in Section I.B.

Entrance Fee Refund

Type of Contract	0%	50%	80%	90%	100%	Declining	Other	Total
Type A (Extensive):								
Type B (Modified):								
Type C (Fee-for-Service):	120	38		12			119	289
Type D (Rental):								
Type E (Equity):								
Total	120	38		12			119	289

Section VIII. Attestation:

I attest that:

1. I have reviewed this filing, and to the best of my knowledge and belief it is true, correct and complete.
2. A disclosure statement has been given to each person with whom a contract for continuing care has been entered into, either at the time of, or prior to, the execution of the contract to provide continuing care, or at the time of, or prior to, the transfer of any money or other property by or on behalf of the prospective resident.
3. Disclosure statements distributed to current/prospective residents are identical to the disclosure statements on file with the North Carolina Department of Insurance.
4. The continuing care retirement community license held by the Provider for the facility named above will not be transferred, nor will ownership of the Facility, or any part thereof, be sold or transferred, nor will the Provider enter into a contract with a third-party provider for management of Facility, without the prior approval of the Commissioner.
5. The Provider is in compliance with 11 NCAC 11H.0002 (if expanding).

I, on behalf of **The Givens Estates, Inc.**

hereby accept in good faith the terms and obligations of the Insurance Laws of the State of North Carolina, presently existing or enacted in the future, as a part of the consideration for a continuing care license, and that said Provider has neither directly nor indirectly violated any of the provisions of the said Insurance laws and of all acts amendatory or supplementary thereto. It is understood and agreed that said license may be revoked as provided for in said laws.

I am authorized to make and sign this statement on behalf of the named Provider above.

Date: May 29th, 2024

Signature: _____



Name: Ken Kramer

Title: Executive Director



DISCLOSURE STATEMENT

Dated: May 29, 2024

Name of Facility: GIVENS HIGHLAND FARMS
Location: 200 Tabernacle Road
Black Mountain, North Carolina 28711
Telephone No.: (828) 669-6473

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 26, 2024.
- 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 MAY 30th, 2020.

I. ORGANIZATION INTRODUCTION AND INFORMATION

ORGANIZATION AND AFFILIATION

Givens Estates, Inc. is a North Carolina non-profit corporation chartered in 1975. The Company owns and operates two Continuing Care Retirement Communities licensed by the North Carolina Department of Insurance, which includes Givens Estates and Givens Highland Farms. The Company also owns and operates Givens Gerber Park II, LLC, which consists of 82 apartments with supportive services for seniors with modest incomes and is not a continuing care retirement community. The address for The Givens Estates, Inc. and is 2360 Sweeten Creek Road, Asheville, North Carolina, 28803 and the address for Givens Highland Farms (the facility) is 200 Tabernacle Road, Black Mountain, NC 28711. 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.

Givens Choice, LLC is a wholly owned subsidiary of the company and is a continuing care at home program for seniors in Western North Carolina..

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 Highland Farms 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 is anticipated to be exempt from ad valorem property taxation by Buncombe County and the City of Black Mountain.

ACCREDITATION AND PROFESSIONAL ASSOCIATIONS

Givens Highland Farms became accreditation in November 2018 from The Commission on Accreditation of Rehabilitation Facilities (CARF). Givens Highland Farms completed the reaccreditation process at the end of 2023 and has been re accredited for another five years. In addition, Givens Highland Farms is an active member of LeadingAge, LeadingAge NC, AHCA (American Health Care Association), and NCHCFA (NC Health Care Facilities Association).

Licensure: Givens Highland Farms 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 Highland Farms is licensed by the North Carolina Division of Health Service Regulation to operate 60 skilled nursing beds. All of the 60 skilled beds are Medicare and Medicaid certified. Further, Givens Highland Farms is licensed by the North Carolina Division of Health Service Regulation to operate Givens Highland Farms Home Care agency.

Fitch Rating: The parent corporation, The Givens Estates, Inc., has received a “A-” rating by Fitch Ratings, a global investment rating agency. This rating is based on The Givens Estates, Inc. high occupancy levels, strong operating performance, and sufficient liquidity.

VISION STATEMENT

Endless Possibilities, Vibrant Aging

MISSION STATEMENT

Creating Community, Empowering Lives

CORE VALUES

Our four core values are People Passionate, Make a Difference, Power of Community, and Do What's Right.

<p>People Passionate</p> <p>We value every person. We strive to respect, support, enrich, and empower one another.</p>	<p>Make a Difference</p> <p>We honor our legacy of making a difference in the lives of others. We see opportunities in challenges, seek creative solutions, and work tirelessly to ensure that we are improving and innovating to be a positive force in our community.</p>
<p>Power of Community</p> <p>We are better and more creative when we work together. We harness the power of community for the greatest possible impact through collaboration, strong relationships, and embracing diversity.</p>	<p>Do What's Right</p> <p>We act with integrity and accountability, recognizing what is right is not always easy or popular. We take responsibility for our decisions, persevere through challenges, and are good stewards of our resources.</p>

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 Highland Farms is a continuing care retirement community located on a 85-acre campus in Black Mountain, North Carolina. Living accommodations include 4 single-family cottages, 37 cluster homes, 32 condominium homes, 64 Meadowmont homes, 16 Cottages and 136 apartments; and 60 skilled nursing beds. Givens Highland Farms offers primarily fee-for-service and some rental contracts. The 60 skilled nursing beds have Medicare and Medicaid certification.

Occupancy: As of December 31, 2023, Givens Highland Farms had 368 residents occupying independent living residences, and 51 residents in skilled nursing for a total of 419 residents.

Community amenities: exercise room; spa; multi-purpose auditorium; two dining rooms; a deli/café; living rooms; kitchen and staff break areas; library; arts and crafts shop; health clinic space; meeting rooms; and office space.

SENIOR MANAGEMENT TEAM: Givens Highland Farms management consists of the Executive Director and 6 Department Directors primarily responsible for the daily operations. The business address for the Senior Management Team is 200 Tabernacle Road, Black Mountain, NC 28711. The Senior Management Team of Givens Highland Farms:

Kenneth W. Kramer, Executive Director

Mr. Kramer is a graduate of the Miami University of Ohio. He has over 25 years' experience working in the retirement community industry. He began his career with Maple Knoll Village in Cincinnati, Ohio. From there he spent seven years with Immanuel Health Systems in Omaha, Nebraska. As Wellness Director, he managed the Wellness Center and program for their Lakeside Community and led the development of Wellness Centers for three of their six communities. In 2005 Ken joined Givens Estates as their Wellness Director and led the development of their new Wellness Center and continued to build their wellness program. In July of 2014, Ken took the role of Associate Director of Givens Highland Farms and in March 2015 became Executive Director after the retirement of the previous Executive Director. Ken has led Givens Highland Farms through operational changes relative to the acquisition of Highland Farms in December 2012. Ken has also been instrumental in renovation and expansion projects since 2014 totaling nearly \$80 million dollars. Ken currently serves on the Montreat College President's Advisory Council, Swannanoa Valley Christian Ministry Endowment Committee, Black Mountain Swannanoa Chamber Board and the Mission Hospital Board of Trustees and Credentialing Committee.

Kris Hoke NHA, Health Services Director

Ms. Hoke has been in the Long Term Care sector since 1992. She has been a Licensed Nursing Home Administrator since 1998 with several different organizations. Her responsibilities include supervising the clinical and administrative affairs of the GHF Skilled Nursing Facility to maintain long-term goals and uphold our mission. Ms. Hoke is currently a Preceptor for the NC Board of Examiners for Nursing Home Administrators. She has a B.S. in Business Administration, a minor in Economics, and a Master's in Business Administration from Seton Hill University.

Brian Lewis, CPA, Controller

Mr. Lewis is responsible for financial operations, including financial reporting, budgeting, and forecasting. Previously Mr. Lewis was Chief Financial Officer and President for thirteen years at eprentise LLC, a software and support company with global operations serving clients in over 30 countries. Mr. Lewis is a Certified Public Accountant licensed in Florida (2004) and North Carolina (2024) and a Certified Internal Auditor. He is a graduate of Florida Atlantic University with a B.B.A. in Accounting and received his Masters of Accountancy from Stetson University. His experience includes seven years in public accounting two years of which include audit experience in the CCRC (life plan community) industry, four years in internal audit, and fourteen years in private industry in roles including Chief Operating Officer and Chief Financial Officer. He currently serves on the Audit Committee for Lutheran Church of the Nativity and has previously served as the board treasurer for Seminole County (Florida) Habitat for Humanity.

SENIOR MANAGEMENT TEAM OF THE GIVENS ESTATES, INC.

Kevin C. Schwab, President and Chief Executive Officer

Kevin Schwab has more than twenty-seven years of finance, accounting, investment and operations experience in various industries. Mr. Schwab joined Givens Communities in 2021. Supported by a senior management team and department managers, Mr. Schwab is responsible for the overall organization, which serves approximately 1,550 residents and currently employs more than 500 full and part-time staff. Along with the senior management team, he is responsible for 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; Givens Choice, a continuing care at home program for seniors living in Western North Carolina; Givens Home Care, a program to provide in-home services to Givens Life Plan communities residents; and LifeMinistries, a community-based, health-focused outreach program. Before joining Givens Communities, Mr. Schwab was most recently the CEO of St. Camillus (Milwaukee, WI) since 2016 and has worked at St. Camillus for over twenty years in multiple capacities, previously as CFO and COO. He is a Certified Public Accountant (CPA) and a licensed Nursing Home Administrator in the State of Wisconsin. Kevin earned a Bachelor's degree in Accounting from Marquette University and a Master's in Business Administration from the University of Wisconsin Milwaukee.

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 (CPA). 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.

Scott M. Farkas, CPA, Chief Operating Officer

Scott Farkas returned to Givens Communities as the Chief Operating Officer in October 2023. Scott has over 15 years in the nonprofit healthcare sector and is a Certified Public Accountant (CPA). His professional journey began in public accounting at Dixon Hughes, where he consulted nonprofits, hospitals, governmental entities, and senior living providers. In September 2012, Scott began his career with Givens as the Controller at Givens Highland Farms. His exceptional leadership played an instrumental role in navigating the campus through an acquisition transition, culminating in the establishment of a financial foundation alongside his colleagues. Mr. Farkas became the Controller at Givens Estates starting in 2014 through December 2020, when he left to serve as the Chief Financial Officer at ThriveMore, a senior living provider with multiple locations in NC. In this capacity, Scott shouldered the responsibility of ensuring formidable financial performance, spearheading the transformation of an underperforming facility through divestiture and acquisition, and facilitating the organization's unwavering growth trajectory. Beyond his financial acumen, Scott engaged in a collaboration with Sales and Marketing, amplifying the organization's census while diligently streamlining operational efficiencies across all facets of the enterprise.

BOARD OF DIRECTORS

Givens Estates, Inc. 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 nineteen (19) 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 up to four (4) persons elected for a term of three (3) years and serving no more than six (6) successive years. Ten (10) ex-officio Directors from the Western North Carolina Annual Conference of the United Methodist Church, clergy from United Methodist Churches in the Blue Ridge District, and current and recent past Presidents of Resident Association also serve as Board members.

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

Mr. Joseph P. McGuire, Chairperson

P.O. Box 3180 Asheville, NC 28802

Mr. McGuire is an attorney who is President of McGuire, Wood & Bissette, 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 2022, the law firm billed Givens Estates a total of \$41,774.00. 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, is on the Executive Committee, and served on the Audit Committee.

Mr. Horace S. Jennings, Vice Chairperson

27 Forest Rd., Asheville, NC 28803

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

Mrs. Rebekah M. Lowe, Secretary

12 Trafalgar Circle. Asheville, NC 28805

Mrs. Rebekah Lowe is the Chief Executive of FizzyWork Executive Coaching and the former Regional President of Wachovia Bank. She is the Vice President of the MemoryCare Board and a volunteer at the Room In The Inn. A former Board Member of the Chamber of Commerce, the YMCA, Brevard College, United Way Leadership in Asheville and Palm Beach Atlantic University. She is a member of the International Coach Federation and the Western Carolinas Coaches. She is a member of the First Baptist Church of Asheville, an Ordained Deacon and is a former finance committee member there. She joined the board in 2020, served on the Investment Committee, currently serves on the Executive Committee, and is the Chair of the Resident and Health Services Committee.

Mr. Larry B. Harris, Assistant Secretary

101 Richard Lane, Black Mountain, NC 28711

Mr. Harris is a retired Certified Public Accountant (CPA) with a background in financial and tax planning, with PARSEC Financial. His community involvement includes former Mayor of Black Mountain, board member of Mission Hospital (HCA), French Broad River Metropolitan Planning Organization, past chair of the Land of Sky Regional Council, and he is active with CarePartners, and Buncombe County Audit Committee. He served on the executive committee of Deerfield Retirement Community and is active in Rotary. He is a member of Christ Community Church Montreat. He joined the board in 2022, served on the Nominating Committee, currently serves on the Executive Committee, the Audit Committee, and is chair of the Advancement Committee.

Mr. Kenneth W. Swayze, Jr., Treasurer

111 Finley Street, Hendersonville, NC 28739

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

Mr. Charles L. Frederick – Co-Assistant Treasurer

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 joined the board in 2019 and currently serves on the Executive Committee and is Chair of the Investment Committee.

Ms. Alisa J. Brown – Co-Assistant Treasurer

385 N. Haywood Street, Suite 3. Waynesville, NC 28786

Ms. Brown is a Certified Public Accountant (CPA) at Ray, Bumgarner, Kingshill & Assoc., P.A. She performs tax work and governmental and nonprofit audit work. She is an active volunteer and Board Member at Wilderness Trail, a backpacking ministry. She is a member of the NC Association of CPA's and she is a member of the First United Methodist Church Waynesville where she is on the Membership Team and Finance and Stewardship Committees. She joined the board in 2020, currently serves on the Executive Committee, and serves as Chair of the Audit Committee.

Mr. G. Edward Towson, II, Immediate Past Chair

7 Brookwood Road, Asheville, NC 28804

Mr. Towson is a Certified Public Accountant (CPA). His 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 on the board at various times since 1999 and has been on the Executive Committee since 2010 and currently serves as Chair of the Nominating Committee.

Mr. Kevin C. Schwab, President and Chief Executive Officer, (see Administrative staff above).

BOARD OF DIRECTORS AND CONTACT INFORMATION

Mrs. Donna A. Broadwell – 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 has served on the Executive Committee, the Nominating Committee, served as Chair of the Nominating Committee, and is an honorary life member of the Board.

Dr. Kelli R. Brown, Chancellor – Western Carolina University

501 HF Robinson, 1 University Drive, Cullowhee, NC 28723

Dr. Brown is the Chancellor at Western Carolina University, formerly served in different administrative and teaching roles within higher education. Her community service roles include the Rotary Club and Circles of Jackson County. Dr. Brown holds organizational memberships with numerous higher education organizations and those affiliated with current role as Chancellor. Kelli joined the board in 2023 and is on the Resident and Health Services Committee.

The Reverend Doctor Mary W. Brown – 27 Church Street, Asheville, NC 28801

Dr. Brown is Senior Minister of Central United Methodist Church, Asheville and a member of the Western North Carolina Conference. She has been an Ex-officio board member since 2023.

The Reverend Karen Easter-Bayne – 204 6th Avenue West, Hendersonville, NC 28739

The Reverend Easter-Bayne is the Senior Minister at First United Methodist Church Hendersonville, and is a member of the Western North Carolina Conference. She earned a BA degree and Master of Regional Planning degree from UNC-Chapel Hill, and her Master of Divinity degree from Candler School of Theology at Emory University. She has been an Ex-officio board member since 2021. She serves on the Resident and Health Services Committee.

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

Mr. Ennis is the Chief Financial Officer of the National Development Council. Prior to joining the National Development Council, he was a Senior Associate at Dixon Hughes PLLC (now DHG). He received his Bachelor's degree in Finance and Banking from Appalachian State University, and has a Master of Science in Accountancy from the University of North Carolina at Wilmington. Adam is a member of the Brevard First Methodist Church where he serves on the Foundation Board. He joined the board in 2019 and serves on the Finance, Human Resource and Group Health Plan Committee.

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

Ms. Fletcher is an associate with McGuire, Wood & Bisette Law Firm in Asheville helping businesses and individuals navigate local, state, and federal tax issues. She also works in the area of employment law. Her community involvement includes participation in the Litigation Section of the North Carolina Bar Association, the North Carolina Association of Women Attorneys and Pisgah Legal Services. She joined the board in 2020 and serves on the Finance, Human Resource and Group Health Plan Committee.

Dr. Margaret Kuhn – 550 1 Warren Wilson College Road, Swannanoa, NC 28778

Dr. Kuhn co-owns two veterinary clinics in Asheville, Animal Hospital East and Animal Hospital South. She is a longtime member of Groce United Methodist Church. She joined the board in 2021 and serves on the Nominating 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 joined the board in July 2018 and serves on the Resident and Health Services Committee.

Mr. William Mance – 105 Poppy Lane, Asheville, NC 28752

Mr. Mance is a retired Vice President for Human Resources for Mission Hospitals. Prior to joining the health system, he was Western Region Manager for WCI, a human resources consulting organization, located in Asheville. He is a retired U.S. Army colonel, officer in the Army Medical Service Corps. His service to the community includes UNC-TV, Asheville Self Help Credit Union, SCORE, The Community Foundation of WNC, American Hospital Association Board, MAHEC, and more. Mr. Mance is a member of St. Matthias Episcopal Church. He joined the board in 2022 and serves on the Finance, Human Resource and Group Health Plan Committee.

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

Mrs. Connie B. Martin is a retired Elementary Education Teacher and has served on the McDowell County Volunteer Board, as well as the Hospice of McDowell County and Marion City Planning Boards. She is a member of the McDowell County NAACP, YMCA and TOPS. Mrs. Martin is a member of Addie's Chapel UMC. She joined the board in 2018 and serves on the Resident and Health Services Committee.

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

Mr. McGuire is a retired Dentist and has been a member of the Sylva Rotary Club since 1980 where he served as the president from 2004-2005. He is a Jackson County chapter of North Carolina Community Foundation Board Member as well as a Volunteer for Meals on Wheels. He is a former member of the American Dental Association, North Carolina Dental Society, American College of Dentists, and the American Academy of Dental Practice where he served as the President from 2005-2006. He is a lifelong member of the Sylva First United Methodist Church. He joined the board in 2020 and is on the Audit Committee.

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

Mr. McKown is a Commercial Realtor and MAI Appraiser. Previously, he was President/CEO of Pedro Bay Corporation (real estate investment and development), and Sr. VP of First Union National Bank in Brevard, NC. Mr. McKown is active in the community and has served on numerous non-profit boards. Rob is a long-time member of First United Methodist Church in Brevard. He joined the board in 2019 and serves on the Finance, Human Resource and Group Health Plan Committee.

Mr. Russell Moxley – 400 Wesley Drive, Apt. 374, Asheville, NC 28803

Mr. Moxley is a resident of Givens Estates and is President of the Givens Estates Resident Council. He is a retired leadership and organization development professional. His community service includes Appalachian Voices and Kirkridge Retreat and Study Center board of directors. He is an associate member of New Hope Presbyterian Church. He joined the board in 2022 and is on the Resident and Health Services Committee.

Dr. Judy L. Phillips – 54 Blue Heron Drive, Fletcher, NC 28732

Dr. Phillips received her PHD at John Hopkins and is a nurse practitioner with the Messino Cancer Center in Asheville and is an Assistant Professor of Nursing at Lenoir Rhyne University. Her community service includes Oncology Nursing Society, Chair of Education for MASCC, Chair of Lymphema DNS, and Doctorate and Masters Nursing Committees. She is an international speaker and member of Biltmore Church. She joined the board in 2022 and is on the Resident and Health Services Committee.

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

Mr. Pine is a resident of Givens Highland Farms and a retired Senior Vice President and General Manager of Belk department stores. His community service includes the WCU Board of Trustees, the Asheville Merchants Board and Foundation, the BBB, Salvation Army, the Chamber of Commerce, Care Partners, Industries for the Blind Asheville and main Board Winston Salem, Meals on Wheels, Mars Hill Foundation Board as well as various United Way Committees. He is also on the Employee Appreciation Committee at Givens Highland Farms, the Covenant Community United Methodist Church Finance Committee and the Chair of the Building and Construction Committee. He is a member of the Covenant Community United Methodist Church. He joined as an Ex-officio board member in 2019 and is on the Nominating Committee.

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

The Reverend Ralls is the Superintendent of the Blue Ridge District of the Western North Carolina Conference of the United Methodist Church. He has been an Ex-officio board member since 2015.

Mr. Robert E. Shepherd – 214 Valley Ridge Lane, Black Mountain, NC 28711

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.

Ms. Sarah-Ann Smith – 60 Wagon Trail, Black Mountain, NC 28711

Mrs. Smith is a resident of Givens Highland Farms and is the President of Givens Highland Farms' Residents Corporation. Mrs. Smith is a retired Foreign Service Officer, previously served on the PCUSA Commission on Ecumenical Mission and Relations, and was an adjunct professor at Johns Hopkins University, University of Baltimore, and UNC Asheville. She holds a Ph.D. in International Studies and East Asian Studies from American University, and a Master of Arts degree from Presbyterian School of Christian Education. Her community service included World Affairs Council of WNC board member and president, community member of Asheville Citizen-Times editorial board and column contributor, board and committee chair for Ballet Spartanburg, and board member of the League of Women Votes. She joined the board in 2022 as an Ex-officio

board member and serves on the Resident and Health Services Committee.

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

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

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

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

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

Mr. Whitesides is the retired Vice President of Mountain 1st Bank and Trust. He has been on the Buncombe County Board of Commissioners since 2016. He is a member of Hopkins Chapel AME Zion Church, Asheville. He joined the board in 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).

RESIDENTS CORPORATION

The Highland Farms Residents Corporation, Inc. (“HFRC” is a 501(c)3 corporation. As such it promotes and protects the interests and welfare of the residents of Givens Highland Farms. All residents are members of the HFRC, which normally meets monthly. The HFRC has a Board composed of nine residents duly elected by the residents. The Board handles the regular business of the HFRC and recommends major decisions to the residents for approval. Board meetings are open to all residents. The HFRC coordinates numerous volunteer committees and activity groups. HFRC representatives promote outreach beyond the Givens Highland Farms community, act as liaison to departments of Givens Highland Farms, and to provide assistance to Resident Services and Programming. HFRC also provides limited financial assistance to residents upon confidential resident request.

GIVENS HIGHLAND FARMS STRATEGIC PLAN

Givens Highland Farms 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 January 2018, the Board of Directors approved a new campus master plan for Givens Highland Farms that will be further refined and implemented in phases over the next 10 years.

Givens Highland Farms continues to update the community based upon identification and prioritization of need. An expansion project has been planned and developed on campus. We are finalizing Phase 2 of the Master Plan which includes a new Lobby area, Assembly Room, Dining/ Kitchen venue and 66 new apartments. We have begun Phase 3 which includes 33 additional apartments. In later phases we will begin planning for additional new accommodations and a new (replacement) Health Care Center to serve our need for higher levels of care. This will serve the community well into the future as it grows. This plan will enable the community to remain financially strong and attractive in the marketplace.

Givens Highland Farms financed the entire Phase 2 project (including interest of \$2,700,000) for 27 months with tax-exempt fixed rate bonds. Bonds were issued in late 2021 with a principal amount of \$48,620,000, 4% interest rate and a maturity of 30 years. Total construction costs are anticipated to be approximately \$47,000,000, funded interest and cost of issuance of approx. \$804,000. When the project opens and is occupied, GHF expects to receive entrance fees that will total \$21,800,000. The occupancy rate is expected to be at the rate of 100% and there should be no effect on health services with this project. Phase 3 will be internally financed.

III. POLICIES

A copy of the Guidelines for Living and the Policy and Procedures Manual is provided to all residents and is available upon request. These resources are updated from time to time. The following information summarizes certain important aspects of current policies in the Residence and Services Agreement.

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 Highland Farms. Applicants may be requested to update such forms at the time of admission.

Personal Interview. Applicants must have an interview with a Givens Highland Farms Marketing Representative prior to occupancy. Upon review of all information, additional interviews may be requested by the applicant of Givens Highland Farms.

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 this Agreement and to meet their ordinary living expenses.

Marketing and Admissions. Givens Highland Farms 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 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 First 30 Days: The Residence and Services Agreement may be terminated by the resident for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and the resident is not required to move into the facility during this period. Any monies paid by the resident shall be refunded in full less any non-standard costs incurred at the residents' request. Any such

refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by the resident to:

**Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711**

Termination After First 30 days and Before Occupancy: The Residence and Services Agreement may be terminated by the resident for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, the resident will receive a refund of the resident's ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for the residence, and any non-standard costs requested by the resident. The nonrefundable fee will not be charged to the resident if such termination is due to 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 Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination.

Termination by Resident During the First 30 Days After Occupancy. Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Estates written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Estates, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Estates at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII. E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.

Termination Upon Death After Occupancy. In the event of death of a single resident, or 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. E. of the Agreement.

Termination by Givens Highland Farms After Occupancy. Givens Highland Farms 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 Highland Farms of any fees or charges due within sixty (60) days of the date; or if the resident does not abide by the rules and regulations adopted by Givens Highland Farms, 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 shall be determined according to Paragraph VII. E. of the Agreement.

Amortization of the Entrance Fee. If an Entrance Fee Option is chosen, 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 Your selected refund percentage remains at zero percent (0%), fifty percent (50%), or ninety percent (90%). For the initial Cottages contracts, the portion of the Entrance Fee that is refundable to the resident will decline over time at a rate of five percent (5%) upon the date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until the refund percentage remains at seventy-five percent (75%). Regardless of the reason for termination, the resident is entitled to the Entrance Fee refund, less any non-standard costs requested by the resident, except as otherwise provided in the Residence and Services Agreement.

Payment of Refunds. Entrance Fee refunds, if due, will be paid upon the resident vacating the residence or in case of dual occupancy both vacating the residence; the removal of all personal property; and upon the receipt by Givens Highland Farms of a replacement resident for the residence or the expiration of twenty-four (24) months after termination of the Residence and Services Agreement by the resident (whichever occurs first).

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 Highland Farms, LLC for costs required to restore the residence to good 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 (if due), or added to the final statement of charges for 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 Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested shall be at the resident's expense. Givens Highland Farms 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, or (ii) prepay the estimated cost of restoring the residence to its original condition. All structural improvements shall belong to Givens Highland Farms.

Transfers or Changes in Levels of Care

Transfer to a Health Care Residence. Givens Highland Farms 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 Highland Farms 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 Highland Farms, 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 Highland Farms administration and/or the Givens Highland Farms 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 Highland Farms.

Transfer to Other Facility. If it is determined by Givens Highland Farms that the resident needs care beyond that which can be provided by Givens Highland Farms, 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 Highland Farms 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. The resident will have priority to move to such Health Care Residences, determined to best meet their needs, as soon as such is available.

Terms of Residency

Policies and Procedures. All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to the resident handbook (Guidelines For Living) as may be adopted by Givens Highland Farms. Such handbook shall be made readily available to all residents.

Changes in the Residence and the Agreement. Givens Highland Farms has the right to change the residence and/or the Residence and Services 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(s) may reside in the residence without the approval of Givens Highland Farms.

Occupancy by Two Residents. When two (2) residents occupy a residence and one of them no longer resides 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 Residence and Services 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, if due, shall be paid to the remaining resident until the residence is vacated as described in the Residence and Services Agreement.

Request by a Resident for Change in Residence. A resident may request a change in residence at any time. Givens Highland Farms 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 Highland Farms may require the resident to enter into a new or amended Residence and Services Agreement for the new residence.

Move to Another Residence. Should a move to a subsequent residence be approved by Givens Highland Farms, the resident will pay the Monthly Fee associated with 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 Highland Farms. If Givens Highland Farms 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 Highland Farms to justify such transfer, Givens Highland Farms may move the resident to a new residence of a similar size provided that Givens Highland Farms (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 residents' personal furnishings, and (v) provides in such new Residence optional custom improvements comparable to those provided in Your original Residence.

Loss of Property. Givens Highland Farms 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. If 65 years of age or older residents are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield). If a resident is not eligible for Medicare they are required to maintain full medical and hospitalization insurance coverage. Insurance must be acceptable to Givens Highland Farms and residents must furnish Givens Highland Farms with evidence of such coverage and notify Givens Highland Farms of changes in medical insurance.

Right of Entry. The Residence and Services Agreement authorizes employees or agents of Givens Highland Farms to enter the residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms 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 Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to all residents.

Smoke-free Campus. The Givens Highland Farms campus and residences are tobacco-free.

Marriage During Occupancy. Should a resident marry a person who is also a resident of Givens Highland Farms, 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 refunds, if due, shall be paid until Givens Highland Farms receives a replacement Entrance Fee for the vacated residence or twenty-four (24) months after termination by the resident (whichever occurs first), and removal of all personal belongings. Refunds are made in accordance with Paragraph VII. E. of the Residence and Services Agreement.

If a resident should marry a person who is not a resident of Givens Highland Farms, their spouse may become a resident if they (i) meet all the requirements for admission, (ii) enter into a Residence and Services Agreement with Givens Highland Farms, and (iii) pay an Entrance Fee equal to the then-current double person Entrance Fee. The resident and their spouse shall pay the Double Person Monthly Fee. If the spouse does not meet the requirements of Givens Highland Farms for admission as a resident, the resident may terminate the Agreement by giving Givens Highland Farms written notice of such voluntary termination as outlined in the Residence and Services Agreement or the spouse may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and the resident and spouse. Refunds are made in accordance with Paragraph VII. E. of the Residence and Services Agreement.

IV. SERVICES

Furnishings in Residences. Givens Highland Farms will provide in most residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, washer and dryer, garbage disposal, prewiring for telephone and cable services, basic cable television, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by the resident. Garden Apartments may not include hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, hood vent or washer and dryer

Options and Custom Features in Your Residence. Residents may select certain options and custom features in the residence for an additional charge. Givens Highland Farms 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 the resident at the time of selection and will become part of the residence and the property of Givens Highland Farms. 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 Highland Farms administration in advance of the changes made.

Common Areas and Amenities. Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas, community garden, on-site assisted living center, and health center for nursing care.

Parking. Givens Highland Farms will provide lighted parking areas for the residents' personal vehicle (a minimum of one space for each residence).

Services and Programs.

Utilities. The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, telephone and internet. Residents are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.

Meals. Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in the Residence and Services Agreement Schedule II. The amount is determined by the residence chosen and may change the same as in Adjustments in the Monthly Fee. A maximum carryover of one (1) month's dining dollars per person is allowed from month to month; any dining dollar amount in excess of the maximum allowed will expire at the month's end. Any additional charged amounts above the monthly allowance will be added to the monthly fee.

Meal Pricing (Residents & Guests)

All food and drink is a la carte and residents & guest only pay for what they order. If a resident uses their meal allowance in full, they may charge additional items to their account.

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 Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care. Subject to prior approval by Givens Highland Farms, residents may plant and maintain certain garden areas adjacent to their residence and elsewhere as designated by Givens Highland Farms.

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

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

Security. Givens Highland Farms provides 24-hour security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system, and an emergency call system.

Activities. Givens Highland Farms 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, special transportation, repairs of personal property, and other special services performed for the resident beyond the normal scope of services offered by Givens Highland Farms.

Notice of Change in Scope of Services. Except for changes required by law, Givens Highland Farms 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 the resident or (b) a reasonable adjustment is made in the monthly fee.

Health Care Accommodations and Services. Givens Highland Farms will make available health care accommodations and services as follows:

Home Care and Health Care Center Residences. Home Care can help a resident with activities of daily living (ADLs) like remembering to take medications, preparing meals, transferring from a chair, toilet or bed, bathing, getting dressed, light housekeeping or transportation to and from doctors appointments. They can also support a resident with a disability - engaging in a favorite hobby, watching movies or simply conversing about their past or events of the day.

Givens Highland Farms will have accommodations, equipment, staffing, programs, services and supervision necessary for licensed skilled nursing care. This level of health care and services are available to residents either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Residents of Givens Highland Farms have priority access to all health care residences and services before non-residents. Givens Highland Farms residents have access to licensed Assisted Living on the campus of Givens Estates located at 2360 Sweeten Creek Road, Asheville, NC.

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

Staffing. Twenty-four (24)-hour staff will be provided by Givens Highland Farms to respond to emergencies.

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

Health Care Services for an Additional Fee. Other health services may be available to residents at their 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 Monthly Service Fee.

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, 2024

The Residence and Services Agreement of this Disclosure Statement makes the following provisions:

Entrance Fee. Residents agree to pay to Givens Highland Farms an Entrance Fee for the residence as set forth in Schedule I of the Residence and Services Agreement (unless they have chosen the No Entrance Fee Option.

Terms of Payment of the Entrance Fee - If an Entrance Fee is chosen, the terms of payment of the Entrance Fee shall be as follows:

- a.** 10 Percent Deposit. To reserve a residence, applicants make application, pay a deposit equal to ten percent (10%) of the total Entrance Fee for their residence, less any Application Fee if previously paid, of one thousand dollars (\$1,000.00), and enter into the Agreement. The applicant will receive notice of their approval within fourteen (14) days of submitting their application.
- b.** Balance of the Entrance Fee. The balance of the total Entrance Fee for the residence will be due and payable prior to or on the date of occupancy, unless otherwise agreed to in writing by Givens Highland Farms.

Monthly Fee. In addition to the Entrance Fee, residents agree to pay a monthly fee upon occupancy for the term of the Agreement. The monthly fee is payable in advance by the tenth (10th) day of each month. The monthly fee is set forth in Schedule I of the Residence and Services Agreement.

The Monthly Fee covers:

- Monthly meal allowance (effective Jan. 1, 2024):
 - \$300.00 per person per month for Apartments & Homes
 - 3 meals per day per person for Prentice Lodge
- Weekly housekeeping
- All utilities including cable, telephone and internet
- Maintenance
- 24 hour campus security and urgent call response by trained personnel
- Scheduled transportation
- Use of all common areas and amenities
- Social, recreational, spiritual, educational and cultural activities



2024 ENTRANCE FEES & MONTHLY FEES

0% Refund Plan

- 0% refund after 48th month of occupancy.
- Amortized to Givens Highland Farms at 6% the first month of occupancy and 2% a month for the next 47 months.

50% Refund Plan

- 50% refund after 23rd month of occupancy.
- Amortized to Givens Highland Farms at 6% the first month of occupancy and 2% a month for the next 22 months.

90% Refund Plan

- 90% refund after 3rd month of occupancy.
- Amortized to Givens Highland Farms at 6% the first month of occupancy and 2% a month for the next 2 months.

Monthly service fees include:

Interior and exterior maintenance and grounds keeping • Weekly Housekeeping • All Utilities • Flexible meal plan
 Campus security and urgent call response by trained personnel • Scheduled transportation • Use of all common areas and amenities • Social, recreational, spiritual, educational, and cultural activities • Exercise classes • Social worker support

CLUSTER HOMES

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1BR, 1BA, 960 SF*	\$201,000	\$216,000	\$296,000	\$311,000	\$479,000	\$494,000	\$3,228	\$4,112
2BR, 2BA, 1,174 SF*	\$249,000	\$264,000	\$367,000	\$382,000	\$593,000	\$608,000	\$3,576	\$4,460
3BR, 2BA, 1,320 SF*	\$289,000	\$304,000	\$425,000	\$440,000	\$689,000	\$704,000	\$3,871	\$4,755

CONDOMINIUMS

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
2BR, 2BA, 1,354 SF*	\$280,000	\$295,000	\$412,000	\$427,000	\$667,000	\$682,000	\$3,646	\$4,530
3BR, 2BA, 1,545 SF*	\$314,000	\$329,000	\$462,000	\$477,000	\$748,000	\$763,000	\$4,004	\$4,888

MEADOWMONT

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1BR, Den, Fourplex, 1,120 SF*	\$285,000	\$300,000	\$420,000	\$435,000	\$679,000	\$694,000	\$3,667	\$4,551
2BR, Terrace, Sixplex, 1,270 SF	\$324,000	\$339,000	\$477,000	\$492,000	\$772,000	\$787,000	\$3,851	\$4,735
2BR, Duplex, 1,400 SF*	\$362,000	\$377,000	\$533,000	\$548,000	\$863,000	\$878,000	\$4,087	\$4,971
2BR, Den 1,539 SF *	\$419,000	\$434,000	\$617,000	\$632,000	\$998,000	\$1,013,000	\$4,317	\$5,201

Square footage is approximate and may vary

*Prices may increase according to finishes, design and location.



givenshighlandfarms.org

828-357-3621

marketing@givenshighlandfarms.org

200 Tabernacle Road, Black Mountain, NC



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

Application Deposit. The Independent Living Application Deposit of \$1,500 is submitted with an

Application to establish a chronological waitlist date by which future residents are offered various types of residences at Givens Highland Farms. The Application Deposit and Application are optional. The Application Deposit is a non-interest bearing deposit associated with a chronological waitlist 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. Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms 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.

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.

Average Monthly Service Fee Changes	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
One Occupant (\$'s per month)	11	83	147	241	
Two Occupants (\$'s per month)	95	96	150	254	69
Approximate Percentage Increase	3.5%	2.2%	4.8%	7.9%	5.6%

Health Care Room Charges					
skilled nursing care (\$'s per day & approx. % increase)	11 3.7%	6 2.6%	9 5.5%	27 8.0%	4 6.5%

Monthly Statements. Givens Highland Farms 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 tenth (10th) day of the current month. Givens Highland Farms 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, a resident will surrender their independent living residence and will no longer pay the monthly fee for that residence. Instead the resident will pay the published current per diem fee for such health care residence. Upon temporarily occupying a health care residence, the resident will continue to pay the monthly fee for the independent living residence and they will pay the published current per diem fee for such health care residence for the period of time that they occupy same.
- b.** Use of Refundable Portion of the Entrance Fee. Should a resident move permanently to a Health Care Residence, the remaining refundable portion of their Entrance Fee (if any) can be applied to the cost of care in the health care residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.
- c.** 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 Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms 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.
- d.** Care in Another Facility. Should a resident need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, the resident will be responsible for all expenses of such transfer and services.

Health Center

Givens Highland Farms 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 Health Center provides residents with privacy and residential comforts along with the choice of long term care services and short term rehabilitation services.

Skilled Nursing Daily Room Rates	2024 Rates
Semi-Private Room	352
Private Room	405



Home Care Services and Rates – Effective July 1st, 2024 (Page 1/2)

SERVICES	OVERVIEW	RATES
Activation Fee	To begin services, we will partner with the client to create the Plan of Care and will determine needs as appropriate.	No charge for caregiving services if the client signs up for <u>more than ten hours</u> of care per month.
		\$50 fee for caregiving services that are scheduled for <u>less than ten hours</u> of care per month.
		\$100 activation fee for Care Plans that include Licensed Nursing Visits, regardless of time scheduled.
Reassessment Fee (every 90-days or as needs change)	We partner with clients to update the Plan of Care, which will be evaluated every 90 days (or when needs change).	No charge for caregiving services if the client continues with <u>more than ten hours</u> of care per month.
		\$40 flat fee for caregiving services if the client is scheduled for <u>less than ten hours</u> of care per month.
		\$80 fee for Care Plans that include Licensed Nursing Visits, regardless of time scheduled.

Caregiving Services

Our caregivers provide tailored support, including meal prep, housekeeping, medication reminders, support with Activities of Daily Living such as dressing, bathing and more. We determine the level of support, i.e. whether a Companion, In-Home Aide and / or Certified Nursing Assistant is the most appropriate.

30 Minute Visits	1-1.5 Hour Visits	2-3.5 Hour Visits	4+ Hours Visits
\$35 per 30-minute visit	\$55 per hour visit \$82.50 per 1.5 hour visit	\$47 per hour, at \$94 per 2 hour visit \$117.50 per 2.5 hour visit \$141 per 3 hour visit \$164.50 per 3.5 hour visit	\$35 per hour, with \$140 minimum for a 4 hour visit

If an additional caregiver is needed, the rate will be charged 1.5 times. For example, if a client requires two caregivers, a 60-minute visit would be charged at \$82.50 rather than \$55.



Home Care Services and Rates – Effective July 1st, 2024 (Page 2/2)

Nursing Services

We offer comprehensive nursing support for your health and well-being, including:

- 1) **Licensed Nursing Visit:** This could include wound care, medication administration, and other nursing services within our scope of license. Services are billed in 15-minute increments at an hourly rate of \$100 (e.g., \$25 per 15-minute visit).
- 2) **Coordination of Care:** This type of service is reconciled at the end of the month at a rate of \$100 per hour with no minimum. Services may include:
 - a. Communication with family members, powers of attorney, and physicians.
 - b. Obtaining necessary orders, labs, and test results.
 - c. Coordination with the pharmacy for medication-related needs.
 - d. Assisting with inpatient discharge planning for smooth and safe transitions home.
 - e. Providing disease education to clients and their families.

Note: *Coordination with the wider Givens team, including your Social Worker / Navigator, is not billed.*

Please Note:

- Cancellations must be reported to the office 72 hours prior to the scheduled visit to avoid being charged the full rate.
- We do not charge a premium on evenings, weekends, or holidays, even though we pay our caregivers shift differentials and holiday pay.
- We may schedule a Certified Nursing Assistant rather than an In-Home Aide or a Licensed Practical Nurse rather than a Certified Nursing Assistant to support staffing efforts but will charge the rate as agreed in the Plan of Care.
- Supplies charged separately. Clients are encouraged to provide their own supplies. We can help coordinate the ordering of supplies through our Nursing services.
- If services are paused due to client circumstances, the schedule may not be guaranteed upon return unless the client reserves their visit times. In certain circumstances (e.g., hospitalization, travel etc.), we may hold visits for up to one week at no cost, then we will offer a 50% discount for up to 4 weeks. After that, reservations return to full cost.

Learn more by contacting Givens Home First at (828)575-1132 or info@givenshomefirst.org

Rate Sheet Effective July 1st, 2024. Subject to change with 30-day notice.

VI. OTHER MATERIAL INFORMATION

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

Givens Highland Farms maintains an operating statutory operating reserve fund. It is the provider's obligation to provide reserve funding or security to enable the Provider to perform its obligations fully under contracts to provide continuing care at the facility. Funds are restricted and may only be released by the Commissioner of the Department of Insurance. Investments for the funds are overseen by Givens Investment Committee (comprised of Givens Board members) and managed by Morgan Stanley. Givens Board of Directors has adopted an investment policy that provides the framework for the management and investment of the operating reserve fund

VII. SCHEDULE OF ATTACHMENTS

Attachment 1 – Statement of Relationship

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

Attachment 3 – Resident and Services Agreement – Independent Living; Skilled Care & Adult Care

Attachment 4 – Miscellaneous Service Fees

Attachment 5 – Audited Balance Sheets, Income Statements and Statement of Cash Flows,
and Unaudited Balance Sheet, Income Statement and Statement of Cash Flows

Attachment 6 – 5-Year Financial Projections of Revenues, Expenses, Cash Flows

Attachment 7 – Comparison of the Audited Financial Statements to the Forecasted
Statements for any variances.

Attachment 1

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)

Attachment 2



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 financial interest in the entity, or
 - (iv) has a spouse, parent, sibling, child, or member of the immediate

household who holds such a position or has such an interest. 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 interest 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 financial interest 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".

Attachment 3



FUTURE RESIDENCY WAIT LIST AGREEMENT

GIVENS HIGHLAND FARMS BLACK MOUNTAIN, NC

This Future Residency Wait List Agreement (“Agreement”) is made this ___ day of _____, 20_____, by Givens Highland Farms, LLC (“Givens Highland Farms”), a North Carolina non-profit corporation, a subsidiary of the Givens Estates, Inc. and _____ (“Future Resident”).

WHEREAS, Givens Highland Farms is a continuing care retirement community of Garden Apartments, Brookside Apartments, Vista Ridge Apartments, Prentice Lodge Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes, The Cottages, and the Health Center, and

WHEREAS, the Future Resident desires to reserve and move to a residence within Givens Highland Farms at some date in the future;

NOW THEREFORE, Future Resident and Givens Highland Farms agree as follow:

1. **FUTURE RESIDENCY DATE.** Upon Completion of this agreement and payment of a \$1,500 application fee, the Future Resident is assigned a Future Residency Date, based on the date of this Agreement and the chronological order in which similar agreements are entered into with other Future Residents. This preference establishes the order in which all Future Residents will be given the opportunity to choose various types of residences at Givens Highland Farms.

2. **ADMISSIONS PROCESS.** The admissions process is as follows:
 - a. Future Resident agrees to submit completed Resident Application Forms provided by Givens Highland Farms within fifteen (15) days from the date of this Agreement. These forms include:
 - (1) Application Form
 - (2) Personal Health History

(3) Confidential Financial Statement

- b. Once the above application is complete, the applicant's information will be reviewed by Admissions Committee of the Board of Directors at its next scheduled meeting. Upon approval by the Admissions Committee, the Future Resident will be placed on the Waiting List according to their initial application date.
 - c. Future Resident is to notify the Marketing Department when they are ready to have their name placed on the "Ready List". The Ready List indicates that they are ready to accept the next available residence of their choice.
 - d. Future Resident may reject any offer to take residency without penalty and maintain their current status on the "Ready List".
 - e. Should Future Resident accept the offer to reserve the residence, the following additional information is to be provided:
 - (1) Future Resident will enter into the Residence and Services Agreement, pay an amount equal to 10% of the then current Entrance Fee (less the \$1,500.00 Wait List Fee) for the selected residence, and set the date of occupancy.
 - (2) A Physician's Examination Form, completed by a physician of Future Resident's choosing and dated within thirty (30) days of Future Resident's acceptance of residence offered by Givens Highland Farms.
 - (3) Updated Resident Application Forms, if required.
 - f. Upon reaching the date of occupancy, the Future Resident will pay the remaining balance of the Entrance Fee and begin paying the Monthly Fee for the selected residence.
3. **FUTURE RESIDENCY DEPOSIT.** In consideration for the rights and privileges as outlined in this Agreement, Future Resident agrees to pay a Wait List Deposit of One Thousand Five Hundred Dollars (\$1,500.00). The Wait List Deposit is a non-interest-bearing deposit associated with this Agreement and will be credited toward the Entrance Fee due by Future Resident at this time of occupancy of the residence as outlined in the Residence and Services Agreement. This Wait List Deposit does not lock-in the Entrance Fee amount for a residence.
4. **TERMINATION AND REFUND.**
- a. Future Resident may terminate this Agreement without penalty for any reason within thirty (30) days after the date of this Agreement by giving notification to Givens Highland Farms. Givens Highland Farms requests that this notification be in writing. A full refund of the Wait List Deposit will be made to Future Resident within thirty (30) days of such notification of termination.

- b. If Future Resident terminates this Agreement more than thirty (30) days after the date of this Agreement for any reason, a penalty of fifty percent (50%) of the Wait List Deposit shall be deducted from the refund made to the Future Resident. Such refund with penalty will be made to Future Resident within thirty (30) days of such notification of termination.
- c. Givens Highland Farms may terminate this Agreement if Future Resident does not meet the admissions criteria established by the Board of Directors. Upon such termination, Givens Highland Farms shall notify Future Resident and Givens Highland Farms shall refund Future Resident the full amount of the Future Residency Deposit within thirty (30) days of such notification of termination.
- d. Givens Highland Farms may terminate this Agreement at any time if there has been a material misrepresentation or omission submitted by Future Resident in the Application Form, Personal Health History, Confidential Statement, or Physicians' Examination Report. In the event of such termination, the Future Residency Deposit is non-refundable.

IN WITNESS WHEREOF, Givens Highland Farms and Future Resident have executed this Agreement, and the One Thousand Five Hundred Dollars (\$1,500.00) Future Residency Deposit has been paid as of the day and year first above written.

Future Resident

Telephone Number

Email Address

Future Resident

Telephone Number

Email Address

Street Address

City, State, Zip

Date

Givens Highland Farms, LLC

Signature

Title

Date

RESIDENCE AND SERVICES AGREEMENT

Givens Highland Farms

Black Mountain, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this ____ day of _____, 2024, by and between Givens Highland Farms, LLC "Provider", a subsidiary of The Givens Estates, Inc. a North Carolina non-profit corporation, and _____ (hereinafter called "Resident", "You". or "Your") for occupancy of the residence located at _____ (hereinafter called the "Residence").

Residences in Givens Highland Farms consist of Garden Apartments, Brookside Apartments and Vista Ridge Apartments, Prentice Lodge Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes and The Cottages. Community amenities include dining rooms, deli/cafe, multi-purpose room, craft room, exercise room, library, living rooms and administrative space.

You and Givens Highland Farms agree as follows:

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

- A. Your Residence.** You shall have the exclusive right to occupy, use, and enjoy the Residence described above and in Schedule I, attached.
- B. Furnishings in Your Residence.** Givens Highland Farms will provide in most Residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, dishwasher, washer and dryer, garbage disposal, prewiring for telephone and cable services, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Garden Apartments may not include dishwasher, hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, dishwasher, hood vent 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 Highland Farms 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 Highland Farms. 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 Highland Farms administration in advance of the changes made. Options and custom features must be selected and agreed upon within fourteen (14) days of the date of this agreement or once

all quotes have been received, whichever is later. If changes to options and custom features occur after that time, Your obligation to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy (in Paragraph II.A) do not change, even if the options and custom features are not completed at the Date of Occupancy.

- D. Common Areas and Amenities.** Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas and community garden.
- E. Parking.** Givens Highland Farms will provide parking areas for Your personal vehicle (a minimum of one space for each Residence). There is no “reserved” parking for apartments.
- F. Services and Programs.**
- 1. Utilities.** The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, internet, phone and standard municipal services. You are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.
 - 2. Meals.** Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in Schedule II. A maximum carryover of one (1) month’s dining dollars per person is allowed from month to month (except in Prentice Lodge); any dining dollar amount in excess of the maximum allowed will expire at the month’s end. Any additional charged amounts above the monthly allowance will be added to your monthly fee.
 - 3. Housekeeping Services.** The Monthly Fee includes housekeeping services. Services that include vacuuming, light dusting, dusting and mopping hard surface flooring, wipe-down of kitchen counter tops, cleaning of bathrooms and changing of bed linens provided by you. The amount of time allotted for each residence is determined by the size of residence. Additional housekeeping is available for an extra fee.
 - 4. Groundskeeping.** Givens Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care as part of the Monthly Fee. Subject to prior approval by Givens Highland Farms, You may plant and maintain certain garden areas adjacent to Your Residence and elsewhere as designated by Givens Highland Farms.
 - 5. Maintenance and Repairs.** Givens Highland Farms will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Highland Farms as part of the Monthly Fee. You will be responsible for the cost of repairing

damage to property of Givens Highland Farms 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 medical, personal or special group trips is available for an extra fee.
7. **Security.** Givens Highland Farms will provide security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system (Apartments Only), and an emergency call system.
8. **Activities.** Givens Highland Farms 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 services, personal laundry, special transportation, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Highland Farms. The availability and charges for some additional services are itemized in Givens Highland Farms' current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Highland Farms 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 Resident or (b) a reasonable adjustment is made in the Monthly Fee.

G. **Health Services**

1. **Health Care Accommodations and Services.** Givens Highland Farms may choose to provide accommodations, equipment, staffing, programs, services and supervision necessary for licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services, if and when provided by Givens Highland Farms, are available to You either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Charges will be in accordance with Paragraph III.F.1. Residents of Givens Highland Farms have priority access to all Health Care Residences and services before non-residents.
2. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and appointments is available to You as scheduled and provided by Givens Highland Farms.

3. **Staffing.** Nursing care appropriate to your needs may be provided by Givens Highland Farms for an additional fee.
4. **Medical Director.** The overall coordination and supervision of health care services within Givens Highland Farms will be provided by a Medical Director, who will be a licensed physician selected by Givens Highland Farms.
5. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. F. 1. of this Agreement.
6. **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. F. 1.
7. **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 Highland Farms based on when the Residence chosen by You is available for occupancy and You make Your ten percent (10%) reservation and sign this Agreement. The Date of Occupancy will be no later than sixty (60) days from the date of this agreement unless otherwise noted. 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.
- B. **Occupancy.** As used in this Agreement, “Occupancy” will have occurred when You have signed the Residence and Services Agreement and have paid the Entrance Fee in full as described in Paragraph III.B.2. Upon Occupancy, Givens Highland Farms will be obligated to provide You with the services outlined in this Agreement.

III. FINANCIAL ARRANGEMENTS

- A. **Entrance Fee.** As a condition of becoming a Resident, You agree to pay to Givens Highland Farms an Entrance Fee for the Residence as set forth in Schedule I (unless You have chosen the No Entrance Fee Option), attached.
- B. **Terms of Payment of the Entrance Fee.** If an Entrance Fee is to be paid, the terms of payment of the Entrance Fee shall be as follows:

1. **10 Percent Deposit.** To reserve Your Residence, You will make application to Givens Highland Farms, pay a deposit equal to ten percent (10%) of the total Entrance Fee for Your Residence (less any Application Fee if previously paid, of one thousand five hundred dollars (\$1,500.00)), and enter into this Agreement. You will receive notice of Your approval within fourteen (14) days of submitting Your application.
 2. **Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence will be due and payable prior to or on the Date of Occupancy, unless otherwise agreed to in writing by Givens Highland Farms.
- C. **Monthly Fee.** In addition to the Entrance Fee (or if the No Entrance Fee Option is chosen), You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement. The Monthly Fee shall be payable in advance by the tenth (10th) business day of each month. Your Monthly Fee will be as set forth in Schedule I, attached.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and is intended to cover costs of the expenses associated with the operation and management of Givens Highland Farms. Givens Highland Farms, with the approval of its Board of Directors, may increase the Monthly Fee from time to time during the term of this Agreement. Monthly Fees 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. **Monthly Statements.** Givens Highland Farms 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 tenth (10th) business day of the current month. Givens Highland Farms 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.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence herein and will no longer pay the Monthly Fee for the Residence. Instead You will pay the published current per diem fee for such Health Care Residence. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence herein and You will pay the published current per diem fee for such Health Care Residence for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I.G. You may pay additional charges for ancillary services as described in Paragraph III.F.3.
 2. **Use of Refundable Portion of the Entrance Fee.** Should You move permanently to a Health Care Residence, the remaining refundable portion of an Entrance Fee due to You as a refund can be applied to the cost of care in the

Health Care Residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.

3. **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 Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms 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.
4. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.

IV. **ADMISSION REQUIREMENTS AND PROCEDURES**

- A. **Age.** Residents shall be fifty-five (55) years of age or older. If Resident is a couple, at least one member of the couple must be fifty-five (55) years of age 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 Highland Farms for initial approval by Givens Highland Farms.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative and the Home Care Coordinator from Givens Highland Farms prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Highland Farms.
- D. **Approval Process.** Upon receipt of the completed Application Forms and the personal interview with both Marketing Representative and the Home Care Coordinator, Givens Highland Farms will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Highland Farms will approve or deny the application for initial admission within thirty (30) days after receiving the completed forms and will provide You with a decision thereafter.
- E. **Health Requirements.** Within thirty (30) days of the date of this agreement, You will provide Givens Highland Farms 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 Highland Farms may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Highland Farms may require You to have another physical examination by a physician approved by Givens Highland Farms 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 Highland Farms, You may move to other accommodations within Givens Highland Farms 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 Highland Farms may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available to Residents who qualify, as determined by Givens Highland Farms.
- G. **Representations.** You affirm that the representations made in all information furnished by You to Givens Highland Farms, including the Application for Waiting List, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Highland Farms as a basis for entering into this Agreement.
- H. **Statement as to Non-Discrimination.** Givens Highland Farms 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 Highland Farms 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 Highland Farms 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 Highland Farms and You.
- B. **Policies and Procedures.** All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to Guidelines for Living and Policies and Procedures Handbook as may be adopted by Givens Highland Farms. Such Guidelines shall be made readily available to You.
- C. **Changes in the Residence and the Agreement.** Givens Highland Farms 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 Highland Farms.

- E. Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them no longer resides 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, if due, shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII.F.
- F. Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Highland Farms carefully considers such requests, including but not limited to such factors as Resident's health, Resident's finances, availability of requested type of Residence and waiting lists. Resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Highland Farms 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 Highland Farms to move to a subsequent Residence, You will pay the Monthly Fee associated with the 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 Highland Farms.** If Givens Highland Farms 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 Highland Farms to justify such transfer, Givens Highland Farms may move You to a new Residence of a similar size provided that Givens Highland Farms (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 or, at Your option, reimburses You for the depreciated value of such improvements.

- H. **Loss of Property.** Givens Highland Farms shall not be responsible for the loss of any property belonging to You 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 Highland Farms and shall furnish Givens Highland Farms with evidence of such coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield).
- J. **Marriage or Adding a Second Person During Occupancy.** Should You marry or add a second person who is also a Resident of Givens Highland Farms, 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 refunds, if due, shall be paid until Givens Highland Farms 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. Refunds are made in accordance with this Agreement.

If You should marry a person or add a second person who is not a resident of Givens Highland Farms, they may become a resident if they meet all the requirements for admission, enters into a Residence and Services Agreement with Givens Highland Farms, and pays an Entrance Fee equal to the then-current Double Person Entrance Fee (if You paid an Entrance Fee) and shall pay the Double Person Monthly Fee. If they do not meet the requirements of Givens Highland Farms 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 they may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and You. Refunds are made in accordance with this Agreement.

- K. **Right of Entry.** You authorize employees or agents of Givens Highland Farms to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms 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' Organizations.** Residents of Givens Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization will elect representatives, officers, and other positions to engage in activities of interest to all residents.

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

- A. **Transfer to a Health Care Residence.** Givens Highland Farms 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 Highland Farms 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 Highland Farms, 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 Highland Farms administration and/or the Givens Highland Farms 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 Highland Farms.

- B. Transfer to Other Facility.** If it is determined by Givens Highland Farms that You need care beyond that which can be provided by Givens Highland Farms, 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 Highland Farms that any transfer described in Paragraph VI.A. is or is highly likely to be permanent; You agree to surrender Your Residence. You will have priority to move to such Health Care Residences, determined to best meet your needs, as soon as such is available.

VII. TERMINATION AND REFUND PROVISIONS

A. Termination by Resident Prior to Occupancy.

- 1. Termination During First 30 Days.** This Agreement may be terminated by You for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and You are not required to move into the facility during this period. Any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by You to:

Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711

- 2. Termination After First 30 days and Before Occupancy.** This Agreement may be terminated by You for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, You will receive a refund of Your ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for Your Residence, and any non-standard costs requested by You. The Agreement will be automatically cancelled to comply with NCGS 58-64-25(a)(2) and the nonrefundable fee will not be charged to You if such termination is due to death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following

receipt of written notification of such termination.

- B. Termination by Resident During the First 30 Days After Occupancy.** Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Highland Farms written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Highland Farms, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Highland Farms at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII.E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.
- C. 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 (if due) shall be determined according to Paragraph VII.E. below.
- D. Termination by Givens Highland Farms After Occupancy.** Givens Highland Farms may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Waiting List, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Highland Farms 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 Highland Farms, 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, if due, shall be determined according to Paragraph VII.E. below.
- E. Amortization of the Entrance Fee.** If an Entrance Fee Option is chosen, Your Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to You will decline over time, at a specific percentage upon the date of Occupancy of the Residence and the balance declining on the first (1st) day of each calendar month thereafter at a rate based upon the Entrance Fee Option chosen until Your selected refund percentage remains at zero percent (0%), fifty percent (50%) or ninety (90%). The rate at which the Entrance Fee declines is outlined in Schedule I. Regardless of the reason for termination, you are entitled to Your Entrance Fee refund, less any non-standard costs requested by You, except as otherwise provided by this Agreement.
- F. Payment of Refunds.** Entrance Fee refunds, if due, will be paid upon Your vacating the Residence or in case of dual occupancy both vacating the Residence; the removal of all personal property; and upon the receipt by Givens Highland Farms of a replacement resident for the Residence or the expiration of twenty-four (24) months after Termination of this Agreement by the Resident (whichever occurs first).
- G. 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 Highland Farms

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 (if due), or added to your final statement if no refund is due.

- H. 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 Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested by You shall be at Your expense. Givens Highland Farms 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 Highland Farms.

VIII. FINANCIAL ASSISTANCE

Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms 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. Tobacco-free Campus.** The Givens Highland Farms campus and residences are tobacco-free, which includes vaping.
- B. Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Highland Farms are personal to You and may not be transferred or assigned by You.
- C. Management of Givens Highland Farms.** The absolute rights of management are reserved by Givens Highland Farms, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Highland Farms 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.
- D. Entire Agreement.** This Agreement constitutes the entire contract between Givens Highland Farms and You. Givens Highland Farms 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 Highland Farms, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- E. Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Highland Farms and Your heirs, executors, administrators, and assigns.

- F. Subordination to Financing.** The Resident's 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 of Givens Highland Farms and to all amendments, modifications, replacements or refinancing thereof. The Resident shall execute and deliver any documents reasonably required by Givens Highland Farms or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- G. 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 Highland Farms' policies prohibiting and/or regarding the making of gifts or donations to or for the benefit of Givens Highland Farms' employees or such employees' spouses and/or relatives.
- H. Affiliation with Religious Organization.** Givens Highland Farms is a wholly owned subsidiary of The Givens Estates, Inc., which 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 Highland Farms under this Agreement.
- I. Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- J. Ad Valorem Taxes.** Should Givens Highland Farms ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes may be added to the Monthly Fee for Your Residence.
- K. Rights of the Resident** Under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.
- L. Force Majeure** Givens Highland Farms will not be deemed to be in breach of this Agreement if Givens Highland Farms is prevented from performing any obligation under this Agreement as a result, directly or indirectly, of any labor disputes, natural disasters, acts of God, war, riots, invasion, sabotage, terrorism, famine, civil commotion, earthquakes, extreme weather, floods, fire, condemnation, government action/intervention, non-essential business closures, stay-at-home orders, presence of viral contamination, supply disruptions, or interruption of services, or any other causes beyond the control of Givens Highland Farms, to the extent that the cause affects Givens Highland Farms' ability to perform under this Agreement. Upon removal of the cause affecting the delay or nonperformance, Givens Highland Farms will resume performance of the obligations of this Agreement.

IN WITNESS WHEREOF, Givens Highland Farms and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Highland Farms Disclosure Statement and the Entrance Fee has been paid by the Resident.

Addenda Attached: Schedule I and Schedule II

Resident Date

Resident Date

GIVENS HIGHLAND FARMS, LLC

Executive Director Date

RESIDENCE AND SERVICES AGREEMENT
SCHEDULE I – page 1 of 2

Givens Highland Farms
Black Mountain, North Carolina

Resident(s) Name _____

Type of Residence _____

Residence Number _____

Occupancy Date _____

ENTRANCE FEE

No Entrance Fee Option

(Administrative Fee - non-refundable)

Single Person Admin Fee \$

Double Person Admin Fee \$

Zero Percent (0%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Fifty Percent (50%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Ninety Percent (90%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Total Entrance Fee \$

10 Percent Deposit \$

Less Previous Deposit (if applicable) \$

Amount of 10 Percent Deposit Payable \$

Balance of 90 Percent of Entrance Fee \$
(payable prior to Date of Occupancy)

RESIDENCE AND SERVICES AGREEMENT
SCHEDULE I – page 2 of 2

Givens Highland Farms
Black Mountain, North Carolina

MONTHLY FEE

2024 Monthly Fee:

Monthly Fees are subject to annual increases regardless of scheduled occupancy.

Single Person \$

Double Person \$

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

Zero Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at zero percent (0%).

Fifty Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at fifty percent (50%).

Ninety Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at Ninety percent (90%).

**RESIDENCE AND SERVICES AGREEMENT
SCHEDULE II**

**Givens Highland Farms
Black Mountain, North Carolina**

Monthly Declining-Balance Meal Allowance:

The monthly declining balance meal allowance may change from time to time during the term of this Agreement. Monthly declining balance meal allowances 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 changes in the Monthly Declining Balance Meal Allowance.

Effective January 1, 2024, the Monthly Declining Balance Meal Allowance is:

Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes, and The Cottages -\$300 per month per resident

Prentice Lodge Apartments- 3 meals per day



RESERVATION AGREEMENT

Givens Highland Farms

Black Mountain, North Carolina

This Reservation Agreement (hereinafter called the "Agreement") is made this ____ day of _____, 20__, by and between Givens Highland Farms, LLC (hereinafter called "We," "Us," "Our," or "Provider") a subsidiary of The Givens Estates Inc., a North Carolina non-profit corporation, and _____ (hereinafter called "Resident", "You" or "Your").

Givens Highland Farms, a continuing care retirement community located in Black Mountain, North Carolina (the "Community"), is developing an expansion, to be named Vista Ridge South Apartments at Givens Highland Farms ("Vista Ridge South"). You desire to reserve the independent living unit located in Vista Ridge South as identified in Schedule I ("Residence") and upon completion of construction of Vista Ridge, to become a Resident of the Community.

THEREFORE, You and Givens Highland Farms agree as follows:

I. Reservation of Residence. Upon signing this Agreement you will pay the Reservation Deposit, which is ten percent (10%) of the Entrance Fee, each as set forth in Schedule I, to reserve the Residence. You will pay in full the remaining ninety percent (90%) balance of the Entrance Fee in accordance with the Resident Services Agreement, hereafter defined, prior to the date on which you occupy the Residence.

II. Reservation Procedures.

A. When you sign this Agreement, you will submit an application for residency that has been provided to you along with this Agreement. We will hold that information in confidence and will use it only for the purpose described in this section. Based on our review of that information, we will determine whether you meet the requirements for residency at Vista Ridge South, and we will notify you as to that determination. You agree that our determination is final and binding. If you do not meet the qualifications for residency at Vista Ridge South, you will receive a refund of your Reservation Deposit in accordance with Section XI. The Residence and Services Agreement, hereafter defined, outlines the health and financial conditions required to qualify for residence at Vista Ridge South.

B. You hereby certify to us that all information reflected on your Application for Admission, Personal Health History, Background Information, and Confidential Financial Statement, which is hereby incorporated by reference and made a part of this Agreement, is complete and accurate, including the results of a background check for sexual and criminal offenders.

III. Residence Availability Date. If we determine that you meet the requirements for residency at Vista Ridge South, we will provide You at least sixty (60) days advance written notice of the date we anticipate your Residence will be ready for occupancy. The



Residence Availability Date is the date that we specify in writing to you as the date that the Residence will be available for occupancy by you, which will be (a) at least sixty (60) days following your receipt of written notice of that date, and (b) after the date that a temporary certificate of occupancy has been issued for the independent living units of which the Residence is a part and the material common areas to be utilized in conjunction with the Residence.

IV. Occupancy Date. The “**Occupancy Date**” is the earlier of (a) the date you move into Vista Ridge South, or (b) the date specified for your move into Vista Ridge South, which shall, unless otherwise agreed to by us, in our sole discretion, be on a date agreed to by you and us and falling within the forty-five (45) day period following the Residence Availability Date.

V. Agreement to Execute Residence and Services Agreement. You will execute a Residence and Services Agreement in the form of that which has been provided to you (the “**Residence and Services Agreement**”), at a time that we deem appropriate, which will be between the date we provide the Residence Availability Date notice described in Section III and prior to the Occupancy Date. On the date you sign the Residence and Services Agreement, this Agreement will automatically terminate and the Residence and Services Agreement will govern the refund of your Reservation Deposit and the payment of the balance of your Entrance Fee. You may not occupy the Residence and will not be entitled to any services and benefits of residency until (a) we have determined that you meet the health and financial conditions of acceptance into Givens Highland Farms, (b) the Residence and Services Agreement has been signed, (c) the Entrance Fee has been paid in full, and (d) you have begun paying the applicable Monthly Fee.

VI. Entrance Fee. The Entrance Fee and terms of the refund of the Entrance Fee are described more fully in the Residence and Services Agreement. The Entrance Fee applicable to the Residence you have selected is set forth in Schedule I.

VII. Monthly Fee. In addition to the Entrance Fee, you will pay on a monthly basis a Monthly Fee. The initial Monthly Fee for the Residence and the Second Person Monthly Service Fee, if a second person occupies the Residence, referred to collectively as the “**Monthly Fee**,” are set forth in Schedule I. The initial Monthly Fee is due beginning on the Occupancy Date, unless we otherwise agree in writing.

VIII. Services and Amenities. Upon your occupancy of the Residence, we will make available to you the services and amenities described in the Residence and Services Agreement.

IX. Escrow of Reservation Deposit. Subject to the terms of this section, the Reservation Deposit shall be placed and maintained in an escrow account during the term of this Agreement, as and to the extent required by the North Carolina Department of Insurance. Your check for the Reservation Deposit shall be made payable to: *Givens Highland Farms*. If applicable, interest or earnings will accrue on your Reservation Deposit from the date the check is actually deposited until the Occupancy Date, at such rate as is earned on the escrow account and such interest will be credited to you.



X. Termination.

- A. You may terminate this Agreement at any time prior to your execution of the Residence and Services Agreement. If you wish to terminate this Agreement, send your notice of termination to:

Director of Sales & Marketing
200 Tabernacle Road
Black Mountain, NC 28711

- B. We may terminate this Agreement by so notifying you, in the event that we determine that you do not meet the health and financial conditions of acceptance into Givens Highland Farms.

XI. Refund of Reservation Deposit.

- A. **Termination During First 30 Days.** This Agreement may be terminated by You for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and You are not required to move into the community during this period. Any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by You.

- B. **Termination After First 30 days and Before Occupancy.** This Agreement may be terminated by You for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, You will receive a refund of Your ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for Your Residence, and any non-standard costs requested by You. The Agreement will be automatically cancelled to comply with NCGS 58-64-25(a)(2) and the nonrefundable fee will not be charged to You if such termination is due to death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination.

XII. Disclosure Statement. By signing this Agreement, you acknowledge that you have received a copy of the Disclosure Statement, which may be material to your decision whether to occupy the Residence.

XIII. Other Agreements. This Reservation Agreement contains the entire agreement between Member and Provider as of this date and supersedes any prior oral or written agreements relating to residence at Vista Ridge South. This Reservation Agreement may not be amended or added to except by an agreement in writing signed by both the Resident and the Provider.



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

Addenda Attached: Schedule I

Resident Date

Resident Date

GIVENS HIGHLAND FARMS, LLC

Executive Director Date

RESERVATION AGREEMENT

SCHEDULE I – page 1 of 2

Givens Highland Farms

Black Mountain, North Carolina

Resident(s) Name

Type of Residence

Residence Number

Occupancy Date

ENTRANCE FEE

No Entrance Fee Option

(Administrative Fee - non-refundable)

Single Person Admin Fee \$

Double Person Admin Fee \$

Zero Percent (0%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Fifty Percent (50%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Ninety Percent (90%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Total Entrance Fee \$

10 Percent Deposit \$

Less Previous Deposit (if applicable) \$

Amount of 10 Percent Deposit Payable \$

Balance of 90 Percent of Entrance Fee \$
(payable prior to Date of Occupancy)

RESERVATION AGREEMENT

SCHEDULE I – *page 2 of 2*

Givens Highland Farms Black Mountain, North Carolina

MONTHLY FEE

2024 Monthly Fee:

Monthly Fees are subject to annual increases regardless of scheduled occupancy.

Single Person \$

Double Person \$

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

Zero Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at zero percent (0%).

Fifty Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at fifty percent (50%).

Ninety Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at Ninety percent (90%).

RESIDENCE AND SERVICES AGREEMENT

Givens Highland Farms

Black Mountain, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this ____ day of _____, 2024, by and between Givens Highland Farms, LLC "Provider", a subsidiary of The Givens Estates Inc., a North Carolina non-profit corporation, and _____ (hereinafter called "Resident", "You". or "Your") for occupancy of the residence located at _____ (hereinafter called the "Residence").

Residences in Givens Highland Farms consist of Garden Apartments, Brookside Apartments and Vista Ridge Apartments, Prentice Lodge Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes and The Cottages. Community amenities include dining rooms, deli/cafe, multi-purpose room, craft room, exercise room, library, living rooms and administrative space.

You and Givens Highland Farms agree as follows:

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

- A. Your Residence.** You shall have the exclusive right to occupy, use, and enjoy the Residence described above and in Schedule I, attached.
- B. Furnishings in Your Residence.** Givens Highland Farms will provide in most Residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, dishwasher, washer and dryer, garbage disposal, prewiring for telephone and cable services, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Garden Apartments may not include dishwasher, hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, dishwasher, hood vent 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 Highland Farms 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 Highland Farms. 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 Highland Farms administration in advance of the changes made. Options and custom features must be selected and agreed upon within fourteen (14) days of the date of this agreement or once

all quotes have been received, whichever is later. If changes to options and custom features occur after that time, Your obligation to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy (in Paragraph II.A) do not change, even if the options and custom features are not completed at the Date of Occupancy.

- D. Common Areas and Amenities.** Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas and community garden.
- E. Parking.** Givens Highland Farms will provide parking areas for Your personal vehicle (a minimum of one space for each Residence). There is no “reserved” parking for apartments.
- F. Services and Programs.**
- 1. Utilities.** The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, internet, phone and standard municipal services. You are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.
 - 2. Meals.** Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in Schedule II. A maximum carryover of one (1) month’s dining dollars per person is allowed from month to month (except in Prentice Lodge); any dining dollar amount in excess of the maximum allowed will expire at the month’s end. Any additional charged amounts above the monthly allowance will be added to your monthly fee.
 - 3. Housekeeping Services.** The Monthly Fee includes housekeeping services. Services that include vacuuming, light dusting, dusting and mopping hard surface flooring, wipe-down of kitchen counter tops, cleaning of bathrooms and changing of bed linens provided by you. The amount of time allotted for each residence is determined by the size of residence. Additional housekeeping is available for an extra fee.
 - 4. Groundskeeping.** Givens Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care as part of the Monthly Fee. Subject to prior approval by Givens Highland Farms, You may plant and maintain certain garden areas adjacent to Your Residence and elsewhere as designated by Givens Highland Farms.
 - 5. Maintenance and Repairs.** Givens Highland Farms will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Highland Farms as part of the Monthly Fee. You will be responsible for the cost of repairing

damage to property of Givens Highland Farms 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 medical, personal or special group trips is available for an extra fee.
7. **Security.** Givens Highland Farms will provide security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system (Apartments Only), and an emergency call system.
8. **Activities.** Givens Highland Farms 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 services, personal laundry, special transportation, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Highland Farms. The availability and charges for some additional services are itemized in Givens Highland Farms' current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Highland Farms 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 Resident or (b) a reasonable adjustment is made in the Monthly Fee.

G. **Health Services**

1. **Health Care Accommodations and Services.** Givens Highland Farms may choose to provide accommodations, equipment, staffing, programs, services and supervision necessary for licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services, if and when provided by Givens Highland Farms, are available to You either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Charges will be in accordance with Paragraph III.F.1. Residents of Givens Highland Farms have priority access to all Health Care Residences and services before non-residents.
2. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and appointments is available to You as scheduled and provided by Givens Highland Farms.

3. **Staffing.** Nursing care appropriate to your needs may be provided by Givens Highland Farms for an additional fee.
4. **Medical Director.** The overall coordination and supervision of health care services within Givens Highland Farms will be provided by a Medical Director, who will be a licensed physician selected by Givens Highland Farms.
5. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. F. 1. of this Agreement.
6. **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. F. 1.
7. **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 Availability.** The Date of Availability will be the date established by Givens Highland Farms based on when the Residence chosen by You is available for occupancy. At least thirty (30) days prior to the Date of Availability, Givens Highland Farms will give You notice of such date. You will select a Date of Occupancy that will be within sixty (60) days after the Date of Availability of the Residence. 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.
- B. **Occupancy.** As used in this Agreement, “Occupancy” will have occurred when You have signed the Residence and Services Agreement and have paid the Entrance Fee in full as described in Paragraph III.B.2. Upon Occupancy, Givens Highland Farms will be obligated to provide You with the services outlined in this Agreement.

III. FINANCIAL ARRANGEMENTS

- A. **Entrance Fee.** As a condition of becoming a Resident, You agree to pay to Givens Highland Farms an Entrance Fee for the Residence as set forth in Schedule I (unless You have chosen the No Entrance Fee Option), attached.
- B. **Terms of Payment of the Entrance Fee.** If an Entrance Fee is to be paid, the terms of payment of the Entrance Fee shall be as follows:

1. **10 Percent Deposit.** To reserve Your Residence, You will make application to Givens Highland Farms, pay a deposit equal to ten percent (10%) of the total Entrance Fee for Your Residence (less any Application Fee if previously paid, of one thousand five hundred dollars (\$1,500.00)), and enter into this Agreement. You will receive notice of Your approval within fourteen (14) days of submitting Your application.
 2. **Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence will be due and payable prior to or on the Date of Occupancy, unless otherwise agreed to in writing by Givens Highland Farms.
- C. **Monthly Fee.** In addition to the Entrance Fee (or if the No Entrance Fee Option is chosen), You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement. The Monthly Fee shall be payable in advance by the tenth (10th) business day of each month. Your Monthly Fee will be as set forth in Schedule I, attached.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and is intended to cover costs of the expenses associated with the operation and management of Givens Highland Farms. Givens Highland Farms, with the approval of its Board of Directors, may increase the Monthly Fee from time to time during the term of this Agreement. Monthly Fees 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. **Monthly Statements.** Givens Highland Farms 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 tenth (10th) business day of the current month. Givens Highland Farms 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.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence herein and will no longer pay the Monthly Fee for the Residence. Instead You will pay the published current per diem fee for such Health Care Residence. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence herein and You will pay the published current per diem fee for such Health Care Residence for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I.G. You may pay additional charges for ancillary services as described in Paragraph III.F.3.
 2. **Use of Refundable Portion of the Entrance Fee.** Should You move permanently to a Health Care Residence, the remaining refundable portion of an Entrance Fee due to You as a refund can be applied to the cost of care in the

Health Care Residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.

3. **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 Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms 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.
4. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.

IV. **ADMISSION REQUIREMENTS AND PROCEDURES**

- A. **Age.** Residents shall be fifty-five (55) years of age or older. If Resident is a couple, at least one member of the couple must be fifty-five (55) years of age 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 Highland Farms for initial approval by Givens Highland Farms.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative and the Home Care Coordinator from Givens Highland Farms prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Highland Farms.
- D. **Approval Process.** Upon receipt of the completed Application Forms and the personal interview with both Marketing Representative and the Home Care Coordinator, Givens Highland Farms will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Highland Farms will approve or deny the application for initial admission within thirty (30) days after receiving the completed forms and will provide You with a decision thereafter.
- E. **Health Requirements.** Within thirty (30) days of the date of this agreement, You will provide Givens Highland Farms 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 Highland Farms may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Highland Farms may require You to have another physical examination by a physician approved by Givens Highland Farms 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 Highland Farms, You may move to other accommodations within Givens Highland Farms 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 Highland Farms may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available to Residents who qualify, as determined by Givens Highland Farms.
- G. **Representations.** You affirm that the representations made in all information furnished by You to Givens Highland Farms, including the Application for Waiting List, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Highland Farms as a basis for entering into this Agreement.
- H. **Statement as to Non-Discrimination.** Givens Highland Farms 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 Highland Farms 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 Highland Farms 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 Highland Farms and You.
- B. **Policies and Procedures.** All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to Guidelines for Living and Policies and Procedures Handbook as may be adopted by Givens Highland Farms. Such Guidelines shall be made readily available to You.
- C. **Changes in the Residence and the Agreement.** Givens Highland Farms 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 Highland Farms.

- E. Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them no longer resides 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, if due, shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII.F.
- F. Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Highland Farms carefully considers such requests, including but not limited to such factors as Resident's health, Resident's finances, availability of requested type of Residence and waiting lists. Resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Highland Farms 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 Highland Farms to move to a subsequent Residence, You will pay the Monthly Fee associated with the 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 Highland Farms.** If Givens Highland Farms 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 Highland Farms to justify such transfer, Givens Highland Farms may move You to a new Residence of a similar size provided that Givens Highland Farms (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 or, at Your option, reimburses You for the depreciated value of such improvements.

- H. **Loss of Property.** Givens Highland Farms shall not be responsible for the loss of any property belonging to You 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 Highland Farms and shall furnish Givens Highland Farms with evidence of such coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield).
- J. **Marriage or Adding a Second Person During Occupancy.** Should You marry or add a second person who is also a Resident of Givens Highland Farms, 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 refunds, if due, shall be paid until Givens Highland Farms 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. Refunds are made in accordance with this Agreement.

If You should marry a person or add a second person who is not a resident of Givens Highland Farms, they may become a resident if they meet all the requirements for admission, enters into a Residence and Services Agreement with Givens Highland Farms, and pays an Entrance Fee equal to the then-current Double Person Entrance Fee (if You paid an Entrance Fee) and shall pay the Double Person Monthly Fee. If they do not meet the requirements of Givens Highland Farms 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 they may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and You. Refunds are made in accordance with this Agreement.

- K. **Right of Entry.** You authorize employees or agents of Givens Highland Farms to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms 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' Organizations.** Residents of Givens Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization will elect representatives, officers, and other positions to engage in activities of interest to all residents.

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

- A. **Transfer to a Health Care Residence.** Givens Highland Farms 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 Highland Farms 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 Highland Farms, 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 Highland Farms administration and/or the Givens Highland Farms 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 Highland Farms.

- B. Transfer to Other Facility.** If it is determined by Givens Highland Farms that You need care beyond that which can be provided by Givens Highland Farms, 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 Highland Farms that any transfer described in Paragraph VI.A. is or is highly likely to be permanent; You agree to surrender Your Residence. You will have priority to move to such Health Care Residences, determined to best meet your needs, as soon as such is available.

VII. TERMINATION AND REFUND PROVISIONS

A. Termination by Resident Prior to Occupancy.

- 1. Termination During First 30 Days.** This Agreement may be terminated by You for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and You are not required to move into the facility during this period. Any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by You to:

Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711

- 2. Termination After First 30 days and Before Occupancy.** This Agreement may be terminated by You for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, You will receive a refund of Your ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for Your Residence, and any non-standard costs requested by You. The Agreement will be automatically cancelled to comply with NCGS 58-64-25(a)(2) and the nonrefundable fee will not be charged to You if such termination is due to death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following

receipt of written notification of such termination.

- B. Termination by Resident During the First 30 Days After Occupancy.** Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Highland Farms written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Highland Farms, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Highland Farms at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII.E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.
- C. 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 (if due) shall be determined according to Paragraph VII.E. below.
- D. Termination by Givens Highland Farms After Occupancy.** Givens Highland Farms may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Waiting List, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Highland Farms 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 Highland Farms, 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, if due, shall be determined according to Paragraph VII.E. below.
- E. Amortization of the Entrance Fee.** If an Entrance Fee Option is chosen, Your Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to You will decline over time, at a specific percentage upon the date of Occupancy of the Residence and the balance declining on the first (1st) day of each calendar month thereafter at a rate based upon the Entrance Fee Option chosen until Your selected refund percentage remains at zero percent (0%), fifty percent (50%) or ninety (90%). The rate at which the Entrance Fee declines is outlined in Schedule I. Regardless of the reason for termination, you are entitled to Your Entrance Fee refund, less any non-standard costs requested by You, except as otherwise provided by this Agreement.
- F. Payment of Refunds.** Entrance Fee refunds, if due, will be paid upon Your vacating the Residence or in case of dual occupancy both vacating the Residence; the removal of all personal property; and upon the receipt by Givens Highland Farms of a replacement resident for the Residence or the expiration of twenty-four (24) months after Termination of this Agreement by the Resident (whichever occurs first).
- G. 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 Highland Farms

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 (if due), or added to your final statement if no refund is due.

- H. 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 Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested by You shall be at Your expense. Givens Highland Farms 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 Highland Farms.

VIII. FINANCIAL ASSISTANCE

Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms 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. Tobacco-free Campus.** The Givens Highland Farms campus and residences are tobacco-free, which includes vaping.
- B. Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Highland Farms are personal to You and may not be transferred or assigned by You.
- C. Management of Givens Highland Farms.** The absolute rights of management are reserved by Givens Highland Farms, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Highland Farms 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.
- D. Entire Agreement.** This Agreement constitutes the entire contract between Givens Highland Farms and You. Givens Highland Farms 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 Highland Farms, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- E. Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Highland Farms and Your heirs, executors, administrators, and assigns.

- F. Subordination to Financing.** The Resident's 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 of Givens Highland Farms and to all amendments, modifications, replacements or refinancing thereof. The Resident shall execute and deliver any documents reasonably required by Givens Highland Farms or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- G. 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 Highland Farms' policies prohibiting and/or regarding the making of gifts or donations to or for the benefit of Givens Highland Farms' employees or such employees' spouses and/or relatives.
- H. Affiliation with Religious Organization.** Givens Highland Farms is a wholly owned subsidiary of The Givens Estates, Inc., which 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 Highland Farms under this Agreement.
- I. Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- J. Ad Valorem Taxes.** Should Givens Highland Farms ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes may be added to the Monthly Fee for Your Residence.
- K. Rights of the Resident** Under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.
- L. Force Majeure** Givens Highland Farms will not be deemed to be in breach of this Agreement if Givens Highland Farms is prevented from performing any obligation under this Agreement as a result, directly or indirectly, of any labor disputes, natural disasters, acts of God, war, riots, invasion, sabotage, terrorism, famine, civil commotion, earthquakes, extreme weather, floods, fire, condemnation, government action/intervention, non-essential business closures, stay-at-home orders, presence of viral contamination, supply disruptions, or interruption of services, or any other causes beyond the control of Givens Highland Farms, to the extent that the cause affects Givens Highland Farms' ability to perform under this Agreement. Upon removal of the cause affecting the delay or nonperformance, Givens Highland Farms will resume performance of the obligations of this Agreement.

IN WITNESS WHEREOF, Givens Highland Farms and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Highland Farms Disclosure Statement and the Entrance Fee has been paid by the Resident.

Addenda Attached: Schedule I and Schedule II

Resident Date

Resident Date

GIVENS HIGHLAND FARMS, LLC

Executive Director Date

RESIDENCE AND SERVICES AGREEMENT
SCHEDULE I – page 1 of 2

Givens Highland Farms
Black Mountain, North Carolina

Resident(s) Name _____

Type of Residence _____

Residence Number _____

Occupancy Date _____

ENTRANCE FEE

No Entrance Fee Option

(Administrative Fee - non-refundable)

Single Person Admin Fee \$

Double Person Admin Fee \$

Zero Percent (0%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Fifty Percent (50%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Ninety Percent (90%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Total Entrance Fee \$

10 Percent Deposit \$

Less Previous Deposit (if applicable) \$

Amount of 10 Percent Deposit Payable \$

Balance of 90 Percent of Entrance Fee \$
(payable prior to Date of Occupancy)

RESIDENCE AND SERVICES AGREEMENT
SCHEDULE I – page 2 of 2

Givens Highland Farms
Black Mountain, North Carolina

MONTHLY FEE

2024 Monthly Fee:

Monthly Fees are subject to annual increases regardless of scheduled occupancy.

Single Person \$

Double Person \$

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

Zero Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at zero percent (0%).

Fifty Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at fifty percent (50%).

Ninety Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline 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 Your refund percentage remains at Ninety percent (90%).

**RESIDENCE AND SERVICES AGREEMENT
SCHEDULE II**

**Givens Highland Farms
Black Mountain, North Carolina**

Monthly Declining-Balance Meal Allowance:

The monthly declining balance meal allowance may change from time to time during the term of this Agreement. Monthly declining balance meal allowances 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 changes in the Monthly Declining Balance Meal Allowance.

Effective January 1, 2024, the Monthly Declining Balance Meal Allowance is:

Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes, and The Cottages -
\$300 per month per resident

Prentice Lodge Apartments- 3 meals per day

RESIDENCE AND SERVICES AGREEMENT RENTAL AGREEMENT

Givens Highland Farms Black Mountain, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this ____ day of _____, 2024, by and between Givens Highland Farms, LLC "Provider", a subsidiary of The Givens Estates, Inc. a North Carolina non-profit corporation, and _____ (hereinafter called "Resident", "You", or "Your") for occupancy of the residence located at _____ (hereinafter called the "Residence").

Residences in Givens Highland Farms consist of Garden Apartments, Brookside Apartments and Vista Ridge Apartments, Prentice Lodge Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes and The Cottages. Community amenities include dining rooms, deli/cafe, multi-purpose room, craft room, exercise room library, living rooms and administrative space.

You and Givens Highland Farms agree as follows:

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

- A. **Your Residence.** You shall have the exclusive right to occupy, use, and enjoy the Residence described above and in Schedule I, attached.
- B. **Furnishings in Your Residence.** Givens Highland Farms will provide in most Residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, dishwasher, washer and dryer, garbage disposal, prewiring for telephone and cable services, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Garden Apartments may not include dishwasher, hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, dishwasher, hood vent 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 Highland Farms 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 Highland Farms. 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 Highland Farms

administration in advance of the changes made. Options and custom features must be selected and agreed upon within fourteen (14) days of the date of this agreement or once all quotes have been received, whichever is later. If changes to options and custom features occur after that time, Your obligation to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy (in Paragraph II.A) do not change, even if the options and custom features are not completed at the Date of Occupancy.

- D. Common Areas and Amenities.** Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas and community garden.
- E. Parking.** Givens Highland Farms will provide parking areas for Your personal vehicle (a minimum of one space for each Residence). There is no “reserved” parking for apartments.
- F. Services and Programs.**
- 1. Utilities.** The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, internet, phone and standard municipal services. You are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.
 - 2. Meals.** Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in Schedule II. A maximum carryover of one (1) month’s dining dollars per person is allowed from month to month (except in Prentice Lodge); any dining dollar amount in excess of the maximum allowed will expire at the month’s end. Any additional charged amounts above the monthly allowance will be added to your monthly fee.
 - 3. Housekeeping Services.** The Monthly Fee includes housekeeping services. Services that include vacuuming, light dusting, dusting and mopping hard surface flooring, wipe-down of kitchen counter tops, cleaning of bathrooms and changing of bed linens provided by you. The amount of time allotted for each residence is determined by the size of residence. Additional housekeeping is available for an extra fee.
 - 4. Groundskeeping.** Givens Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care as part of the Monthly Fee. Subject to prior approval by Givens Highland Farms, You may plant and maintain certain garden areas adjacent to Your Residence and elsewhere as designated by Givens Highland Farms.
 - 5. Maintenance and Repairs.** Givens Highland Farms will maintain and repair

improvements, furnishings, appliances, and equipment owned by Givens Highland Farms as part of the Monthly Fee. You will be responsible for the cost of repairing damage to property of Givens Highland Farms 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 medical, personal or special group trips is available for an extra fee.
7. **Security.** Givens Highland Farms will provide security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system (Apartments Only), and an emergency call system.
8. **Activities.** Givens Highland Farms 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 services, personal laundry, special transportation, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Highland Farms. The availability and charges for some additional services are itemized in Givens Highland Farms' current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Highland Farms will notify You of any proposed change in the scope of services Select the group of residents and/or staff that you want to receive the Send Word Now message 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 Resident or (b) a reasonable adjustment is made in the Monthly Fee.

G. Health Services

1. **Health Care Accommodations and Services.** Givens Highland Farms may choose to provide accommodations, equipment, staffing, programs, services and supervision necessary for licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services, if and when provided by Givens Highland Farms, are available to You either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Charges will be in accordance with Paragraph III.F.1. Residents of Givens Highland Farms have priority access to all Health Care Residences and services before non-residents.
2. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and

appointments is available to You as scheduled and provided by Givens Highland Farms.

3. **Staffing.** Nursing care appropriate to your needs may be provided by Givens Highland Farms for an additional fee.
4. **Medical Director.** The overall coordination and supervision of health care services within Givens Highland Farms will be provided by a Medical Director, who will be a licensed physician selected by Givens Highland Farms.
5. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. F. 1. of this Agreement.
6. **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. F. 1.
7. **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 Highland Farms based on when the Residence chosen by You is available for occupancy and You make Your ten percent (10%) reservation and sign this Agreement. The Date of Occupancy will be no later than sixty (60) days from the date of this agreement unless otherwise noted. 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.
- B. **Occupancy.** As used in this Agreement, "Occupancy" will have occurred when You have signed the Residence and Services Agreement and have paid the Entrance Fee in full as described in Paragraph III.B.2. Upon Occupancy, Givens Highland Farms will be obligated to provide You with the services outlined in this Agreement.

III. FINANCIAL ARRANGEMENTS

- A. **Entrance Fee.** As a condition of becoming a Resident, You agree to pay to Givens Highland Farms an Entrance Fee for the Residence as set forth in Schedule I (unless You have chosen the No Entrance Fee Option), attached.
- B. **Terms of Payment of the Entrance Fee.** If an Entrance Fee is to be paid, the terms of payment

of the Entrance Fee shall be as follows:

1. **10 Percent Deposit.** To reserve Your Residence, You will make application to Givens Highland Farms, pay a deposit equal to ten percent (10%) of the total Entrance Fee for Your Residence (less any Application Fee if previously paid, of one thousand five hundred dollars (\$1,500.00)), and enter into this Agreement. You will receive notice of Your approval within fourteen (14) days of submitting Your application.
 2. **Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence will be due and payable prior to or on the Date of Occupancy, unless otherwise agreed to in writing by Givens Highland Farms.
- C. **Monthly Fee.** In addition to the Entrance Fee (or if the No Entrance Fee Option is chosen), You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement. The Monthly Fee shall be payable in advance by the tenth (10th) business day of each month. Your Monthly Fee will be as set forth in Schedule I, attached.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and is intended to cover costs of the expenses associated with the operation and management of Givens Highland Farms. Givens Highland Farms, with the approval of its Board of Directors, may increase the Monthly Fee from time to time during the term of this Agreement. Monthly Fees 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. **Monthly Statements.** Givens Highland Farms 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 tenth (10th) business day of the current month. Givens Highland Farms 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.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence herein and will no longer pay the Monthly Fee for the Residence. Instead You will pay the published current per diem fee for such Health Care Residence. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence herein and You will pay the published current per diem fee for such Health Care Residence for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I.G. You may pay additional charges for ancillary services as described in Paragraph III.F.3.
 2. **Use of Refundable Portion of the Entrance Fee.** Should You move permanently to a Health Care Residence, the remaining refundable portion of an

Entrance Fee due to You as a refund can be applied to the cost of care in the Health Care Residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.

3. **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 Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms 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.
4. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.

G. Security Deposit

On the Date of Occupancy You shall pay to Givens Highland Farms a Tenant Security Deposit (the "Security Deposit") in the amount of one thousand dollars (\$1,000). The Security Deposit shall be held in a deposit account at First Tennessee Bank, P.O. Box 84, Memphis, TN 38101. Notwithstanding anything to the contrary, the Security Deposit shall be held in compliance with the North Carolina Tenant Security Deposit Act (NCGS Chapter 42-50 et. seq.) The security deposit may, at the discretion of Givens Highland Farms, be deposited in an interest-bearing account with the bank or savings institution named above. Any interest earned upon the tenant security deposit shall accrue for the benefit of, and shall be paid to, Givens Highland Farms, or as Givens Highland Farms directs. Such interest, if any, may be withdrawn by Givens Highland Farms from such account as it accrues as often as is permitted by the terms of the account. Upon any termination of the tenancy herein created, Givens Highland Farms may deduct from the Security Deposit amounts sufficient to pay: (1) any damages sustained by Givens Highland Farms as a result of Your nonpayment of the Monthly Rental Fee; (2) any damages to the Residence for which You are responsible; (3) any unpaid bills which become a lien against the Residence due to the Your occupancy; (4) any costs of re-renting the Residence after a breach of this Agreement by You; (5) any court costs incurred by Givens Highland Farms in connection with terminating this Agreement; and (6) any other damages of Givens Highland Farms which may then be a permitted use of the Security Deposit under the laws of this State. After having deducted the above amounts, Givens Highland Farms shall, if Your address is known, refund to You, within thirty (30) days after the termination and Your delivery of possession of the Residence

IV. ADMISSION REQUIREMENTS AND PROCEDURES

- A. **Age.** Residents shall be fifty-five (55) years of age or older. If Resident is a couple, at least one member of the couple must be fifty-five (55) years of age 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 Highland Farms for initial approval by Givens Highland Farms.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative and the Home Care Coordinator from Givens Highland Farms prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Highland Farms.
- D. **Approval Process.** Upon receipt of the completed Application Forms and the personal interview with both Marketing Representative and the Home Care Coordinator, Givens Highland Farms will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Highland Farms will approve or deny the application for initial admission within thirty (30) days after receiving the completed forms and will provide You with a decision thereafter.
- E. **Health Requirements.** Within thirty (30) days of the date of this agreement, You will provide Givens Highland Farms 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 Highland Farms may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Highland Farms may require You to have another physical examination by a physician approved by Givens Highland Farms 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 Highland Farms, You may move to other accommodations within Givens Highland Farms 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 Highland Farms may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available to Residents who qualify, as determined by Givens Highland Farms.
- G. **Representations.** You affirm that the representations made in all information furnished by You to Givens Highland Farms, including the Application for Waiting List, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Highland Farms as a basis for entering into this Agreement.
- H. **Statement as to Non-Discrimination.** Givens Highland Farms 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 marital 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 Highland Farms 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 Highland Farms 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 Highland Farms and You.
- B. **Policies and Procedures.** All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to Guidelines for Living and Policies and Procedures Handbook as may be adopted by Givens Highland Farms. Such Guidelines shall be made readily available to You.
- C. **Changes in the Residence and the Agreement.** Givens Highland Farms 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 Highland Farms.
- E. **Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them no longer resides 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, if due, shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII.F.
- F. **Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Highland Farms carefully considers such requests, including but not limited to such factors as Resident's health, Resident's finances, availability of requested type of Residence and waiting lists. Resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Highland Farms 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 Highland Farms to move to a subsequent Residence, You will pay the Monthly Fee associated with the 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 Highland Farms.** If Givens Highland Farms 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 Highland Farms to justify such transfer, Givens Highland Farms may move You to a new Residence of a similar size provided that Givens Highland Farms (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 or, at Your option, reimburses You for the depreciated value of such improvements.
- H. **Loss of Property.** Givens Highland Farms shall not be responsible for the loss of any property belonging to You 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 Highland Farms and shall furnish Givens Highland Farms with evidence of such coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield).
- J. **Marriage or Adding a Second Person During Occupancy.** Should You marry or add a second person who is also a Resident of Givens Highland Farms, 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 refunds, if due, shall be paid until Givens Highland Farms 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. Refunds are made in accordance with this Agreement.

If You should marry a person or add a second person who is not a resident of Givens Highland Farms, they may become a resident if they meet all the requirements for admission, enters into a Residence and Services Agreement with Givens Highland Farms, and pays an Entrance Fee equal to the then-current Double Person Entrance Fee (if You paid an Entrance Fee) and shall pay the Double Person Monthly Fee. If they do not meet the requirements of Givens Highland Farms 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 they may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and You. Refunds are made in accordance with this Agreement.

- K. **Right of Entry.** You authorize employees or agents of Givens Highland Farms to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms 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' Organizations.** Residents of Givens Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization will elect representatives, officers, and other positions to engage in activities of interest to all residents.

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

- A. **Transfer to a Health Care Residence.** Givens Highland Farms 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 Highland Farms 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 Highland Farms, 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 Highland Farms administration and/or the Givens Highland Farms 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 Highland Farms.
- B. **Transfer to Other Facility.** If it is determined by Givens Highland Farms that You need care beyond that which can be provided by Givens Highland Farms, 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 Highland Farms that any transfer described in Paragraph VI.A. is or is highly likely to be permanent; You agree to surrender Your Residence. You will have priority to move to such Health Care Residences, determined to best meet your needs, as soon as such is available.

VII. TERMINATION AND REFUND PROVISIONS

A. Termination by Resident Prior to Occupancy.

1. **Termination During First 30 Days.** This Agreement may be terminated by You for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and You are not required to move into the facility during this period. Any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by You to:

Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711

2. **Termination After First 30 days and Before Occupancy.** This Agreement may be terminated by You for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, You will receive a refund of Your ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for Your Residence, and any non-standard costs requested by You. The Agreement will be automatically cancelled to comply with NCGS 58-64-25(a)(2) and the nonrefundable fee will not be charged to You if such termination is due to death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination.

- B. Termination by Resident During the First 30 Days After Occupancy.** Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Highland Farms written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Highland Farms, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Highland Farms at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII.E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.

- C. 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 (if due) shall be determined according to Paragraph VII.E. below.

- D. Termination by Givens Highland Farms After Occupancy.** Givens Highland Farms may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Waiting List, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Highland Farms 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 Highland Farms, 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, if due, shall be determined according to Paragraph VII.E. below.
- E. 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 Highland Farms 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 (if due), or added to your final statement if no refund is due.
- F. 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 Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested by You shall be at Your expense. Givens Highland Farms 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 Highland Farms.

VIII. FINANCIAL ASSISTANCE

Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms 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. Tobacco-free Campus.** The Givens Highland Farms campus and residences are tobacco-free, which includes vaping.
- B. Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Highland Farms are personal to You and may not be transferred or assigned by You.

- C. **Management of Givens Highland Farms.** The absolute rights of management are reserved by Givens Highland Farms, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Highland Farms 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.
- D. **Entire Agreement.** This Agreement constitutes the entire contract between Givens Highland Farms and You. Givens Highland Farms 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 Highland Farms, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- E. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Highland Farms and Your heirs, executors, administrators, and assigns.
- F. **Subordination to Financing.** The Resident's 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 of Givens Highland Farms and to all amendments, modifications, replacements or refinancing thereof. The Resident shall execute and deliver any documents reasonably required by Givens Highland Farms or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- G. **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 Highland Farms' policies prohibiting and/or regarding the making of gifts or donations to or for the benefit of Givens Highland Farms' employees or such employees' spouses and/or relatives.
- H. **Affiliation with Religious Organization.** Givens Highland Farms is a wholly owned subsidiary of The Givens Estates, Inc., which 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 Highland Farms under this Agreement.
- I. **Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- J. **Ad Valorem Taxes.** Should Givens Highland Farms ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes may be added to the Monthly Fee for Your Residence.
- K. **Rights of the Resident** Under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.

L. Force Majeure

Givens Highland Farms will not be deemed to be in breach of this Agreement if Givens Highland Farms is prevented from performing any obligation under this Agreement as a result, directly or indirectly, of any labor disputes, natural disasters, acts of God, war, riots, invasion, sabotage, terrorism, famine, civil commotion, earthquakes, extreme weather, floods, fire, condemnation, government action/intervention, non-essential business closures, stay-at-home orders, presence of viral contamination, supply disruptions, or interruption of services, or any other causes beyond the control of Givens Highland Farms, to the extent that the cause affects Givens Highland Farms' ability to perform under this Agreement. Upon removal of the cause affecting the delay or nonperformance, Givens Highland Farms will resume performance of the obligations of this Agreement.

IN WITNESS WHEREOF, Givens Highland Farms and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Highland Farms Disclosure Statement and the Entrance Fee has been paid by the Resident.

Addenda Attached: Schedule I and Schedule II

Resident Date

Resident Date

GIVENS HIGHLAND FARMS, LLC

Executive Director Date

**RESIDENCE AND SERVICES AGREEMENT
RENTAL AGREEMENT
SCHEDULE I – page 1 of 2**

**Givens Highland Farms
Black Mountain, North Carolina**

Resident(s) Name _____

Type of Residence _____

Residence Number _____

Occupancy Date _____

ADMINISTRATIVE FEE	
Single Person Administrative Fee	\$
Double Person Administrative Fee	\$

MONTHLY FEE	
2024 Monthly Fee:	
Monthly Fees are subject to annual increases regardless of scheduled occupancy.	
Single Person	\$
Double Person	\$

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

**RESIDENCE AND SERVICES AGREEMENT
SCHEDULE II**

**Givens Highland Farms
Black Mountain, North Carolina**

Monthly Declining-Balance Meal Allowance:

The monthly declining balance meal allowance may change from time to time during the term of this Agreement. Monthly declining balance meal allowances 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 changes in the Monthly Declining Balance Meal Allowance.

Effective January 1, 2024, the Monthly Declining Balance Meal Allowance is:

Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes, and The Cottages -\$300 per month per resident

Prentice Lodge Apartments- 3 meals per day

Attachment 4



EXTRA SERVICES

Additional Housekeeping.....	\$30.00 per hour
Carpet Cleaning.....	\$50.00 per hour
Additional Maintenance/Grounds	\$35.00 per hour
Meal Delivery	\$4.50 per delivery

HEALTH CARE CENTER FEES

Semi-Private.....	\$352/day
Private	\$405/day

TRANSPORTATION SERVICE FEES

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

Tuesday/Thursday Doctor Destinations	\$18.00 per round trip
Friday Shopping Black Mountain/Swannanoa.....	No Charge
Regular Transportation.....	\$18.00 per round trip
Black Mountain	\$12.00 per round trip
Asheville Airport Mon-Fri.....	\$60.00
After Hours... ..	\$75.00

* All transportation rates listed are within 30 miles. Any transportation beyond 30 miles will require a custom rate based on \$28.00 per hour for driver time.



2024 Home Care Services and Rates (Page 1 / 2)

SERVICES	OVERVIEW	RATES			
Activation Fees	To begin services, our team will partner with the client to create the Plan of Care and will determine whether an In-Home Aide, CNA and/or Nurse is appropriate.	No charge for Companionship, In-Home Aide (IHA) and Certified Nursing Assistant (CNA) level care if the client signs up for <u>more than four hours</u> of scheduled care per month.			
		\$50 activation fee for Companionship, IHA and CNA level care if the client signs up for <u>less than four hours</u> of scheduled care per month.			
		\$100 activation fee for Nurse-level care.			
Reassessment Fees (every 90-days or as needs change)	As required by the State, our team will partner with the client to update the Plan of Care every 90 days (or when needs change).	No charge for Companionship, IHA and CNA level care if the client continues with <u>more than four hours</u> of scheduled care per month.			
		\$40 flat fee for Companionship, IHA and CNA level care if the client is scheduled for <u>less than four hours</u> of care per month.			
		\$80 flat fee for services that require a Nurse.			
Services with In-Home Aides and Certified Nursing Assistants have a 30-minute minimum. Level of support is determined in the assessment and will dictate fees.		30 Minutes	1-2 Hours	2-4 Hours	4+ Hours
Companionship and In-Home Aide Services	Our team will provide tailored care, including meal prep, housekeeping, med reminders, support with Activities of Daily Living such as dressing, bathing, toileting and more. Companions can provide minimal assistance, whereas CNAs can support with extensive needs.	\$23	\$45 for an hour visit \$67.50 for 1.5hrs	\$43 per hour, at \$86 for a 2hr visit \$107.50 for 2.5hrs \$129 for 3hrs \$150.50 for 3.5hrs	\$33 per hour, with \$132 minimum
Certified Nursing Assistant (CNA)		\$28	\$54 for an hour visit \$81 for 1.5hrs	\$52 per hour, at \$104 for 2hr visit \$130 for 2.5hrs \$156 for 3hrs \$182 for 3.5hrs	\$40 per hour, with \$160 minimum
If an additional CNA is needed to provide safe care, then the rate will be charged at 1.5 times. For example, if a client requires two (2) CNAs for Activities of Daily Living, then a 30-minute visit would be charged at \$42, and an hour would be charged at \$81.					



2024 Home Care Services and Rates (Page 2 / 2)

SERVICES		OVERVIEW	RATES
Licensed Nurses have a 15-minute minimum.		30 min	1+ hours
Licensed Nurse	Services may include medication support, wound care and coordination of care. Many services require a physician's order and may be more suitable for other providers.	\$20 for a 15-minute visit \$40 for 30-minutes \$50 for 45 minutes	\$77 per hour visit

Please Note:

- At times, we may schedule a CNA rather than an In-Home Aide or an LPN rather than a CNA to support staffing efforts but will charge the rate as agreed in the plan of care.
- Supplies are charged separately, and clients are encouraged to provide their own supplies.
- Cancellations less than 24 hours may be charged at the full rate of the scheduled service.
- Rates are subject to change with a 30-day notice period.

Highlights:

- We do not charge a premium on evenings, weekends, or holidays, even though our team members earn shift differentials and holiday pay.
- We offer short (e.g., 30 minute) visits, whereas most local agencies require a 4-hour minimum to schedule services.
- Our team continues to grow! Please let us know if you have someone to refer.



2024 Aging in Place Services and Rates

Item	Details	Cost to Residents of Givens Estates and Givens Highland Farms
In-Home Evaluation	Conducted by a Certified Aging in Place Specialist (CAPS)	COMPLIMENTARY
Grab Bars	18" - 24" White / Silver	\$ 200
	42" White	\$ 205
Pull Down Grab Bars	30" White / Stainless	\$ 550
Toilet Safety Frame	Size Varies	\$ 220
Transfer Poles	Customized	\$ 440
Raised Toilet Seats	2"	\$ 280
	4"	\$ 385
Shower Door Removal	Includes Storage	\$ 365
Bidet	No electric, patch or paint need	\$ 740
	Includes electric, patch, paint	Based on home assessment
Consulting Fee	Consultation with a Certified Aging in Place Specialist (15 minute minimum)	\$ 130 per hour

Additional services and materials (e.g., tailored bed modifications, technology and other adaptations) will be determined in the home assessment.

Rates are subject to change and will be agreed prior to implementation / installation.



2024 Community Nursing Services and Rates: Givens Highland Farms

Givens Highland Farms provides a complimentary Wellness Clinic every Tuesday and Thursday from 1:30 - 2:30pm in Prentice Lodge, Room 107. Services include complimentary blood pressure checks and pendant battery changes. Dr. Rabi Kutob and / or Alisha LaFontaine ARNP visit their patients in the Clinic that's located in the lobby of Prentice Lodge during the following times:

- Alisha LaFontaine ARNP is available every Tuesday from 9:00am – 12:00pm
- Dr. Rabi Kutob is available every Friday from 10:00am – 12:00pm

SERVICES	RATES
*Clinical Assistance <u>ONLY</u> for Dr. Rabi Kutob and / or Alisha LaFontaine ARNP such as entering orders, calling the pharmacy, scheduling appointments and answering calls from clients for general questions, such as a refill on medications etc.	\$77 per hour
Venipuncture for laboratory testing	\$22.00 per service
Blood glucose (finger stick)	\$20.00 per service
INR check	\$25.00 per service
Specimen collection	\$15.00 per service
Injections and Suture Removal	\$22.00 per service

**Unique to Givens Highland Farms Residents*

Supplies are added on to the monthly statement.

Rates are subject to change with a 30-day notice period.



2024 HEALTH CARE CENTER RATES

The following rates will be effective January 1, 2024

Basic Daily Rates for Room & Board:

Semi-private room	\$352.00
Private room	\$405.00

Medicare Part A Skilled Nursing Co-Insurance for 2024

\$204.00 per day, beginning with the 21st day through the 100th day of covered care. Medicare and Medicaid covered residents will have no additional charges beyond the monthly liability, except for specially requested personal items and services. The below list represents a partial list of items for which additional charges may be added.

The following charges apply to the residents whose physician orders, or whose condition demands services, medications and/or supplies:

Laboratory

Laboratory services are provided by the contracted laboratories in Asheville, NC. Charges are billed by them directly to Medicare or Medicaid, if qualified, or to the resident representative. Charges for laboratory services will not appear on your monthly bill from Givens Highland Farms, LLC.

Medications, Supplies, and Equipment

Drug charges will generally be charged directly to the resident by our pharmacy provider. Supplies such as incontinent supplies, nutrition supplements, wound care supplies, and specialized equipment used for individual resident care, will be billed to the resident.

Oxygen

Concentrators	\$11 per day with a maximum of \$220 per month
E tanks	\$28 each

Physical, Occupational, and Speech Therapies

Private pay therapies will be billed at the same rates as those approved for Medicare/Medicaid fee schedules.

Wander Guard Sensor	\$38 per month
Therapeutic Air Mattress	\$50 per month
Slings	\$50 per month
Incontinence	\$180 per month
CBG	\$3.00 per item

Laundry (personal clothing – up to twice weekly) No charge

Transportation: Monday – Friday, 7:30 am – 4:30 pm:	\$23 per hour, plus \$ 1 per mile
Additional NA or CNA:	\$25 per hour

In Room Phone Service: No charge

Guest Meals

As tray service in the Health Care Center: \$12.00 plus NC sales tax.
All meals in the Main Dining Room or Lodge are a la carte pricing.

Givens Highland Farms Beauty Salon and Nail Care Services:

200 Tabernacle Rd, Apt. A-2; Black Mountain, NC 28711

Hair Care Services:

- Hair cut.....\$ 20.00
- Hair cut & shampoo..... \$ 22.00
- Shampoo & set.....\$ 25.00
- Shampoo, cut, & set.....\$ 38.00
- Color.....\$ 55.00
- Permanent..... \$ 70.00

Nail Care Services: (by appointment only)

- Manicure.....\$ 20.00
- Pedicure\$ 28.00
- Nail Trim..... \$ 18.00
- Gel Polish.....\$ 30.00
- Gel Nails.....\$ 40.00
- Product removal from previous stylist.....\$ 20.00

Hours of Operations:

- Monday:** Closed
- Tuesday:** Closed
- Wednesday:** Open at 9:00 a.m.
- Thursday:** Open at 8:00 a.m.
- Friday:** Open at 8:00 a.m.
- Saturday:** Closed
- Sunday:** Closed

About Us:

Givens Highland Farms offers hair and nail care services to men and women.

Contact us: **(828) 585-3612**

- Michelle Pullium, Manicurist** (828) 776-1074
- Judy Rowan, Stylist** (770) 653-2700
- Carmen Terry, Stylist** (828) 215-4981

To maintain the lowest possible rates for all residents, we must receive payments promptly at the time of billing. We will assist residents in filing insurance or other claims, which then can be paid directly to the resident, or we will reimburse over-payments made to Givens Highland Farms, LLC. However, we reserve the right to impose a late penalty on all accounts receivable balances older than

For more details and to schedule a tour, contact our Admission Coordinator at (828) 357-2010


Attachment 5



The Givens Estates, Inc. and Subsidiaries

**Independent Auditor's Report, Consolidated Financial
Statements, and Supplementary Consolidating
Information**

December 31, 2023 and 2022



The Givens Estates, Inc. and Subsidiaries
Contents
December 31, 2023 and 2022

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191 Peachtree Street NE, Suite 2700 / Atlanta, GA 30303

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of The Givens Estates, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements were issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as listed in the accompanying table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

FORVIS,LLP

**Atlanta, Georgia
April 17, 2024**

The Givens Estates, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 25,173,893	\$ 9,805,078
Assets limited as to use, current portion	1,963,958	1,822,229
Accounts receivable, net	2,801,428	4,135,330
Contributions receivable net, current portion	178,616	102,219
Other receivables	5,790,920	3,633,380
Escrow deposits	2,866,485	2,223,111
Prepaid expenses	1,173,664	1,216,549
	<u>39,948,964</u>	<u>22,937,896</u>
Total current assets		
Non-Current Assets		
Property and equipment, net	226,624,975	202,315,264
Assets limited as to use, less current portion	21,609,808	44,881,574
Investments restricted for statutory operating reserve	13,484,000	12,264,000
Investments	81,736,185	68,506,433
Contributions receivable net, less current portion	202,314	146,453
Other assets	591,619	613,124
Intangibles, net	1,365,069	2,275,115
Interest rate swap asset	235,440	327,100
	<u>345,849,410</u>	<u>331,329,063</u>
Total non-current assets		
	<u>\$ 385,798,374</u>	<u>\$ 354,266,959</u>
Total assets		

The Givens Estates, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

(Continued)

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other accrued liabilities	\$ 10,060,485	\$ 7,580,135
Payroll accruals and related withholdings	2,912,696	2,286,584
Interest payable	172,738	281,611
Agency funds	19,697	20,815
Escrow deposits	2,866,485	2,223,111
Estimated resident refunds payable, current portion	5,776,000	6,018,000
Long-term debt, current portion	4,196,680	4,116,680
	<u>26,004,781</u>	<u>22,526,936</u>
Long-Term Liabilities		
Long-term debt, net	98,479,069	102,774,914
Resident refunds payable, net of current portion	50,676,034	49,228,522
Deferred revenue from entrance fees	107,280,371	94,554,068
Advance admission deposits	1,733,434	1,378,934
	<u>258,168,908</u>	<u>247,936,438</u>
Total long-term liabilities	<u>258,168,908</u>	<u>247,936,438</u>
Total liabilities	<u>284,173,689</u>	<u>270,463,374</u>
Net Assets		
Without donor restrictions	89,809,400	73,404,184
With donor restrictions	11,815,285	10,399,401
	<u>101,624,685</u>	<u>83,803,585</u>
Total net assets	<u>101,624,685</u>	<u>83,803,585</u>
Total liabilities and net assets	<u>\$ 385,798,374</u>	<u>\$ 354,266,959</u>

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues, Gains, and Other Support		
Long-term care revenue, net	\$ 16,190,730	\$ 14,504,260
Residential revenue, including amortization of entrance fees of \$13,900,000 and \$12,700,000 in 2023 and 2022, respectively	46,674,501	42,375,936
Assisted living revenue, net	4,040,109	3,931,194
Residential food service revenue	3,637,496	3,189,567
Contributions and grants	356,798	1,035,800
Interest and dividend income	1,766,981	1,376,755
Realized (loss) gain on investments	900,523	(1,468,365)
Net assets released from restrictions—operations	1,121,141	565,966
Other revenue	3,823,261	2,665,117
	<u>78,511,540</u>	<u>68,176,230</u>
Expenses		
Long-term care	17,006,183	14,390,949
Residential	33,906,293	28,136,522
Assisted living	3,560,706	3,204,020
Outreach	2,011,121	1,056,623
Bad debts	257,719	103,155
Depreciation	8,787,811	8,645,091
Amortization	910,046	910,046
Interest	1,900,250	1,600,947
	<u>68,340,129</u>	<u>58,047,353</u>
	<u>10,171,411</u>	<u>10,128,877</u>
Operating Income		
Non-Operating Gain (Loss)		
Unrealized gain (loss) on investments	5,777,044	(7,779,050)
Loss on disposal of property and equipment	(119,670)	(784,872)
Change in interest rate swap value	(91,659)	672,975
	<u>5,565,715</u>	<u>(7,890,947)</u>
	15,737,126	2,237,930
Excess of Revenues Over Expenses		
Other Changes in Net Assets Without Donor Restrictions		
Net assets released from restrictions—capital projects	668,090	3,078,951
	<u>16,405,216</u>	<u>5,316,881</u>
Change in Net Assets without Donor Restrictions		

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restrictions		
Excess of revenues over expenses	\$ 15,737,126	\$ 2,237,930
Net assets released from restrictions—capital projects	668,090	3,078,951
	<u>16,405,216</u>	<u>5,316,881</u>
Change in net assets without donor restrictions	<u>16,405,216</u>	<u>5,316,881</u>
Net Assets with Donor Restrictions		
Contributions	1,705,667	4,361,662
Net investment income (loss)	1,088,670	(1,326,215)
LifeMinistries income	410,778	350
Net assets released from restrictions—operating	(1,121,141)	(565,966)
Net assets released from restrictions—capital	(668,090)	(3,078,951)
	<u>1,415,884</u>	<u>(609,120)</u>
Change in net assets with donor restrictions	<u>1,415,884</u>	<u>(609,120)</u>
Change in Net Assets	<u>17,821,100</u>	<u>4,707,761</u>
Net Assets, Beginning of Year	<u>83,803,585</u>	<u>79,095,824</u>
Net Assets, End of Year	<u><u>\$ 101,624,685</u></u>	<u><u>\$ 83,803,585</u></u>

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Activities		
Change in net assets	\$ 17,821,100	\$ 4,707,761
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	8,787,811	8,645,091
Amortization of deferred financing costs and bond premium	(76,203)	(96,770)
Amortization of intangible assets	910,046	910,046
Realized and unrealized loss (gain) on investments	(7,766,237)	9,247,415
Loss on disposal of property and equipment	119,670	784,872
Change in swap value	91,659	(672,975)
Proceeds from entrance fees	18,099,448	13,544,245
Amortization of entrance fees	(13,918,829)	(12,757,267)
Bad debts	257,719	103,155
Contributed services	-	(131,830)
Contributions restricted for capital projects	-	(3,000,000)
Net change in assets and liabilities		
Change in receivables, prepaids and other assets	1,610,524	(1,727,944)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	<u>6,561,882</u>	<u>(2,545,298)</u>
Net cash provided by operating activities	<u>32,498,590</u>	<u>17,010,501</u>
Investing Activities		
Property and equipment purchases	(36,253,065)	(21,683,474)
Proceeds from sale of property and equipment	-	24,265
Reimbursement of development costs paid for related parties	21,505	34,045
Change in assets limited as to use and investments	<u>(8,058,956)</u>	<u>(34,477,481)</u>
Net cash used by investing activities	<u>(44,290,516)</u>	<u>(56,102,645)</u>
Financing Activities		
Repayment of long-term debt	(4,139,642)	(4,026,681)
Debt issuance costs incurred	-	(34,810)
Refunds of entrance fees	(3,965,860)	(2,313,317)
Refundable portion of entrance fees received	3,339,239	4,601,659
Entrance fee received from initial units	10,846,154	13,044,314
Contributions restricted for capital projects	<u>-</u>	<u>3,000,000</u>

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

(Continued)

	<u>2023</u>	<u>2022</u>
Net cash provided by financing activities	6,079,891	14,271,165
Change in Cash, Cash Equivalents and Restricted cash	(5,712,035)	(24,820,979)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	55,176,036	79,997,015
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 49,464,001</u>	<u>\$ 55,176,036</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 3,603,259	\$ 3,191,879
Non-Cash Activities		
Purchase of property and equipment in accounts payable at year-end	\$ 1,008,082	\$ 4,635,080
Resident refunds in accounts payable at year-end	\$ 460,837	\$ 2,191,898
Amounts Included in the Consolidated Statements of Cash Flows as Cash, Cash Equivalents, and Restricted Cash on the Consolidated Balance Sheets		
Cash and cash equivalents	\$ 25,173,893	\$ 9,805,078
Escrow deposits	2,866,485	2,223,111
Restricted cash in Assets limited as to use	21,423,623	43,147,847
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 49,464,001</u>	<u>\$ 55,176,036</u>

Note 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 is located on a 215-acre campus in Asheville, North Carolina that consists of 490 independent living units (cottages, villas, houses, duplexes, and apartments), a 47 unit assisted living facility (currently operating 43 of the 47 licensed beds), and a 70-bed health care facility (currently operating 60 of the 70 licensed beds), as well as a wellness center. Givens Highland Farms (Givens Highland Farms, LLC) is located on a 75-acre campus in Black Mountain, North Carolina and consists of 289 independent living units (homes and apartments) and a 60-bed health care facility (currently operating 55 of the 60 licensed beds).

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.

In 2023, Givens Choice, LLC was formed with Givens Estates, Inc. as the sole member. Givens Choice, LLC is a continuing care at home program provided to seniors in the Asheville, North Carolina area.

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, Givens Gerber Park II, LLC and Givens Choice, 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 (1) assets limited under trust agreements, (2) resident funds, and (3) 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 using historical collection information as well as reasonable forecasts to estimate expected credit losses. Once a charge has been determined to be uncollectible, it is charged-off.

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Contributions Receivable

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

Investments

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

Fair Value Measurements

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

Property and Equipment

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

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

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

Intangibles

In connection with the recording of the assets and liabilities as part of the purchase of Highland Farms in 2012, 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 were amortized over the average life expectancy of those residents, or approximately 8 years. The remainder has been recorded as goodwill. In 2020, the Company began amortizing goodwill over the average life expectancy of those residents whose contracts the goodwill was based, or approximately 6.5 years. The Company analyzes goodwill for impairment upon the occurrence of a triggering event. There was no impairment recorded in 2023 and 2022.

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Deferred Revenue from Entrance Fees

Givens Estates, Inc. operates two Life Plan communities. In exchange for an entrance fee, which ranges from approximately \$45,600 to \$1,660,200 at Givens Estates and approximately \$60,000 to \$1,176,000 at Givens Highland Farms, residents are granted a lifetime occupancy interest in the residential unit. The entrance fee will vary due to the size of the residence and the contract option selected by the resident.

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

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

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

Resident Refunds Payable

Resident refunds payable include estimated entrance fee refunds due to residents that have the 50%, 65%, 75%, 76% or 90% refundable contracts. Givens Estates contract stipulates that the entrance fee is refundable within two years or when a replacement occupant has been secured, whichever is sooner. Refunds are made within 30 days for Givens Highland Farms apartment contracts signed before December 1, 2012. Based on historical experience, the estimated amount of the resident refunds that are expected to be refunded in the coming year are \$5,776,000 and \$6,018,000 at December 31, 2023 and 2022, 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, 2023 and 2022 were approximately \$88,000,000 and \$90,000,000, respectively.

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.

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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.

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, 2023.

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.

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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, 2023 and 2022, 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 3.2% for December 31, 2023 and 22 based on management's estimate of interest earnings. At December 31, 2023 and 2022, 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 18. The Company allocates expenses on a functional basis among its various programs and supporting services. The schedule of expenses in Note 18 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.

Adoption of New Accounting Standard

In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance ("FASB ASC 326") which significantly changed how entities will measure excess of revenues over expenses credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

Subsequent Events

Subsequent events have been evaluated through April 17, 2024, which is the date the consolidated financial statements were issued.

Note 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:

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Monthly Service Fees

The contracts that residents select require an advanced fee and monthly fees based upon the type of accommodation they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with other services and these performance obligations are earned each month. Under Accounting Standards Codification (“ASC”) Topic 606, management has determined that the performance obligation for the standing obligation to provide the appropriate level of care is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Entrance Fees

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

Health Care Services

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

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. Assisted living revenue consists of the private pay per diem rate charged to each resident. Long-term care revenue consists of the private pay per diem rate charged to each resident, as well as the fixed daily rates from government and commercial payers on behalf of certain residents. Assisted living revenue and Long-term care revenue includes additional revenue from ancillary services that are billed in arrears on the Consolidated Statement of Operations.

	December 31, 2023			
	Residential	Assisted Living	Long-term Care	Total
Private pay	\$ 46,674,501	\$ 3,669,765	\$ 9,003,214	\$ 59,347,480
Medicare and Medicare Advantage	-	-	3,774,456	3,774,456
Medicaid	-	-	<u>2,107,344</u>	<u>2,107,344</u>
Total	46,674,501	3,669,765	14,885,014	65,229,280
Ancillary Services	-	<u>370,344</u>	<u>1,305,716</u>	<u>1,676,060</u>
Total	<u>\$ 46,674,501</u>	<u>\$ 4,040,109</u>	<u>\$ 16,190,730</u>	<u>\$ 66,905,340</u>

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	December 31, 2022			Total
	Residential	Assisted Living	Long-term Care	
Private pay	\$ 42,375,936	\$ 3,659,184	\$ 7,528,245	\$ 53,563,365
Medicare and Medicare Advantage	-	-	4,056,858	4,056,858
Medicaid	-	-	1,897,125	1,897,125
Total	42,375,936	3,659,184	13,482,228	59,517,348
Ancillary Services	-	272,010	1,022,032	1,294,042
Total	<u>\$ 42,375,936</u>	<u>\$ 3,931,194</u>	<u>\$ 14,504,260</u>	<u>\$ 60,811,390</u>

Note 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 2023 or 2022.

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, 2023 and 2022. 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.

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Assets at fair value consist of the following as of December 31:

	December 31, 2023			Fair Value
	Level 1	Level 2	Level 3	
Stocks ⁽¹⁾	\$ 16,826,746	\$ -	\$ -	\$ 16,826,746
Exchange traded funds	15,541,071	-	-	15,541,071
Mutual funds	21,065,538	-	-	21,065,538
Corporate bonds	-	30,412,337	-	30,412,337
Government securities	<u>1,833,464</u>	<u>-</u>	<u>-</u>	<u>1,833,464</u>
	<u>\$ 55,266,819</u>	<u>\$ 30,412,337</u>	<u>\$ -</u>	85,679,156
Investments at NAV (a)				<u>9,850,028</u>
Total investments at fair value				<u>\$ 95,529,184</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 235,440</u>	<u>\$ -</u>	<u>\$ 235,440</u>

(1) These assets combined are held with Morgan Stanley and at December 31, 2023 consist of the following approximate concentrations: 32% Cyclical (basic materials, consumer goods, financial services, and real estate), 44% Sensitive (community services, energy, industrials, and technology), and 24% Defensive (consumer defense, healthcare, and utilities).

(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.

	December 31, 2022			Fair Value
	Level 1	Level 2	Level 3	
Stocks ⁽¹⁾	\$ 12,365,973	\$ -	\$ -	\$ 12,365,973
Exchange traded funds	14,496,414	-	-	14,496,414
Mutual funds	17,452,575	-	-	17,452,575
Corporate bonds	-	26,441,639	-	26,441,639
Government securities	<u>1,341,501</u>	<u>-</u>	<u>-</u>	<u>1,341,501</u>
	<u>\$ 45,656,463</u>	<u>\$ 26,441,639</u>	<u>\$ -</u>	72,098,102
Investments at NAV (a)				<u>8,554,688</u>
Total investments at fair value				<u>\$ 80,652,790</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 327,100</u>	<u>\$ -</u>	<u>\$ 327,100</u>

(1) These assets combined are held with Morgan Stanley and at December 31, 2022 consist of the following approximate concentrations: 34% Cyclical (basic materials, consumer goods, financial services, and real estate), 45% Sensitive (community services, energy, industrials, and technology), and 21% Defensive (consumer defense, healthcare, and utilities).

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(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 has \$23,264,767 and \$46,821,446 of cash and cash equivalents included in investments and assets limited as to use on the consolidated balance sheets at December 31, 2023 and 2022, respectively, which was not classified as a level as prescribed within the provision.

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, 2023 and 2022.

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, 2023</u>	<u>Fair Value at December 31, 2022</u>	<u>Unfunded Commitments</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
UMF Diversified Fund	\$ 8,981,777	\$ 7,937,238	None	None	Daily
Private Equity	344,477	239,632	None	Quarterly	45 days
Real Estate Fund	246,487	255,943	None	Quarterly	45 days
Venture Capital Fund	<u>159,375</u>	<u>121,875</u>	\$ 253,125	None	N/A
	<u>\$ 9,732,116</u>	<u>\$ 8,554,688</u>			

Note 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:

	<u>2023</u>	<u>2022</u>
By Board	\$ 2,770,620	\$ 2,506,197
By trust agreements for construction	17,842,476	41,456,531
Other funds	2,940,973	2,720,260
Held on behalf of others	<u>19,697</u>	<u>20,815</u>
	23,573,766	46,703,803
Current portion	<u>(1,963,958)</u>	<u>(1,822,229)</u>
	<u>\$ 21,609,808</u>	<u>\$ 44,881,574</u>

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Note 5. Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 12,802,796	\$ 12,213,267
Buildings	271,502,531	238,831,467
Furniture and equipment	20,411,972	18,691,495
Vehicles	711,371	667,807
Construction in progress	<u>14,548,743</u>	<u>16,807,219</u>
	319,977,413	287,211,255
Accumulated depreciation	<u>(93,352,438)</u>	<u>(84,895,991)</u>
	<u>\$ 226,624,975</u>	<u>\$ 202,315,264</u>

The Company has several construction projects in process at December 31, 2023. Remaining construction commitments at December 31, 2023 consisted of approximately \$13,000,000 to the project contractors.

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	<u>2023</u>	<u>2022</u>
Supplemental assistance	\$ 8,236,062	\$ 7,222,378
Capital projects	159,037	276,407
General services	1,669,633	1,124,332
Outreach	<u>1,750,553</u>	<u>1,776,284</u>
	<u>\$ 11,815,285</u>	<u>\$ 10,399,401</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:

	<u>2023</u>	<u>2022</u>
Supplemental and Resident assistance	\$ 446,844	\$ 292,080
Outreach expenses	627,965	227,554
General services	<u>46,332</u>	<u>46,332</u>
Used for operations	1,121,141	565,966
Used for capital projects	<u>668,090</u>	<u>3,078,951</u>
	<u>\$ 1,789,231</u>	<u>\$ 3,644,917</u>

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Note 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 approximately \$210,000 in 2023 and \$530,000 in 2022.

There are two board members affiliated with the two law firms that serve as legal counsel for the Company. Related legal expenses incurred during 2023 and 2022 were approximately \$42,000 and \$83,000, 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 project is owned by the Senior Residences of Lake Junaluska, LP which is owned 0.009% by Great Laurels, Inc. with the remaining ownership residing with limited partners who are not related to Givens Estates. During 2023, the limited partners of Senior Residences of Lake Junaluska, Inc. (“Senior Residences”) transferred their ownership interest to the Company. The Company uses the equity method of accounting to account for its interest in Senior Residences. At December 31, 2023, there was no investment recorded by the Company as the Senior Residences did not have positive equity.

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

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 a receivable from Givens Gerber Park, LLC in the amount of approximately \$501,434. 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). GAC has an investment in Givens Gerber Park III, LLC in the amount of approximately \$70,010. 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.

The Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 8. Intangible Assets

Intangible assets presented on the consolidated balance sheets consist of the following at December 31:

	<u>2023</u>	
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets		
Resident contracts	\$ 9,649,855	\$ 9,649,855
Goodwill	<u>5,915,299</u>	<u>4,550,230</u>
	<u>\$ 15,565,154</u>	<u>\$ 14,200,085</u>
	<u>2022</u>	
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets		
Resident contracts	\$ 9,649,855	\$ 9,649,855
Goodwill	<u>5,915,299</u>	<u>3,640,184</u>
	<u>\$ 15,565,154</u>	<u>\$ 13,290,039</u>

The estimated amortization expense are as follows for future periods at December 31, 2023:

2024	\$ 910,046
2025	<u>455,023</u>
	<u>\$ 1,365,069</u>

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

The Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 9. Long-Term Debt

Long-term debt consists of at December 31:

	<u>2023</u>	<u>2022</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%. Principal payments began in 2017 with final payment due in 2033.	\$ 33,910,000	36,990,000
Public Finance Authority Retirement Facilities Revenue Bonds Series 2021. Interest payable on each June 1 and December 1, at a rate of 4.00%. Principal payments to begin in 2034 with final payment due in 2056.	48,620,000	48,620,000
Note payable to a bank, monthly payments of \$48,333 plus interest at a variable rate of 1.2% over the term SOFR for a 1-month tenor. The loan agreement was modified in 2022 to extend the maturity date to November 30, 2029.	8,120,044	8,700,040
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%.	5,929,419	6,258,832
Note payable to a bank, monthly payments of \$10,606 plus interest at a variable rate of 1.2% over the term SOFR for a 1-month tenor. The loan agreement was modified in 2022 to extend the maturity date to November 30, 2029.	<u>1,866,667</u>	<u>1,993,939</u>
	98,446,130	102,562,811
Premium on bonds	5,266,177	5,416,575
Current portion	(4,196,680)	(4,116,680)
Unamortized debt issuance costs	<u>(1,036,558)</u>	<u>(1,087,792)</u>
	<u>\$ 98,479,069</u>	<u>\$ 102,774,914</u>

The following entities are included in the obligated group pursuant to the Series 2017 and 2021 bonds: the Givens Estates, Inc., Givens Highland Farms, LLC, and Givens Gerber Park II, LLC (collectively, the Obligated Group). The Series 2017 and 2021 bonds are collateralized by certain pledged assets of the Obligated Group including the Obligated Group's deed of trust. The bond agreements 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 are as follows at December 31, 2023:

2024	\$ 4,196,680
2025	4,276,680
2026	9,307,864
2027	4,117,268
2028	4,212,269
Thereafter	<u>72,335,369</u>
	<u>\$ 98,446,130</u>

The Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 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 2023 and 2022 was \$653,880 and \$737,813, respectively.

Note 11. Self-Insurance Plan

The Company has a medical self-insurance plan (the "Plan") for essentially all employees. Under the Plan, the Company is responsible for claims up to \$150,000 per employee per plan year. The plan year is the period from October 1 through September 30. Any claims in excess of this limitation are covered by a reinsurance policy.

Included in accrued expenses at December 31, 2023 and 2022 were \$274,461 and \$276,436, respectively, for unpaid claims. Claims of \$3,234,798 and \$3,208,910 were paid during the 2023 and 2022 plan years, respectively.

Note 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.

Note 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 \$542,769 (\$418,124 for the Givens Estates campus and \$124,645 for the Givens Highland Farms campus) and \$292,829 for the years ended December 31, 2023 and 2022, 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 Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

The services and funds provided to these outreach programs from the Company were \$1,924,592 (\$1,516,030 for the Givens Estates campus and \$408,562 for the Givens Highland Farms campus) and \$4,061,036 for the years ended December 31, 2023 and 2022, respectively.

Note 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, 2023, Givens Estates, Inc. and Subsidiaries were in compliance with this statute. The operating reserve is approximately \$13,484,000 (\$9,239,000 and \$4,245,000 for Givens Estates and Givens Highland Farms, respectively) and \$12,264,000 at December 31, 2023 and 2022, respectively.

Note 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, 2023 and 2022. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of the consolidated financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

The Series 2017 bonds are private placement bonds. Fair value of the private placement bonds approximate carrying value. Fair value of the 2021 bonds was approximately \$40,251,000 and \$39,974,000 at December 31, 2023 and 2022. The fair value of the fixed-rate or adjustable-rate bonds payable is based on quoted market prices.

Note 16. Interest Rate Swap Agreement

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

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

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

The Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 25,173,893	\$ 9,805,078
Accounts receivable, net	2,801,428	4,135,330
Investments	81,736,185	68,506,433
Assets limited as to Use – board designated	2,770,620	2,506,197
Donor restricted amounts	<u>(11,815,285)</u>	<u>(10,399,401)</u>
	<u>\$ 100,666,841</u>	<u>\$ 74,553,637</u>

Note 18. Schedule of Expenses by Nature and Function

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

	<u>2023</u>			
	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 24,654,764	\$ 6,463,654	\$ 1,871,025	\$ 32,989,443
Medical and personal care	8,404,124	-	-	8,404,124
Food service	3,291,621	-	-	3,291,621
Facility services	4,923,691	-	-	4,923,691
Administration	-	1,351,471	-	1,351,471
Marketing and development	-	-	322,808	322,808
Utilities and insurance	4,389,320	1,069,544	-	5,458,864
Depreciation	8,787,811	-	-	8,787,811
Amortization	910,046	-	-	910,046
Interest	<u>1,900,250</u>	<u>-</u>	<u>-</u>	<u>1,900,250</u>
Total expenses included in the expenses section on the consolidated statement of operations	<u>\$ 57,261,627</u>	<u>\$ 8,884,669</u>	<u>\$ 2,193,833</u>	<u>\$ 68,340,129</u>

The Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

	2022			
	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 21,399,682	\$ 5,829,517	\$ 900,954	\$ 28,130,153
Medical and personal care	5,134,916	-	-	5,134,916
Food service	2,999,441	-	-	2,999,441
Facility services	4,017,933	-	-	4,017,933
Administration	-	1,371,612	-	1,371,612
Marketing and development	-	-	385,781	385,781
Utilities and insurance	3,846,052	1,005,381	-	4,851,433
Depreciation	8,645,091	-	-	8,645,091
Amortization	910,046	-	-	910,046
Interest	1,600,947	-	-	1,600,947
Total expenses included in the expenses section on the consolidated statement of operations	<u>\$ 48,554,108</u>	<u>\$ 8,206,510</u>	<u>\$ 1,286,735</u>	<u>\$ 58,047,353</u>

Supplementary Consolidating Information

The Givens Estates, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2023

	ESTATES*			LifeMinistries	Highland*	Gerber Park II*	Choice	Eliminations	Consolidated
	Operating Fund	Special Use Funds	Total						
ASSETS									
Current Assets									
Cash and cash equivalents	\$ 14,058,846	\$ -	\$ 14,058,846	\$ 25,230	\$ 6,235,940	\$ 1,810,452	\$ 3,043,425	\$ -	\$ 25,173,893
Assets limited as to use, current portion	13,720	1,944,261	1,957,981	-	5,977	-	-	-	1,963,958
Accounts receivable, net of allowances	1,748,881	-	1,748,881	-	1,051,716	(1,705)	2,536	-	2,801,428
Contributions receivable net, current portion	-	178,616	178,616	-	-	-	-	-	178,616
Interfund (payable) receivable	(877,201)	877,201	-	-	-	-	-	-	-
Other receivables	1,338,227	-	1,338,227	936	4,432,923	18,834	-	-	5,790,920
Escrow deposits	-	-	-	-	2,866,485	-	-	-	2,866,485
Prepaid expenses	1,071,394	-	1,071,394	-	89,383	1,026	11,861	-	1,173,664
Total current assets	17,353,867	3,000,078	20,353,945	26,166	14,682,424	1,828,607	3,057,822	-	39,948,964
Non-Current Assets									
Property and equipment, net	135,652,463	-	135,652,463	-	80,602,425	10,370,087	-	-	226,624,975
Due from affiliate	4,823,892	-	4,823,892	401,226	-	-	-	(5,225,118)	-
Assets limited as to use, less current portion	5,092,511	-	5,092,511	-	16,517,297	-	-	-	21,609,808
Investments restricted for statutory operating reserve	9,239,000	-	9,239,000	-	4,245,000	-	-	-	13,484,000
Investments	72,912,808	8,052,244	80,965,052	-	771,133	-	-	-	81,736,185
Contributions receivable net, less current portion	-	202,314	202,314	-	-	-	-	-	202,314
Other assets	591,619	-	591,619	-	-	-	-	-	591,619
Interest rate swap	-	-	-	-	-	235,440	-	-	235,440
Intangibles, net	-	-	-	-	1,365,069	-	-	-	1,365,069
Total non-current assets	228,312,293	8,254,558	236,566,851	401,226	103,500,924	10,605,527	-	(5,225,118)	345,849,410
Total assets	\$ 245,666,160	\$ 11,254,636	\$ 256,920,796	\$ 427,392	\$ 118,183,348	\$ 12,434,134	\$ 3,057,822	\$ (5,225,118)	\$ 385,798,374

The Givens Estates, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2023

(Continued)

	ESTATES*			LifeMinistries	Highland*	Gerber Park II*	Choice	Eliminations	Consolidated
	Operating Fund	Special Use Funds	Total						
LIABILITIES AND NET ASSETS									
Current Liabilities									
Accounts payable and other accrued liabilities	\$ 3,409,822	\$ -	\$ 3,409,822	\$ 1,451	\$ 6,559,994	\$ 11,700	\$ 77,518	\$ -	\$ 10,060,485
Payroll accruals and related withholdings	2,162,168	-	2,162,168	8,549	734,888	(10)	7,101	-	2,912,696
Interest payable	82,904	-	82,904	-	89,834	-	-	-	172,738
Agency funds	13,720	-	13,720	-	5,977	-	-	-	19,697
Escrow deposits	-	-	-	-	2,866,485	-	-	-	2,866,485
Estimated resident refunds payable, current portion	4,000,000	-	4,000,000	-	1,776,000	-	-	-	5,776,000
Long-term debt, current portion	3,160,000	-	3,160,000	-	707,268	329,412	-	-	4,196,680
Total current liabilities	12,828,614	-	12,828,614	10,000	12,740,446	341,102	84,619	-	26,004,781
Long-Term Liabilities									
Long-term debt, net	36,865,088	-	36,865,088	-	56,013,974	5,600,007	-	-	98,479,069
Due to affiliate	-	-	-	1,555,468	3,432,826	203,782	33,042	(5,225,118)	-
Resident refunds payable, net of current portion	17,281,235	-	17,281,235	-	33,394,799	-	-	-	50,676,034
Deferred revenue from entrance fees	77,064,581	-	77,064,581	-	27,082,711	-	3,133,079	-	107,280,371
Advance admission deposits	1,273,350	-	1,273,350	-	452,584	-	7,500	-	1,733,434
Total long-term liabilities	132,484,254	-	132,484,254	1,555,468	120,376,894	5,803,789	3,173,621	(5,225,118)	258,168,908
Total liabilities	145,312,868	-	145,312,868	1,565,468	133,117,340	6,144,891	3,258,240	(5,225,118)	284,173,689
Net Assets (Deficit)									
Without donor restrictions	100,353,292	-	100,353,292	(1,138,076)	(15,494,641)	6,289,243	(200,418)	-	89,809,400
With donor restrictions	-	11,254,636	11,254,636	-	560,649	-	-	-	11,815,285
Total net assets (deficit)	100,353,292	11,254,636	111,607,928	(1,138,076)	(14,933,992)	6,289,243	(200,418)	-	101,624,685
Total liabilities and net assets	\$ 245,666,160	\$ 11,254,636	\$ 256,920,796	\$ 427,392	\$ 118,183,348	\$ 12,434,134	\$ 3,057,822	\$ (5,225,118)	\$ 385,798,374

*Represents a member of the Obligated Group.

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2023

	<u>Estates*</u>	<u>LifeMinistries</u>	<u>Highland*</u>	<u>Gerber Park II*</u>	<u>Choice</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues, Gains and Other Support							
Long-term care revenue, net	\$ 9,102,619	\$ -	\$ 7,088,111	\$ -	\$ -	\$ -	\$ 16,190,730
Residential revenue	32,631,720	-	11,676,122	2,056,720	309,939	-	46,674,501
Assisted living revenue, net	4,040,109	-	-	-	-	-	4,040,109
Residential food service revenue	2,363,148	-	1,274,348	-	-	-	3,637,496
Contributions and grants	285,974	-	32,224	38,600	-	-	356,798
Interest and dividend income	1,570,724	-	129,348	24,360	42,549	-	1,766,981
Realized gain (loss) on investments	925,477	-	(24,954)	-	-	-	900,523
Net assets released - operations	694,740	410,778	15,623	-	-	-	1,121,141
Other revenue	10,502,714	-	538,794	273,088	27,361	(7,518,696)	3,823,261
	<u>62,117,225</u>	<u>410,778</u>	<u>20,729,616</u>	<u>2,392,768</u>	<u>379,849</u>	<u>(7,518,696)</u>	<u>78,511,540</u>
Expenses							
Administration	6,552,950	-	1,035,521	178,087	-	-	7,766,558
Assisted living	1,915,995	-	-	-	-	-	1,915,995
Long-term care	6,300,431	-	5,086,258	-	-	-	11,386,689
Home care	1,569,879	-	12,887	-	-	-	1,582,766
Maintenance	5,587,538	-	2,734,200	174,382	-	-	8,496,120
Dining services	5,444,562	-	2,964,082	349,456	-	-	8,758,100
Housekeeping	2,157,301	-	1,261,838	17,725	-	-	3,436,864
Laundry	11,348	-	119,495	-	-	-	130,843
Management fees	5,196,800	-	2,115,273	186,385	20,238	(7,518,696)	-
Marketing	1,941,003	-	-	95,372	-	-	2,036,375
Resident services	2,347,938	-	467,063	134,133	560,029	-	3,509,163
Utilities	3,047,726	-	1,311,915	278,433	-	-	4,638,074
Insurance	460,167	-	337,972	17,496	-	-	815,635
Outreach	1,360,733	244,680	405,708	-	-	-	2,011,121
Bad debts	234,325	-	23,394	-	-	-	257,719
Depreciation	6,097,280	-	2,379,448	311,083	-	-	8,787,811
Amortization	-	-	910,046	-	-	-	910,046
Interest	1,044,900	-	613,878	241,472	-	-	1,900,250
	<u>51,270,876</u>	<u>244,680</u>	<u>21,778,978</u>	<u>1,984,024</u>	<u>580,267</u>	<u>(7,518,696)</u>	<u>68,340,129</u>
Operating Income (Loss)	<u>10,846,349</u>	<u>166,098</u>	<u>(1,049,362)</u>	<u>408,744</u>	<u>(200,418)</u>	<u>-</u>	<u>10,171,411</u>
Non-Operating Activity							
Unrealized gain (loss) on investments	5,283,019	-	494,025	-	-	-	5,777,044
Loss on disposal of property and equipment	6,120	-	(125,790)	-	-	-	(119,670)
Change in interest rate swap value	-	-	-	(91,659)	-	-	(91,659)
	<u>5,289,139</u>	<u>-</u>	<u>368,235</u>	<u>(91,659)</u>	<u>-</u>	<u>-</u>	<u>5,565,715</u>
Excess (Deficit) of Revenues Over Expenses	<u>16,135,488</u>	<u>166,098</u>	<u>(681,127)</u>	<u>317,085</u>	<u>(200,418)</u>	<u>-</u>	<u>15,737,126</u>

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2023

(Continued)

	<u>Estates*</u>	<u>LifeMinistries</u>	<u>Highland*</u>	<u>Gerber Park II*</u>	<u>Choice</u>	<u>Eliminations</u>	<u>Consolidated</u>
Other changes in Net Assets Without Donor Restrictions							
Net assets released –capital projects	558,415	-	109,675	-	-	-	668,090
Change in net assets without donor restrictions	<u>\$ 16,693,903</u>	<u>\$ 166,098</u>	<u>\$ (571,452)</u>	<u>\$ 317,085</u>	<u>\$ (200,418)</u>	<u>\$ -</u>	<u>\$ 16,405,216</u>
Net Assets With Donor Restrictions							
Contributions and grants	\$ 1,705,037	\$ -	\$ 630	\$ -	\$ -	\$ -	\$ 1,705,667
Net investment loss	1,051,102	-	37,568	-	-	-	1,088,670
LifeMinistries income	-	410,778	-	-	-	-	410,778
Net assets released – operating	(694,740)	(410,778)	(15,623)	-	-	-	(1,121,141)
Net assets released – capital	<u>(558,415)</u>	<u>-</u>	<u>(109,675)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(668,090)</u>
	<u>1,502,984</u>	<u>-</u>	<u>(87,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,415,884</u>
Change in Net Assets (Deficit)	18,196,887	166,098	(658,552)	317,085	(200,418)	-	17,821,100
Net Assets (Deficit), Beginning of Year	<u>93,411,041</u>	<u>(1,304,174)</u>	<u>(14,275,440)</u>	<u>5,972,158</u>	<u>-</u>	<u>-</u>	<u>83,803,585</u>
Net Assets (Deficit), End of Year	<u>\$ 111,607,928</u>	<u>\$ (1,138,076)</u>	<u>\$ (14,933,992)</u>	<u>\$ 6,289,243</u>	<u>\$ (200,418)</u>	<u>\$ -</u>	<u>\$ 101,624,685</u>

*Represents a member of the Obligated Group.

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended December 31, 2023

	<u>Estates*</u>	<u>LifeMinistries</u>	<u>Highland*</u>	<u>Gerber Park II*</u>	<u>Choice</u>	<u>Consolidated</u>
Operating Activities						
Change in net assets	\$ 18,196,887	\$ 166,098	\$ (658,552)	\$ 317,085	\$ (200,418)	\$ 17,821,100
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities						
Depreciation	6,097,280	-	2,379,448	311,083	-	8,787,811
Amortization of deferred financing costs and bond premium	27,355	-	(103,558)	-	-	(76,203)
Amortization of intangible assets	-	-	910,046	-	-	910,046
Realized and unrealized gain on investments	(7,259,598)	-	(506,639)	-	-	(7,766,237)
Loss on disposal of property and equipment	(6,120)	-	125,790	-	-	119,670
Change in swap value	-	-	-	91,659	-	91,659
Proceeds from entrance fees	12,309,578	-	2,649,291	-	3,140,579	18,099,448
Amortization of entrance fees	(11,252,760)	-	(2,666,069)	-	-	(13,918,829)
Bad debts	234,325	-	23,394	-	-	257,719
Net change in assets and liabilities						
Change in receivables, prepaids and other assets	1,621,362	(20)	(4,388)	7,967	(14,397)	1,610,524
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	3,982,498	1,985	2,512,004	(19,224)	84,619	6,561,882
Net cash provided (used) by operating activities	<u>23,950,807</u>	<u>168,063</u>	<u>4,660,767</u>	<u>708,570</u>	<u>3,010,383</u>	<u>32,498,590</u>
Investing Activities						
Property and equipment purchases	(6,851,988)	-	(29,396,156)	(4,921)	-	(36,253,065)
Proceeds from sale of property and equipment	-	-	-	-	-	-
Change in due to/from affiliates	40,083	(227,657)	231,354	(76,822)	33,042	-
Marketing costs incurred	-	-	-	-	-	-
Reimbursement of development costs paid for related parties	21,505	-	-	-	-	21,505
Change in assets limited as to use and investments	(5,281,975)	-	(2,776,981)	-	-	(8,058,956)
Net cash (used) provided by investing activities	<u>(12,072,375)</u>	<u>(227,657)</u>	<u>(31,941,783)</u>	<u>(81,743)</u>	<u>33,042</u>	<u>(44,290,516)</u>
Financing Activities						
Repayment of long-term debt	(3,097,982)	-	(712,247)	(329,413)	-	(4,139,642)
Proceeds from long-term debt	-	-	-	-	-	-
Debt issuance costs incurred	-	-	-	-	-	-
Refunds of entrance fees	(2,745,649)	-	(1,220,211)	-	-	(3,965,860)
Refundable entrance fees received	2,341,274	-	997,965	-	-	3,339,239
Entrance fee received from initial units	-	-	10,846,154	-	-	10,846,154
Net cash provided (used) by financing activities	<u>(3,502,357)</u>	<u>-</u>	<u>9,911,661</u>	<u>(329,413)</u>	<u>-</u>	<u>6,079,891</u>
Change in Cash, Cash Equivalents, and Restricted Cash	8,376,075	(59,594)	(17,369,355)	297,414	3,043,425	(5,712,035)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	<u>11,231,282</u>	<u>84,824</u>	<u>42,346,892</u>	<u>1,513,038</u>	<u>-</u>	<u>55,176,036</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 19,607,357</u>	<u>\$ 25,230</u>	<u>\$ 24,977,537</u>	<u>\$ 1,810,452</u>	<u>\$ 3,043,425</u>	<u>\$ 49,464,001</u>

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended December 31, 2023

(Continued)

	<u>Estates*</u>	<u>LifeMinistries</u>	<u>Highland*</u>	<u>Gerber Park II*</u>	<u>Choice</u>	<u>Consolidated</u>
Supplemental Disclosure of Cash Flow Information						
Cash paid during the year for interest	\$ 1,044,455	\$ -	\$ 2,317,332	\$ 241,472	\$ -	\$ 3,603,259
Non-Cash Activities						
Purchase of property and equipment in accounts payable at year-end	\$ -	\$ -	\$ 1,008,082	\$ -	\$ -	\$ 1,008,082
Resident refunds in accounts payable at year-end	\$ -	\$ -	\$ 460,837	\$ -	\$ -	\$ 460,837
Amounts Included in the Consolidated Statements of Cash Flows as Cash, Cash Equivalents, and Restricted Cash on the Consolidated Balance Sheets						
Cash and cash equivalents	\$ 14,058,846	\$ 25,230	\$ 6,235,940	\$ 1,810,452	\$ 3,043,425	\$ 25,173,893
Escrow deposits	-	-	2,866,485	-	-	2,866,485
Restricted cash in Assets limited as to use	5,548,511	-	15,875,112	-	-	21,423,623
Cash, Cash Equivalents, and Restricted Cash End of Year	<u>\$ 19,607,357</u>	<u>\$ 25,230</u>	<u>\$ 24,977,537</u>	<u>\$ 1,810,452</u>	<u>\$ 3,043,425</u>	<u>\$ 49,464,001</u>

*Represents a member of the Obligated Group.

Givens Highland Farms
Budget Comparison for the Statement of Operations and Change in Net Assets Without Donor Restrictions
For the Period Ending April 30, 2024

	Actual	Budget	Variance	% Variance
Revenue				
Long-term care revenue	\$ 2,545,672	\$ 2,396,343	\$ 149,329	6%
Residential revenue	3,532,110	3,459,964	72,146	2%
Amortization of entrance fees	1,212,144	995,536	216,608	22%
Residential food service revenue	481,169	480,968	201	0%
Contributions and bequests	-	-	-	N/A
Net assets released - operating	10,499	-	10,499	N/A
Investment income	142,056	33,568	108,488	323%
Realized gain (loss) on investments	11,486	-	11,486	N/A
Other revenue	213,592	179,700	33,892	19%
Total Revenue	8,148,728	7,546,079	602,649	8%
Expenses				
Long-term care expense	2,553,420	2,275,055	278,365	12%
Residential expense	2,899,518	2,788,065	111,453	4%
Management fee expense	912,133	912,132	1	0%
Outreach expense	57,242	49,668	7,574	15%
Bad debts	-	11,668	(11,668)	-100%
Depreciation	1,024,579	984,968	39,611	4%
Amortization	265,902	265,368	534	0%
Interest expense	227,752	224,000	3,752	2%
Total Expenses	7,940,546	7,510,924	429,622	6%
Operating income (loss)	208,182	35,155	173,027	492%
Non-operating				
Unrealized gain (loss) on investments	59,031	-	59,031	N/A
Net assets released - capital	-	83,332	(83,332)	-100%
Gain (Loss) on sale of assets	-	-	-	N/A
Total Non-operating	59,031	83,332	(24,301)	-29%
Change in net assets	\$ 267,213	\$ 118,487	\$ 148,726	126%

Givens Highland Farms
Balance Sheet
April 30, 2024

Assets

Current Assets

Cash and cash equivalents	\$ 10,588,602
Assets limited as to use, current	5,825
Accounts receivable, net	1,375,265
Other receivables	3,715,495
Prepaid expenses	124,426
Total Current Assets	<u>15,809,613</u>

Non-Current Assets

Assets limited to use, non-current	9,306,847
Due from affiliate	1,114,560
Property and equipment, net	88,142,829
Investments	5,105,013
Assets Held for Deferred Compensation	107,513
Intangibles	1,061,721
Total Non-current Assets	<u>104,838,483</u>

Total Assets	<u>\$ 120,648,096</u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities	\$ 5,386,798
Payroll accruals and related withholding	1,130,712
Interest payable	89,834
Agency funds	5,825
Current portion of long-term debt	707,268
Total Current Liabilities	<u>7,320,437</u>

Long-Term Liabilities

Long-term debt	55,740,771
Escrow Deposits	4,318,913
Deferred Compensation	107,513
Due to affiliate	4,596,793
Deferred revenue - refundable	36,623,063
Deferred revenue - nonrefundable	26,109,653
Advance admission deposits	502,084
Total Long-term Liabilities	<u>127,998,790</u>

Total Liabilities	<u>135,319,227</u>
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Net Assets

Net assets without donor restrictions	(15,227,429)
Net assets with donor restrictions	556,298
Total net assets	<u>(14,671,131)</u>

Total Liabilities and net assets	<u>\$ 120,648,096</u>
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Givens Highland Farms
Statement of Cash Flows
For the Period Ending April 30, 2024

Cash flows from operating activities:

Change in net assets	\$ 267,213
Adjustments to reconcile net cash provided by operating activities:	
Depreciation	1,024,579
Amortization	265,902
(Gain) loss on sale of equipment	-
Realized and Unrealized (gains) losses on investments	(70,517)
Proceeds from residential living entrance fees	368,300
Amortization of entrance fees	(1,212,144)
Bad debts	-
Change in operational receivables and prepaids	358,836
Change in operational payables and other liabilities	(640,359)
Net cash provided by operating activities	<u>361,810</u>

Cash flows from investing activities:

Property and equipment purchases	(8,564,983)
Change in assets limited as to use and investments	11,423,487
Change in due from/to affiliate	49,407
Net cash used by investing activities	<u>2,907,911</u>

Cash flows from financing activities:

Principal payments	(273,203)
Refunds of entrance fees	(885,036)
Refundable portion of entrance fees received	1,182,305
1st generation entrance fees	1,058,400
Options deposits received	475
Net cash provided (used) by financing activities	<u>1,082,941</u>

Net increase (decrease) in cash and cash equivalents 4,352,662

Cash and cash equivalents at beginning of year 6,235,940

Cash and cash equivalents at end of period \$ 10,588,602

Supplemental disclosure of cash flow information

Cash paid during the year for interest \$ 227,752

Attachment 6

The Givens Estates, Inc. and Subsidiaries

Compilation of a Financial Projection

For Each of the Five Years Ending
December 31, 2028

(with Accountants' Compilation Report thereon)

The Givens Estates, Inc. and Subsidiaries

Compilation of a Financial Projection

Five Years Ending December 31, 2028

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Accountants' Compilation Report

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

Management of The Givens Estates, Inc. and 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, 2028 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 following hypothetical assumptions occur during the projection period:

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

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.

FORVIS,LLP

Atlanta, Georgia
May 28, 2024

The Givens Estates, Inc. and Subsidiaries

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

	2024	2025	2026	2027	2028
Revenues, gains and other support:					
Amortization of entrance fees	\$ 13,698	\$ 14,526	\$ 15,578	\$ 15,662	\$ 15,847
Residential revenue	35,407	38,412	40,452	41,675	43,244
Assisted living revenue	4,293	4,417	4,544	4,676	4,812
Long-term care revenue, net	16,903	17,170	17,545	17,930	18,334
Residential food service revenue	3,962	4,110	4,240	4,252	4,264
Givens Choice	376	688	1,006	1,269	1,572
Contributions and bequests	1,278	1,316	1,355	1,396	1,438
Net assets released from restrictions-operations	455	468	482	497	512
Other revenue	4,273	4,515	4,622	4,700	4,781
Investment income	2,205	2,810	3,168	3,553	3,969
Total revenues, gains and other support	82,850	88,432	92,992	95,610	98,773
Expenses:					
Administration	7,040	7,451	7,679	7,909	8,149
Assisted living	2,004	2,064	2,126	2,189	2,255
Long-term care	10,007	10,783	11,160	11,551	11,955
Home care	2,302	2,372	2,442	2,516	2,591
Maintenance	8,591	8,974	9,363	9,644	9,933
Dining services	8,406	9,308	9,638	9,927	10,226
Housekeeping	4,368	4,522	4,707	4,847	4,992
Laundry	139	143	147	151	155
Marketing	3,520	3,626	3,735	3,847	3,963
Resident services	2,908	2,994	3,083	3,174	3,269
Utilities	4,746	4,993	5,350	5,545	5,746
Outreach	1,483	1,530	1,579	1,630	1,683
Givens Choice	727	771	816	866	919
Bad debts	76	78	80	83	85
Insurance	877	917	945	973	1,003
Depreciation	9,692	10,143	10,150	9,734	8,683
Amortization of intangible assets	910	455	-	-	-
Interest	2,650	3,391	3,248	3,099	2,949
Total expenses	70,446	74,515	76,249	77,685	78,555
Operating income	12,404	13,917	16,743	17,925	20,218
Net assets released from restrictions-capital projects	550	40	40	40	40
Change in net assets without donor restrictions	\$ 12,954	\$ 13,957	\$ 16,783	\$ 17,965	\$ 20,258

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

The Givens Estates, Inc. and Subsidiaries

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

	2024	2025	2026	2027	2028
Net assets without donor restrictions:					
Operating income	\$ 12,404	\$ 13,917	\$ 16,743	\$ 17,925	\$ 20,218
Net assets released from restrictions-capital projects	550	40	40	40	40
Change in net assets without donor restrictions	12,954	13,957	16,783	17,965	20,258
Net assets with donor restrictions:					
Contributions	475	488	502	517	532
Net assets released from restrictions-operating	(455)	(468)	(482)	(497)	(512)
Net assets released from restrictions-capital	(300)	(20)	(20)	(20)	(20)
Change in net assets with donor restrictions	(280)	-	-	-	-
Change in net assets	12,674	13,957	16,783	17,965	20,258
Net assets, beginning of year	101,625	114,299	128,256	145,040	163,005
Net assets, end of year	\$ 114,299	\$ 128,256	\$ 145,040	\$ 163,005	\$ 183,262

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

The Givens Estates, Inc. and Subsidiaries

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Change in net assets	\$ 12,674	\$ 13,957	\$ 16,783	\$ 17,965	\$ 20,258
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(13,698)	(14,526)	(15,578)	(15,662)	(15,847)
Depreciation	9,692	10,143	10,150	9,734	8,683
Amortization of intangible assets	910	455	-	-	-
Amortization of deferred financing costs	27	27	28	27	28
Amortization of original issue premium	(132)	(132)	(137)	(141)	(146)
Bad debts	76	78	80	83	85
Proceeds from entrance fees - routine turnover, non-refundable portion	13,604	14,344	14,694	15,663	16,053
Proceeds from entrance fees - Givens Choice, non-refundable portion	1,440	3,000	1,800	1,800	1,800
Net change in working capital:					
Change in receivables and prepaid expenses	5,090	(356)	(271)	(217)	(244)
Change in accounts payable, other accrued liabilities, and payroll accruals	(315)	(1,224)	608	457	478
Net cash provided by operating activities	29,368	25,766	28,157	29,709	31,148
Cash flows from investing activities:					
Capital additions	(37,025)	(11,441)	(2,526)	(2,527)	(2,527)
Change in investments	(26,923)	(20,427)	(15,839)	(16,913)	(17,758)
Operating reserve-Givens Estates	(1,679)	(570)	(327)	(334)	(348)
Operating reserve-Givens Highland Farms	(793)	(470)	(250)	(158)	(164)
Other funds	(3,761)	(212)	(219)	(227)	(239)
Net cash used by investing activities	(70,181)	(33,120)	(19,161)	(20,159)	(21,036)
Cash flows from financing activities:					
Proceeds from entrance fees - routine turnover, refundable portion	3,833	3,927	4,024	4,291	4,399
Proceeds from initial entrance fees-Vista Ridge North	11,900	-	-	-	-
Proceeds from initial entrance fees-Vista Ridge South	-	15,003	-	-	-
Principal payments-Bank Loan	(442)	(470)	(499)	(529)	(562)
Principal payments-Gerber Bank Loan	(328)	(328)	(328)	(328)	(328)
Principal payments-Series 2017 Bonds	(3,160)	(3,240)	(3,330)	(3,410)	(3,505)
Refunds of entrance fees	(5,841)	(5,971)	(6,105)	(6,472)	(6,621)
Net cash provided (used) by financing activities	5,962	8,921	(6,238)	(6,448)	(6,617)
Change in cash, cash equivalents and restricted cash	(34,851)	1,567	2,758	3,102	3,495
Cash, cash equivalents and restricted cash, beginning of year	49,464	14,613	16,180	18,938	22,040
Cash, cash equivalents and restricted cash, end of year	\$ 14,613	\$ 16,180	\$ 18,938	\$ 22,040	\$ 25,535
Cash, cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 9,890	\$ 13,349	\$ 15,995	\$ 18,980	\$ 22,353
Assets limited as to use, current portion	2,723	2,831	2,943	3,060	3,182
Escrow deposits	2,000	-	-	-	-
Total cash, cash equivalents and restricted cash	\$ 14,613	\$ 16,180	\$ 18,938	\$ 22,040	\$ 25,535

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

The Givens Estates, Inc. and Subsidiaries

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

	2024	2025	2026	2027	2028
Assets					
Current assets:					
Cash and cash equivalents	\$ 9,890	\$ 13,349	\$ 15,995	\$ 18,980	\$ 22,353
Assets limited as to use, current portion	2,723	2,831	2,943	3,060	3,182
Accounts receivable, net	3,079	3,280	3,421	3,509	3,621
Other receivables	772	789	798	807	817
Contributions receivable, current portion	25	25	25	25	25
Escrow deposits	2,000	-	-	-	-
Prepaid expenses and inventory	1,096	1,157	1,199	1,238	1,276
Total current assets	19,585	21,431	24,381	27,619	31,274
Non-current assets:					
Property and equipment, net	253,957	255,255	247,632	240,425	234,269
Goodwill, intangible assets	455	-	-	-	-
Investments	108,663	129,090	144,928	161,841	179,599
Operating reserve-Givens Estates	10,918	11,488	11,815	12,149	12,497
Operating reserve-Givens Highland Farms	5,038	5,508	5,758	5,916	6,080
Other	5,937	6,149	6,369	6,599	6,837
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	592	592	592	592	592
Interest rate swap	235	235	235	235	235
Total assets	\$ 405,430	\$ 429,798	\$ 441,760	\$ 455,426	\$ 471,433
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 13,427	\$ 14,222	\$ 14,832	\$ 15,299	\$ 15,776
Interest payable	265	255	244	233	222
Agency funds	20	20	20	20	20
Escrow deposits	2,000	-	-	-	-
Resident refunds payable	5,971	6,105	6,472	6,621	6,896
Current portion of long-term debt	4,038	4,157	4,266	4,395	4,515
Total current liabilities	25,721	24,759	25,834	26,568	27,429
Long-term liabilities:					
Long-term debt, net of current portion and deferred financing cost	94,642	90,380	86,004	81,495	76,861
Refundable entrance fees, net of current portion	61,984	76,225	75,469	74,901	74,348
Deferred revenue from entrance fees	107,050	108,444	107,680	107,724	107,799
Advance admission deposits	1,734	1,734	1,734	1,734	1,734
Total liabilities	291,131	301,542	296,721	292,422	288,171
Net assets					
Without donor restrictions	102,763	116,720	133,504	151,469	171,726
With donor restrictions	11,536	11,536	11,536	11,536	11,536
Total net assets	114,299	128,256	145,040	163,005	183,262
Total liabilities and net assets	\$ 405,430	\$ 429,798	\$ 441,760	\$ 455,426	\$ 471,433

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

The Givens Estates, Inc. and Subsidiaries

Summary of Significant Projection Assumptions and Rationale

General

The accompanying financial projection presents, to the best of the knowledge and belief of the management of The Givens Estates, Inc., and 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, 2028. Accordingly, the accompanying projection reflects Management’s judgment as of May 28, 2024, the date of this report, of the expected conditions and its course of action during the projection period assuming that the hypothetical assumptions defined below occur. However, even if the hypothetical assumptions stated below were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

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

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

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

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

See Accountants’ Compilation Report

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”); Givens Gerber Park II, LLC (“Givens Gerber Park II”), and Givens Choice, LLC (“Givens Choice” and collectively, the “Corporation”).

In 2023, Givens Choice was formed with Givens Estates, Inc. as the sole member. Givens Choice is a continuing care at home program provided to seniors in the Asheville, North Carolina area.

Related Parties

The Corporation is an income beneficiary of the Marion Jackson Givens Trust, subject to the discretion of the trustee. Two board members are affiliated with the two law firms 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 HUD and 64 apartments funded primarily through tax credits. The project is owned by the Senior Residences of Lake Junaluska, LP which is owned 0.009% by Great Laurels, Inc. with the remaining ownership residing with limited partners who are not related to Givens Estates. During 2023, the limited partners of Senior Residences of Lake Junaluska, Inc. (“Senior Residences”) transferred their ownership interest to the Corporation. The Corporation uses the equity method of accounting to account for its interest in Senior Residences.

Givens Affordable Communities, Inc. (“GAC”) an affiliate of Givens Estates, manages and provides on-site employees for the Givens Gerber Park II and Givens Great Laurels Communities.

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

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

See 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 341 independent living apartment units, 23 independent living villa units (the “Villas”), 126 independent living houses, duplex and cottage units, a 43-unit assisted living facility, a 60-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:

Type of Unit	Total Units	Occupancy Percentage	Entrance Fees- 0% Refundable Plan ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Monthly Service Fees ⁽¹⁾⁽²⁾
<i>Independent Living Units:</i>				
Apartments – Asbury Commons	52	94%	\$ 119,130	\$ 2,651
Apartments – Oxford Commons	137	97%	353,570	4,892
Apartments – Creekside	72	94%	437,360	5,048
Apartments – Friendship Park	80	98%	348,560	3,895
Villas	23	96%	138,865	2,955
Houses and Duplexes	67	98%	345,015	4,251
Cottages	59	92%	557,760	5,747
Total / Weighted Average	490	96%	\$ 353,523	\$ 4,439
Assisted Living Units	43	90%	\$ 5,000	\$ 7,444
Health Center beds	60	93%	N/A	12,842
Total Units / Beds	593	95%		

Source: Management

- (1) Entrance Fees and Monthly Service Fees indicated are the weighted averages of fees by unit type and are effective January 1, 2024.
- (2) The fees shown are for single residents and do not reflect the second person Entrance Fee of \$15,000 and the second person Monthly Service Fee that ranges by accommodation from \$938 to \$1,473.
- (3) Direct admit Residents of the Assisted Living Units pay a non-refundable refurbishment fee of \$5,000.
- (4) Management has assumed that approximately 98 percent of Residents would select the 0% Refundable Entrance Fee Plan, approximately one percent would select the 50 percent amortization plan and approximately one percent would select the 90 percent amortization plan.

See Accountants’ Compilation Report

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 administrative fee ranging from approximately \$6,500 to \$15,000 and a Monthly Service Fee ranging from \$2,070 to \$2,974 on a sliding scale based on income. The following table summarizes the Givens Gerber Park II unit configuration, approximate square footages, and Monthly Service Fees.

Table 2
Givens Gerber Park II
Unit Configuration

Type of Unit	Total Units	Square Footage	Monthly Service Fees⁽¹⁾⁽²⁾
<i>Apartments:</i>			
One Bedroom	60	750	\$ 2,070 – \$2,757
Two Bedroom	22	1,100	\$ 2,270 – \$2,974
Total/Weighted Average:	82	844	\$2,469

Source: Management

(1) Monthly Service Fees and Entrance Fees presented are effective January 1, 2024.

(2) Second person Monthly Services Fees are \$311.

See Accountants' Compilation Report

Givens Highland Farms

Givens Highland Farms is located on 75 acres of land in Black Mountain, North Carolina and currently consists of 74 residential garden apartments, 153 cluster homes, condominium units, and free-standing homes, 25 independent-plus apartment units, and 55 skilled nursing beds. The following table summarizes Givens Highland Farms unit configuration, Entrance Fees, Monthly Service Fees, and assumed occupancy throughout the projection period:

Type of Unit	Total Units	Occupancy Percentage	Entrance Fee- 0% Refundable Plan ⁽¹⁾⁽²⁾⁽³⁾	Monthly Service Fees ⁽¹⁾⁽³⁾
<i>Independent Living Units:</i>				
Apartment – Garden ⁽⁴⁾	74	100%	\$ 187,036	\$ 4,033
Apartment – Prentice Lodge	25	88%	120,054	4,527
Condominiums	32	97%	296,390	3,249
Cluster Homes	37	96%	262,470	2,770
Freestanding Homes	4	98%	396,970	2,934
Meadowmont	64	99%	354,598	3,104
Cottages	16	98%	414,945	4,764
Total / weighted average	252	98%	\$ 265,715	\$ 3,590
Skilled nursing beds	55	89%	N/A	\$ 11,585
Total / weighted average	307	96%		

Source: Management

- (1) The fees shown are for single residents and do not reflect the second person Entrance Fee of \$15,000 and the second person Monthly Service Fee that ranges by accommodation from \$884 to \$1,410.
- (2) Management has assumed that approximately 98 percent of Residents would select the 0% Refundable Entrance Fee Plan, approximately one percent would select the 50 percent amortization plan and approximately one percent would select the 90 percent amortization plan.
- (3) Entrance Fees and Monthly Service Fees shown are effective January 1, 2024.
- (4) Management is in the planning stage for a potential independent living project at Given Highland Farms, which would require the demolition of 24 garden apartments. Management assumes the available garden apartments to decrease to 68 during fiscal year 2025, 56 during fiscal year 2026, 50 during fiscal year 2027, and remain at 50 available units throughout the remainder of the projection period.

See Accountants' Compilation Report

The Brookside Apartments, Vista Ridge North, and Vista Ridge South Project

Management began construction of a multi-phase expansion project at Givens Highland Farms in March 2022 for the construction of 30 independent living apartments (the “Brookside Apartments”), 36 independent living cottages (“Vista Ridge North”), 33 independent living apartments (“Vista Ridge South”), and the renovation of the dining amenities (the “Dining Renovation”). The Dining Renovation began in March 2022 and was completed during fiscal year 2023. The Brookside Apartments were available for occupancy in November 2023 and achieved stabilized occupancy of 98 percent in December 2023. Vista Ridge North and Vista Ridge South are collectively defined as the “Givens Highland Farms Project.”

The following table summarizes the assumed timeline for construction and fill-up of Vista Ridge North and Vista Ridge South.

Table 4
Given Highland Farms Project
Vista Ridge North and Vista Ridge South
Assumed Construction and Fill-Up Timeline

Event	Vista Ridge North	Vista Ridge South ⁽¹⁾
Construction commencement	November 2022	April 2024
Complete construction	June 2024	July 2025
Available for occupancy / utilization	July 2024	August 2025
Achieve stabilized occupancy of 98%	September 2024	October 2025

Source: Management

(1) The Vista Ridge South Project included the demolition of an existing building in February 2024.

See Accountants’ Compilation Report

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

Table 5
The Brookside Apartments and Vista Ridge North –
Unit Configuration, Entrance Fees, and Monthly Service Fees

Type of Unit	Total Units	Square Footage	Entrance Fees- Traditional Amortization Plan⁽¹⁾⁽²⁾⁽³⁾	Monthly Service Fees⁽¹⁾
<i>The Brookside Apartments:</i>				
One Bedroom	2	753	\$ 273,000	\$ 3,560
One Bedroom Plus	3	843	307,000	3,726
One Bedroom Expanded	2	877	319,000	3,793
One Bedroom with Den	7	933	346,000	3,926
One Bedroom with Den Expanded	3	1,024	381,000	4,124
Two Bedroom	2	1,186	443,000	4,324
Two Bedroom Expanded	6	1,270	479,000	4,424
Two Bedroom with Den	5	1,380	529,000	4,523
Total/Weighted Average	30	1,076	\$ 402,500	\$ 4,118
<i>The Vista Ridge North Cottages:</i>				
One Bedroom	4	843	\$ 283,000	\$ 3,726
One Bedroom with Den	8	933	318,000	3,926
One bedroom with Den Expanded	8	1,024	351,000	4,124
Two Bedroom	4	1,186	408,000	4,324
Two Bedroom Split Suite	8	1,270	440,000	4,424
Two Bedroom with Den Expanded	4	1,464	516,000	4,624
Total/Weighted Average	36	1,105	\$ 380,556	\$ 4180
Total/Weighted Average	66	1,092	\$ 390,530	\$ 4152

Source: Management

- (1) Monthly Service Fees and Entrance Fees are stated in 2024 dollars.
- (2) The second person Monthly Service Fee and second person Entrance Fee is \$884 and \$15,000, respectively.
- (3) For purposes of the projection, Management assumes new Residents of the Brookside Apartments and the Vista Ridge North cottages shall select the traditional plan.

See Accountants' Compilation Report

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

Table 6
Givens Highland Farms Project
Vista Ridge South –
Unit Configuration, Entrance Fees, and Monthly Service Fees

Type of Unit	Total Units	Square Footage	Entrance Fees- Traditional Amortization Plan⁽¹⁾⁽²⁾⁽³⁾	Monthly Service Fees⁽¹⁾
<i>Vista Ridge South Apartments:</i>				
One Bedroom with Den	3	940	\$ 338,353	\$ 3,951
Two Bedroom	5	1,187	438,550	4,329
Two Bedroom Split Suite	12	1,188	438,550	4,329
Two Bedroom Split Suite Expanded	6	1,272	472,484	4,433
Two Bedroom Expanded	2	1,272	472,484	4,433
Two Bedroom with Den Expanded	5	1,455	550,499	4,595
Total/Weighted Average	33	1,226	\$ 454,630	\$ 4,360

Source: Management

- (1) Monthly Service Fees and Entrance Fees are stated in 2024 dollars.
- (2) The second person Monthly Service Fee and second person Entrance Fee is \$884 and \$15,000, respectively.
- (3) For purposes of the projection, Management assumes new Residents the Vista Ridge South apartments shall select the traditional plan.

Residency and Services Agreement – Givens Estates and Givens Highland Farms

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

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

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

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 Givens Estates or Givens Highland Farms for any reason at any time before moving into 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.

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, 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, they will receive a refund less i) periodic charges applicable only to the period the Resident actually occupied the Independent Living Unit; (ii) nonstandard costs incurred at the Resident's request, and (iii) nonrefundable Entrance Fees.

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

Termination by the Corporation

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

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

Services Provided for the Assisted Living Beds

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

Services Provided for the Skilled Nursing Beds

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

See Accountants' Compilation Report

Givens Gerber Park II

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

- laminate flooring in the kitchen, living room and hallway; carpeting in the bedroom(s); vinyl flooring in the bath(s); refrigerator with ice maker; stove; oven; microwave; hood vent; washer and dryer; and prewiring for telephone, cable TV and internet.
- common areas and amenities including a café, computers, library, fitness center, mailboxes, multi-purpose rooms, lounges, activity areas, beauty/barber shop, screened porch, gazebos, and raised garden beds.
- one lighted parking space per apartment.
- heating, air conditioning, electricity, water, sewer, trash removal, standard municipal services, basic cable television, high speed internet, and telephone services. Basic cable television service includes boxes for two televisions. Upgraded services are available at a cost to the Resident.
- a dining credit equal to \$152.00 (“Café Dollars”) for use in the Givens Gerber Park café.
- all groundskeeping services, including lawn, tree, and shrubbery care.
- maintain and repair improvements, furnishings, appliances, and equipment owned by the Corporation.
- smoke and carbon monoxide detectors in each residence, a fire alarm system, and an emergency call system.
- scheduled social, recreational, and health programs designed to meet residents’ interests.

Other services and programs may be available at an additional expense, e.g., beauty salon services, repairs of personal property, and other special services from time to time.

Membership Services Agreement – Givens Choice*Givens Choice*

Givens Choice is a continuing care at home program owned and operated by the Corporation. Givens Choice began accepting members in March 2023. Givens Choice is designed to provide an option for seniors to age in their homes and access facility-based health care services as needed. All members of the Givens Choice program (“Members”) receive care coordination, a home inspection during the first year of membership and home- and facility-based services. Home-based services include home care, homemaker services, companion services, an emergency response system, adult day care, transportation, meals as necessary and referrals for additional services. Facility-based services include assisted living, memory care and nursing services. Members also have limited access to the facilities and programs at Givens Estates and Givens Highland Farms.

See Accountants’ Compilation Report

Members pay an initial fee and an ongoing monthly fee that is determined by the membership plan selected by the Member.

Prior to becoming a Member of the Givens Choice program, a prospective Member shall execute a membership services agreement (the “Membership Agreement”). The terms of the Membership Agreement require Members to be at least 60 years of age and maintain medical insurance. The Corporation encourages Members to complete an annual exam with a medical doctor.

Payment of the membership fee and a monthly fee entitles the Member to the following home-based services provided by the Givens Choice program:

- Care coordination;
- Personal wellness plan development;
- Biennial home inspection;
- Social and education activities;
- Home care aides;
- Companion/homemaker service;
- Delivered meals;
- Adult day care;
- Emergency response system;
- Annual physical exam; and
- Transportation.

Payment of the membership fee and a monthly fee entitles the Member to the following facility-based services provided at Givens Estates:

- Assisted living care in a private room;
- Memory support care in a semi-private room; and
- Skilled nursing care in a semi-private room.

Members can select from three levels of membership – Platinum, Gold and Silver. All three plans cover 100% of the cost of care coordination, personal wellness plan development, biennial home inspection, social and educational activities, emergency response system, annual physical exam, and transportation. The Gold and Silver plan require a 20 percent and a 50 percent co-pay, respectively, for all other services provided by the Givens Choice program.

See Accountants’ Compilation Report

Termination During the Rescission Period

The Membership Agreement may be terminated by the Member by giving written notice within seven days of the date of execution (the “Rescission Period”) for a full refund of the membership fee.

Termination After the Rescission Period

After the Rescission Period, the Membership Agreement may be terminated by the Member by giving at least 30 days written notice. Any refund of the membership fee will be provided based on the care received by the Member. In the first 90 days of membership (the “Adjustment Period”), the initial fee will be refunded less the actual cost incurred by the Corporation to maintain the Member’s care in assisted living, memory care or skilled nursing.

After the Adjustment Period, the refund of the initial fee will be calculated as follows:

- A two percent decrease for each month of home-based services;
- A three percent decrease for each month spent in assisted living or memory care; and
- A four percent decrease for each month spent in skilled nursing care.

Any refund of the initial fee will be refunded to the Member within 60 days of the request to terminate the Membership Agreement. If the Member becomes a permanent resident of assisted living, memory care and/or skilled nursing, no refund of the initial fee will be paid to the Member.

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.

Restricted Cash – The Corporation has adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU” No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end of period total amounts shown on the projected consolidated statements of cash flows.

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 CCRCs 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 using historical collection information as well as reasonable forecasts to estimate expected credit losses. 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.

See Accountants’ Compilation Report

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

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 21 housing units remaining to be repurchased by Givens Highland Farms.

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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 2020, 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 is assumed to be fully amortized in 2025.

Deferred Costs – Deferred financing costs associated with the issuance of debt is capitalized and amortized over the expected life of the debt instrument using the effective interest method. The debt issuance costs are netted against the related debt on the consolidated projected balance sheet and the amortization is included in interest expense on the consolidated projected statement of operations.

Resident Refunds Payable – Resident refunds payable include estimated Entrance Fee refunds due to Residents that have the 50 percent, 75 percent, or 90 percent refundable contracts. The Corporation's contract stipulates that the Entrance Fee is refundable within two years of vacancy or when a replacement occupant has been secured, whichever is sooner. Refunds are made within 30 days for Givens Highland Farms apartment contracts and within 120 days for Givens Highland Farms cluster homes, condominium units or free-standing homes signed before December 1, 2012. Based on historical experience, the estimated amount of the Resident refunds that are expected to be refunded in a subsequent year are classified as a current liability on the consolidated projected balance sheet.

Deferred Revenue from Entrance Fees – In exchange for an Entrance Fee, residents are granted a lifetime occupancy interest in the residential unit. The Entrance Fee will vary due to the size of the residence and the contract option selected by the Resident. The nonrefundable portion of the Entrance Fee paid by a Resident upon entering into a lifetime occupancy contract is recorded as deferred revenue. In 2008, Givens Estates began offering three types of contracts: a 90 percent refundable option, under which the refund declines to 90 percent over a three-month period; a zero percent refund option, under which the refund declines to zero percent over a four-year period; and a 50 percent refundable option, under which the refund declines to 50 percent over a two-year period.

In 2017, Givens Highland Farms began offering three types of contracts: a 90 percent refundable option, under which the refund declines to 90 percent over a three-month period; a zero percent refund option, under which the refund declines to zero percent over a four-year period; and a 50 percent refundable option, under which the refund declines to 50 percent over a two-year period. Prior to 2017, Givens Highland Farms offered two types of contracts for the apartments and the lodge: a 50 percent refundable option, with the refund declining to 50 percent over a 23-month period; or a zero percent refund option, with the refund declining to zero percent over a 46-month period. In 2014, Givens Highland Farms began offering a 75 percent refundable contract option

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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 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.

Continuing-Care Contracts – The Corporation enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Corporation specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, the Corporation has the ability to increase fees as deemed necessary. No obligation for future costs associated with these contracts has been provided by the Corporation because Management believes that future cash inflows will be sufficient to cover such costs.

Advance Admission Deposits – For existing units, the Corporation collects an initial deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue.

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

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

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

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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. 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 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 Accounting Standards Codification (“ASC”) Topic 606, Management has determined that the performance obligation for the standing obligation to provide the appropriate services is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

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Entrance Fees – Non-refundable Entrance Fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheets until the performance obligations are satisfied. The refundable portion of an Entrance Fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheets. Additionally, Management has determined the contracts do not contain a significant financing component as the advanced payment assures Residents access to services in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the Resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

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

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Summary of Significant Consolidated Statement of Operations Assumptions

Residential Revenue – Management assumes residential revenues at Givens Estates and Givens Highland Farms to increase approximately 3.7 percent annually and residential revenues at Gerber Park II to increase approximately 3.5 percent annually throughout the projection period.

Long-Term Care and Assisted Living Revenue – Management assumes long-term care revenue and assisted living revenues at Givens Estates to increase approximately 3.4 percent annually.

Member Revenue – Management assumes member revenues at Givens Choice to increase approximately 4.0 percent annually throughout the projection period.

Operating Expenses – Management assumes operating expenses at Givens Estates, Givens Highland Farms, and Givens Gerber Park II to increase approximately 3.0 percent annually and 6.0 percent annually at Givens Choice.

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, Gerber Park II, and Life Ministries Outreach to increase approximately 3.0 percent annually throughout the projection period.

Summary of Significant Consolidated Balance Sheet Assumptions

Current Assets and Current Liabilities – Operating revenue, as used below, includes long-term care revenue, residential revenue, assisted living revenue and residential food service revenue. Operating expenses exclude amortization, depreciation, and interest expense. Management has assumed the following working capital components based on the Corporation’s historical trends:

Accounts receivable, net	19	days of resident revenues
Other receivables	64	days of resident revenues
Prepaid expenses and inventory	7	days of operating expenses
Accounts payable	74	days of operating expenses
Other accrued liabilities	12	days of operating expenses

Source: Management

Assets Limited as to Use – Management assumes assets limited as to use, other than the Givens Estates and Given-Highland Farms statutory operating reserves, to be as follows during the projection period:

	2024	2025	2026	2027	2028
Board designated:					
Assistance endowment ⁽¹⁾	\$ 7,999	\$ 8,319	\$ 8,651	\$ 8,998	\$ 9,358
Agency funds	20	20	20	20	20
Assistance endowment ⁽²⁾	641	641	641	641	641
Total – other funds	8,660	8,980	9,312	9,659	10,019
Less current portion	(2,723)	(2,831)	(2,943)	(3,060)	(3,182)
Assets limited as to use,					
Less current portion – other funds	\$ 5,937	\$ 6,149	\$ 6,369	\$ 6,599	\$ 6,837

Source: Management

(1) Assistance endowment funds for Givens Estates.

(2) Assistance endowment funds for Givens Highland Farms.

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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:

	2024	2025	2026	2027	2028
Beginning balance, gross	\$ 319,977	\$ 357,002	\$ 368,443	\$ 370,969	\$ 373,496
Capital additions–GHF Project ⁽¹⁾	33,000	9,415	–	–	–
Routine Capital additions	4,025	2,026	2,526	2,527	2,527
Total capital costs	357,002	368,443	370,969	373,496	376,023
Less accumulated depreciation	(103,045)	(113,188)	(123,337)	(133,071)	(141,754)
Property and equipment, net	\$ 253,957	\$ 255,255	\$ 247,632	\$ 240,425	\$ 234,269

Source: Management

(1) Includes interest costs capitalized during construction.

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

Balances on December 31,	2024	2025	2026	2027	2028
Bank Loan	\$ 9,517	\$ 9,018	\$ 8,489	\$ 7,927	\$ 7,330
Gerber Bank Loan	5,601	5,273	4,945	4,617	4,289
Series 2017 Bonds ⁽¹⁾	30,577	27,362	24,057	20,672	17,192
Series 2021 Bonds ⁽²⁾	52,985	52,883	52,779	52,674	52,565
Long-term debt	98,680	94,537	90,270	85,890	81,376
Less current portion	(4,038)	(4,157)	(4,266)	(4,395)	(4,515)
Long-term debt, net	\$ 94,642	\$ 90,380	\$ 86,004	\$ 81,495	\$ 76,861

Source: Management

(1) Includes deferred financing cost, net of amortization.

(2) Includes original issue premium and deferred financing costs, net of amortization.

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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 a variable rate of 1.2 percent over the term SOFR for a one-month tenor which matures November 2029. For purposes of the projection, the interest rate is assumed to be 6 percent. As of December 31, 2023, the balance of the Bank Loan was approximately \$9,987,000. The following table shows the assumed principal and interest payments for the Bank Loan:

Table 11
Bank Loan Schedule of Principal and Interest Payments
(in thousands of dollars)

Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ 470	\$ 586	\$ 1,056
2025	499	557	1,056
2026	529	527	1,056
2027	562	494	1,056
2028	597	459	1,056
Thereafter	7,330	2,174	9,504
Total	\$ 9,987	\$ 4,797	\$ 14,784

Source: Management

Gerber Bank Loan

Construction costs for Givens Gerber Park II were funded with a bank loan (the “Gerber Bank Loan”), which commenced in April 2018. The Gerber Bank Loan was converted from a construction loan to permanent debt effective April 2018 with a swap, with a fixed interest rate of 3.88 percent per annum. As of December 31, 2023, the balance of the Gerber Bank Loan was approximately \$5,929,000. The following table shows the assumed principal and interest payments for the Gerber Bank Loan:

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

Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ 328	\$ 224	\$ 552
2025	328	211	539
2026	328	198	526
2027	328	185	513
2028	328	173	501
Thereafter	4,289	1,083	5,372
Total	\$ 5,929	\$ 2,074	\$ 8,003

Source: Management

Series 2017 Bonds

In April 2017, \$52,980,000 of Public Finance Authority Retirement Facilities Revenue Refunding Bonds Series 2017 (the "Series 2017 Bonds") were issued. Interest on the Series 2017 Bonds is payable monthly at 2.84 percent with a final maturity on July 1, 2033. As of December 31, 2023, the balance of the Series 2017 Bonds was approximately \$33,910,000. The following table shows the assumed principal and interest payments for the Series 2017 Bonds:

Table 13
Series 2017 Bonds Schedule of Principal and Interest Payments
(in thousands of dollars)

Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ 3,160	\$ 930	\$ 4,090
2025	3,240	835	4,075
2026	3,330	740	4,070
2027	3,410	643	4,053
2028	3,505	545	4,050
Thereafter	17,265	1,141	18,406
Total	\$ 33,910	\$ 4,834	\$ 38,744

Source: Management

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Series 2021 Bonds

Construction costs for the Givens Highland Farms Project was funded with \$48,620,000 of Public Finance Authority Retirement Facilities Revenue Bonds Series 2021 (the “Series 2021 Bonds”). Interest on the Series 2021 Bonds is payable at 4.0 percent per annum. Principal is payable annually, commencing on December 1, 2034 with a final maturity on December 1, 2056. As of December 31, 2023, the balance of the Series 2021 Bonds was approximately \$48,620,000. The following table shows the assumed principal and interest payments for the Series 2021 Bonds:

Table 14
Series 2021 Bonds Schedule of Principal and Interest Payments
(in thousands of dollars)

Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ —	\$ 1,811	\$ 1,811
2025	—	1,807	1,807
2026	—	1,802	1,802
2027	—	1,798	1,798
2028	—	1,792	1,792
Thereafter	48,620	34,719	83,339
Total	\$ 48,620	\$ 43,729	\$ 92,349

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 the Vista Ridge North cottages and the Vista Ridge South apartments are presented in the following table:

Year Ending December 31,	Vista Ridge North Initial Entrance Fees	Vista Ridge South Initial Entrance Fees	Attrition Entrance Fees	Total
2024	36	–	64	100
2025	–	33	64	97
2026	–	–	64	64
2027	–	–	66	66
2028	–	–	66	66

Source: Management

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ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

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

We have compiled the accompanying consolidated projected balance sheets and related projected consolidated statements of operations, changes in net assets and cash flows of Givens Estates, Inc. and Subsidiaries, as of and for the each of the five years ending December 31, 2028, 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, Givens Choice, 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.

FORVIS,LLP

Atlanta, Georgia
May 28, 2024

The Givens Estates, Inc.

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

	2024	2025	2026	2027	2028
Revenues, gains and other support:					
Amortization of entrance fees	\$ 9,976	\$ 10,041	\$ 10,091	\$ 10,144	\$ 10,293
Residential revenue	22,315	23,518	24,475	25,468	26,497
Assisted living revenue	4,293	4,417	4,544	4,676	4,812
Long-term care revenue	9,658	9,545	9,765	9,991	10,231
Residential food service revenue	2,464	2,475	2,486	2,498	2,510
Contributions and bequests	1,213	1,249	1,286	1,325	1,365
Net assets released from restrictions-operations	455	468	482	497	512
Management fee	2,953	3,042	3,133	3,227	3,324
Other revenue	3,526	3,652	3,719	3,788	3,860
Investment income	2,099	2,494	2,782	3,087	3,414
Total revenues, gains and other support	58,952	60,901	62,763	64,701	66,818
Expenses:					
Administration	1,623	1,839	1,895	1,951	2,010
Assisted living	2,004	2,064	2,126	2,189	2,255
Long-term care	5,517	5,935	6,143	6,358	6,580
Home care	2,222	2,289	2,357	2,428	2,501
Maintenance	5,392	5,654	5,824	5,999	6,179
Dining services	5,024	5,600	5,768	5,941	6,120
Housekeeping	3,289	3,387	3,489	3,594	3,702
Laundry	23	24	25	25	26
Marketing	1,826	1,881	1,938	1,996	2,056
Resident services	1,901	1,958	2,017	2,077	2,140
Utilities	3,061	3,233	3,362	3,497	3,637
Outreach	1,065	1,097	1,130	1,164	1,199
Bad debts	40	41	42	44	45
Management fees	5,872	6,048	6,229	6,416	6,609
Insurance	593	610	629	647	667
Depreciation	6,180	6,073	5,925	5,662	5,347
Interest	1,070	1,059	964	865	766
Total expenses	46,702	48,792	49,863	50,853	51,839
Operating income	12,250	12,109	12,900	13,848	14,979
Net assets released from restrictions-capital projects	300	20	20	20	20
Change in net assets without donor restrictions	\$ 12,550	\$ 12,129	\$ 12,920	\$ 13,868	\$ 14,999

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)

	2024	2025	2026	2027	2028
Net assets without donor restrictions:					
Operating income	\$ 12,250	\$ 12,109	\$ 12,900	\$ 13,848	\$ 14,979
Net assets released from restrictions-capital projects	300	20	20	20	20
Change in net assets without donor restrictions	12,550	12,129	12,920	13,868	14,999
Net assets with donor restrictions:					
Contributions	475	488	502	517	532
Net assets released from restriction-operating	(455)	(468)	(482)	(497)	(512)
Net assets released from restriction-capital	(300)	(20)	(20)	(20)	(20)
Change in net assets with donor restrictions	(280)	-	-	-	-
Change in net assets	12,270	12,129	12,920	13,868	14,999
Net assets, beginning of year	111,608	123,878	136,007	148,927	162,795
Net assets, end of year	\$ 123,878	\$ 136,007	\$ 148,927	\$ 162,795	\$ 177,794

Supplemental Disclosure

The Givens Estates, Inc.

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Change in net assets	\$ 12,270	\$ 12,129	\$ 12,920	\$ 13,868	\$ 14,999
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(9,976)	(10,041)	(10,091)	(10,144)	(10,293)
Depreciation	6,180	6,073	5,925	5,662	5,347
Amortization of deferred financing costs	9	8	8	7	7
Bad debts	40	41	42	44	45
Proceeds from entrance fees - routine turnover, non-refundable portion	11,604	11,944	12,294	13,263	13,653
Net change in working capital:					
Change in receivables and prepaid expenses	1,234	(169)	(146)	(149)	(152)
Change in accounts payable, other accrued liabilities, and payroll accruals	375	324	194	192	203
Net cash provided by operating activities	21,736	20,309	21,146	22,743	23,809
Cash flows from investing activities:					
Capital additions	(3,000)	(1,000)	(1,500)	(1,500)	(1,500)
Change in investments	(22,647)	(13,757)	(14,192)	(15,581)	(16,472)
Change in assets limited as to use:					
Operating reserve-Givens Estates	(1,679)	(570)	(327)	(334)	(348)
Other funds	(3,794)	(212)	(220)	(230)	(238)
Investment in LLCs	(209)	(249)	(255)	(261)	(273)
Net cash used by investing activities	(31,329)	(15,788)	(16,494)	(17,906)	(18,831)
Cash flows from financing activities:					
Proceeds from entrance fees - routine turnover, refundable portion	3,204	3,298	3,395	3,662	3,770
Principal payments-Series 2017 Bonds	(3,160)	(3,240)	(3,330)	(3,410)	(3,505)
Refunds of entrance fees	(4,341)	(4,471)	(4,605)	(4,972)	(5,121)
Net cash provided (used) by financing activities	(4,297)	(4,413)	(4,540)	(4,720)	(4,856)
Change in cash, cash equivalents and restricted cash	(13,890)	108	112	117	122
Cash, cash equivalents and restricted cash, beginning of year	19,607	5,717	5,825	5,937	6,054
Cash, cash equivalents and restricted cash, end of year	\$ 5,717	\$ 5,825	\$ 5,937	\$ 6,054	\$ 6,176
Cash, cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Assets limited as to use, current portion	2,717	2,825	2,937	3,054	3,176
Total cash, cash equivalents and restricted cash	\$ 5,717	\$ 5,825	\$ 5,937	\$ 6,054	\$ 6,176

Supplemental Disclosure

The Givens Estates, Inc.

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

	2024	2025	2026	2027	2028
Assets					
Current assets:					
Cash and cash equivalents	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Assets limited as to use, current portion	2,717	2,825	2,937	3,054	3,176
Accounts receivable, net	1,804	1,861	1,922	1,986	2,052
Other receivables	454	471	479	488	497
Contributions receivable, current portion	25	25	25	25	25
Prepaid expenses	973	1,027	1,062	1,096	1,130
Total current assets	8,973	9,209	9,425	9,649	9,880
Non-current assets:					
Property and equipment, net	132,472	127,399	122,975	118,813	114,966
Investments	103,612	117,369	131,561	147,142	163,614
Assets limited as to use, less current portion:					
Operating reserve-Givens Estates	10,918	11,488	11,815	12,149	12,497
Other funds	5,296	5,508	5,728	5,958	6,196
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	592	592	592	592	592
Due from affiliates	5,033	5,282	5,537	5,798	6,071
Total assets	\$ 266,946	\$ 276,897	\$ 287,683	\$ 300,151	\$ 313,866
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 5,947	\$ 6,287	\$ 6,486	\$ 6,692	\$ 6,900
Interest payable	82	74	66	58	50
Agency funds	14	14	14	14	14
Resident refunds payable	4,471	4,605	4,972	5,121	5,396
Current portion of long-term debt	3,240	3,330	3,409	3,505	3,590
Total current liabilities	13,754	14,310	14,947	15,390	15,950
Long-term liabilities:					
Long-term debt, net of current portion and deferred financing cost	33,672	30,350	26,948	23,450	19,867
Refundable entrance fees, net of current portion	17,285	17,394	17,509	17,812	18,130
Deferred revenue from entrance fees	77,084	77,563	78,079	79,431	80,852
Advance admission deposits	1,273	1,273	1,273	1,273	1,273
Total liabilities	143,068	140,890	138,756	137,356	136,072
Net assets					
Without donor restrictions	112,903	125,032	137,952	151,820	166,819
With donor restrictions	10,975	10,975	10,975	10,975	10,975
Total net assets	123,878	136,007	148,927	162,795	177,794
Total liabilities and net assets	\$ 266,946	\$ 276,897	\$ 287,683	\$ 300,151	\$ 313,866

Supplemental Disclosure

Givens Highland Farms, LLC.

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

	2024	2025	2026	2027	2028
Revenues, gains and other support:					
Amortization of entrance fees	\$ 3,607	\$ 4,283	\$ 5,203	\$ 5,173	\$ 5,143
Residential revenue	10,960	12,687	13,693	13,843	14,300
Long-term care revenue	7,244	7,624	7,779	7,938	8,102
Residential food service revenue	1,498	1,635	1,754	1,754	1,754
Other revenue	539	650	689	693	697
Investment income	101	103	106	110	113
Total revenues, gains and other support	23,949	26,982	29,224	29,511	30,109
Expenses:					
Administration	848	903	929	956	984
Skilled nursing	4,490	4,848	5,017	5,193	5,375
Home care	80	83	85	88	90
Maintenance	3,066	3,183	3,398	3,500	3,605
Dining services	3,006	3,321	3,471	3,575	3,683
Housekeeping	1,047	1,102	1,184	1,218	1,254
Laundry	116	119	122	126	129
Resident services	972	1,000	1,029	1,059	1,090
Utilities	1,407	1,474	1,693	1,744	1,796
Outreach	149	156	164	172	181
Bad debts	35	36	37	38	39
Management fees	2,736	2,818	2,903	2,990	3,080
Insurance	258	281	289	298	307
Depreciation	3,202	3,759	3,913	3,758	3,021
Amortization of intangible assets	910	455	-	-	-
Interest	1,356	2,096	2,060	2,023	1,985
Total expenses	23,678	25,634	26,294	26,738	26,619
Operating income	\$ 271	\$ 1,348	\$ 2,930	\$ 2,773	\$ 3,490
Non-operating income:					
Net assets released from restrictions-capital projects	250	20	20	20	20
Total non-operating income	250	20	20	20	20
Change in net deficit without donor restrictions	\$ 521	\$ 1,368	\$ 2,950	\$ 2,793	\$ 3,510

Supplemental Disclosure

Givens Highland Farms, LLC.

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

	2024	2025	2026	2027	2028
Net deficit without donor restrictions					
Operating income	\$ 271	\$ 1,348	\$ 2,930	\$ 2,773	\$ 3,490
Net assets released from restrictions-capital projects	250	20	20	20	20
Change in net deficit without donor restrictions	521	1,368	2,950	2,793	3,510
Net assets with donor restrictions:					
Contributions	-	-	-	-	-
Net assets released from restrictions-capital projects	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ 521	\$ 1,368	\$ 2,950	\$ 2,793	\$ 3,510
Net deficit, beginning of year	\$ (14,934)	\$ (14,413)	\$ (13,045)	\$ (10,095)	\$ (7,302)
Net deficit, end of year	\$ (14,413)	\$ (13,045)	\$ (10,095)	\$ (7,302)	\$ (3,792)

Supplemental Disclosure

Givens Highland Farms, LLC.

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Change in net deficit	\$ 521	\$ 1,368	\$ 2,950	\$ 2,793	\$ 3,510
Adjustments to reconcile net income to net cash provided by operating activities:					
Amortization of entrance fees	(3,607)	(4,283)	(5,203)	(5,173)	(5,143)
Depreciation	3,202	3,759	3,913	3,758	3,021
Amortization of intangible assets	910	455	-	-	-
Amortization of deferred financing costs	18	19	20	20	21
Amortization of original issue premium	(132)	(132)	(137)	(141)	(146)
Bad debts	35	36	37	38	39
Proceeds from entrance fees - routine turnover, non-refundable portion	2,000	2,400	2,400	2,400	2,400
Net change in working capital:					
Change in receivables and prepaid expenses	3,941	(180)	(117)	(62)	(84)
Change in accounts payable, other accrued liabilities, and payroll accruals	(634)	(1,549)	404	257	265
Net cash provided by operating activities	6,254	1,893	4,267	3,890	3,883
Cash flows from investing activities:					
Property and equipment purchases					
Capital additions	(34,000)	(10,415)	(1,000)	(1,000)	(1,000)
Change in investments	(4,276)	(6,670)	(1,647)	(1,332)	(1,286)
Change in assets limited as to use:					
Operating reserve-Givens Highland Farms	(793)	(470)	(250)	(158)	(164)
Net cash used by investing activities	(39,069)	(17,555)	(2,897)	(2,490)	(2,450)
Cash flows from financing activities:					
Proceeds from entrance fees - routine turnover, refundable portion	629	629	629	629	629
Proceeds from initial entrance fees-Vista Ridge North	11,900	-	-	-	-
Proceeds from initial entrance fees-Vista Ridge South	-	15,003	-	-	-
Principal payments-Bank Loan	(442)	(470)	(499)	(529)	(562)
Refunds of entrance fees	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Net cash provided (used) by financing activities	10,587	13,662	(1,370)	(1,400)	(1,433)
Change in cash, cash equivalents and restricted cash	(22,228)	(2,000)	-	-	-
Cash, cash equivalents and restricted cash, beginning of year	24,978	2,750	750	750	750
Cash, cash equivalents and restricted cash, end of year	2,750	750	750	750	750
Cash, cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Escrow deposits	2,000	-	-	-	-
Total cash, cash equivalents and restricted cash	\$ 2,750	\$ 750	\$ 750	\$ 750	\$ 750

Supplemental Disclosure

Givens Highland Farms, LLC.

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

	2024	2025	2026	2027	2028
<u>Assets</u>					
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	1,197	1,336	1,412	1,432	1,473
Other receivables	300	300	300	300	300
Escrow deposits	2,000	-	-	-	-
Prepaid expenses and inventory	100	106	111	115	118
Total current assets	4,353	2,498	2,579	2,603	2,647
Non-current assets:					
Property and equipment, net	111,400	118,056	115,143	112,385	110,364
Intangible assets	455	-	-	-	-
Assets limited as to use-other	641	641	641	641	641
Investments	5,051	11,721	13,367	14,699	15,985
Operating reserve-Givens Highland Farms	5,038	5,508	5,758	5,916	6,080
Total assets	\$ 126,938	\$ 138,424	\$ 137,488	\$ 136,244	\$ 135,717
<u>Liabilities and Net Deficit</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 7,434	\$ 7,888	\$ 8,295	\$ 8,555	\$ 8,823
Interest payable	183	181	178	175	172
Agency funds	6	6	6	6	6
Escrow deposits	2,000	-	-	-	-
Resident refunds payable	1,500	1,500	1,500	1,500	1,500
Current portion of long-term debt	470	499	529	562	597
Total current liabilities	11,593	10,074	10,508	10,798	11,098
Long-term liabilities:					
Long-term debt, net of current portion and deferred financing cost	55,697	55,085	54,439	53,756	53,033
Due To Givens Estates	3,433	3,433	3,433	3,433	3,433
Refundable entrance fees, net of current portion	44,699	58,831	57,960	57,089	56,218
Deferred revenue from entrance fees	25,476	23,593	20,790	18,017	15,274
Advance admission deposits	453	453	453	453	453
Total liabilities	141,351	151,469	147,583	143,546	139,509
Net deficit					
Without donor restrictions	(14,974)	(13,606)	(10,656)	(7,863)	(4,353)
With donor restrictions	561	561	561	561	561
Total net deficit	(14,413)	(13,045)	(10,095)	(7,302)	(3,792)
Total liabilities and net deficit	\$ 126,938	\$ 138,424	\$ 137,488	\$ 136,244	\$ 135,717

Supplemental Disclosure

Givens Gerber Park II, LLC.

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

	2024	2025	2026	2027	2028
Revenues, gains and other support:					
Residential revenue	\$ 2,131	\$ 2,206	\$ 2,283	\$ 2,363	\$ 2,446
Contributions and bequests	39	40	41	42	43
Other revenue	202	208	214	220	227
Total revenues, gains and other support	2,372	2,454	2,538	2,625	2,716
Expenses:					
Administration	295	306	315	324	334
Maintenance	133	137	141	145	149
Dining services	376	387	399	411	423
Housekeeping	32	33	34	35	36
Marketing	96	99	102	105	108
Residential	35	36	37	38	39
Utilities	278	286	295	304	313
Bad debts	1	1	1	1	1
Management fees	187	193	202	209	216
Insurance	26	27	28	29	30
Depreciation	310	311	312	314	315
Interest	224	236	224	211	198
Total expenses	1,993	2,052	2,090	2,126	2,162
Operating income	379	402	448	499	554
Non-operating income (loss):					
Total non-operating income	-	-	-	-	-
Change in net assets without donor restrictions	\$ 379	\$ 402	\$ 448	\$ 499	\$ 554

Supplemental Disclosure

Givens Gerber Park II, LLC.

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

	2024	2025	2026	2027	2028
Net assets without donor restrictions					
Operating income	\$ 379	\$ 402	\$ 448	\$ 499	\$ 554
Net assets released from restrictions--capital projects	-	-	-	-	-
Change in net assets without donor restrictions	379	402	448	499	554
Net assets with donor restrictions					
Net assets released from restrictions--operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net assets	\$ 379	\$ 402	\$ 448	\$ 499	\$ 554
Net assets, beginning of year	\$ 6,289	\$ 6,668	\$ 7,070	\$ 7,518	\$ 8,017
Net assets, end of year	\$ 6,668	\$ 7,070	\$ 7,518	\$ 8,017	\$ 8,571

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)

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Change in net assets	\$ 379	\$ 402	\$ 448	\$ 499	\$ 554
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	310	311	312	314	315
Bad debts	1	1	1	1	1
Net change in working capital:					
Change in receivables and prepaid expenses	(81)	(4)	(5)	(4)	(5)
Change in accounts payable, other accrued liabilities, and payroll accruals	19	1	2	1	1
Net cash provided by operating activities	628	711	758	811	866
Cash flows from investing activities:					
Capital additions	(25)	(26)	(26)	(27)	(27)
Net cash used by investing activities	(25)	(26)	(26)	(27)	(27)
Cash flows from financing activities:					
Principal payments-Gerber Bank Loan	(328)	(328)	(328)	(328)	(328)
Net cash used by financing activities	(328)	(328)	(328)	(328)	(328)
Change in cash, cash equivalents and restricted cash	275	357	404	456	511
Cash, cash equivalents and restricted cash, beginning of year	1,810	2,085	2,442	2,846	3,302
Cash, cash equivalents and restricted cash, end of year	\$ 2,085	\$ 2,442	\$ 2,846	\$ 3,302	\$ 3,813
Cash, cash equivalents and restricted cash reconciliation:					
Cash, cash equivalents and restricted cash	\$ 2,085	\$ 2,442	\$ 2,846	\$ 3,302	\$ 3,813
Total cash, cash equivalents and restricted cash	\$ 2,085	\$ 2,442	\$ 2,846	\$ 3,302	\$ 3,813

Supplemental Disclosure

Givens Gerber Park II, LLC.

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

	2024	2025	2026	2027	2028
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 2,085	\$ 2,442	\$ 2,846	\$ 3,302	\$ 3,813
Accounts receivable, net	76	79	81	84	87
Other receivables	17	17	18	18	19
Prepaid expenses and inventory	6	6	7	7	7
Total current assets	2,184	2,544	2,952	3,411	3,926
Property and equipment, net	10,085	9,800	9,514	9,227	8,939
Interest rate swap	235	235	235	235	235
Total assets	\$ 12,504	\$ 12,579	\$ 12,701	\$ 12,873	\$ 13,100
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 31	\$ 32	\$ 34	\$ 35	\$ 36
Current portion of long-term debt	328	328	328	328	328
Total current liabilities	359	360	362	363	364
Long-term liabilities:					
Long-term debt, net of current portion	5,273	4,945	4,617	4,289	3,961
Due To Givens Estates	204	204	204	204	204
Total liabilities	5,836	5,509	5,183	4,856	4,529
Net assets					
Without donor restrictions	6,668	7,070	7,518	8,017	8,571
With donor restrictions	-	-	-	-	-
Total net assets	6,668	7,070	7,518	8,017	8,571
Total liabilities and net assets	\$ 12,504	\$ 12,579	\$ 12,701	\$ 12,873	\$ 13,100

Supplemental Disclosure

Givens Choice, LLC.

Projected Statements of Operations and Changes in Net Deficit For Each of the Five Years Ending December 31, (in thousands of dollars)

	2024	2025	2026	2027	2028
Revenues, gains and other support:					
Amortization of entrance fees	\$ 115	\$ 202	\$ 284	\$ 345	\$ 411
Member Monthly Service Fees	376	688	1,006	1,269	1,572
Other revenue	6	6	6	7	7
Investment income	6	214	281	357	443
Total revenues, gains and other support	503	1,110	1,577	1,978	2,433
Expenses:					
Personal assistance	154	163	172	183	194
Marketing	65	69	73	78	83
Management fee	30	32	34	36	38
Administration	508	539	571	605	642
Total expenses	757	803	850	902	957
Operating income (loss)	\$ (254)	\$ 307	\$ 727	\$ 1,076	\$ 1,476
Change in net assets (deficit) without donor restrictions	\$ (254)	\$ 307	\$ 727	\$ 1,076	\$ 1,476
Net assets without donor restrictions					
Operating income (loss)	\$ (254)	\$ 307	\$ 727	\$ 1,076	\$ 1,476
Net assets released from restrictions--capital projects	-	-	-	-	-
Change in net assets without donor restrictions	(254)	307	727	1,076	1,476
Net assets with donor restrictions					
Net assets released from restrictions-operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net assets (deficit)	\$ (254)	\$ 307	\$ 727	\$ 1,076	\$ 1,476
Net assets (deficit), beginning of year	\$ (200)	\$ (454)	\$ (147)	\$ 580	\$ 1,656
Net assets (deficit), end of year	\$ (454)	\$ (147)	\$ 580	\$ 1,656	\$ 3,132

Supplemental Disclosure

Givens Choice, LLC.

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Change in net assets (deficit)	\$ (254)	\$ 307	\$ 727	\$ 1,076	\$ 1,476
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Amortization of entrance fees	(115)	(202)	(284)	(345)	(411)
Proceeds from entrance fees - non-refundable portion	1,440	3,000	1,800	1,800	1,800
Net change in working capital:					
Change in receivables and prepaid expenses	(4)	(3)	(3)	(2)	(3)
Change in accounts payable, other accrued liabilities, and payroll accruals	(81)	-	1	-	-
Net cash provided (used) by operating activities	986	3,102	2,241	2,529	2,862
Cash flows from investing activities:					
Net cash provided by investing activities	-	-	-	-	-
Cash flows from financing activities:					
Net cash provided (used) by financing activities	-	-	-	-	-
Change in cash, cash equivalents and restricted cash	986	3,102	2,241	2,529	2,862
Cash, cash equivalents and restricted cash, beginning of year	3,043	4,029	7,131	9,372	11,901
Cash, cash equivalents and restricted cash, end of year	\$ 4,029	\$ 7,131	\$ 9,372	\$ 11,901	\$ 14,763
Cash, cash equivalents and restricted cash reconciliation:					
Cash, cash equivalents and restricted cash	\$ 4,029	\$ 7,131	\$ 9,372	\$ 11,901	\$ 14,763
Total cash, cash equivalents and restricted cash	\$ 4,029	\$ 7,131	\$ 9,372	\$ 11,901	\$ 14,763

Supplemental Disclosure

Givens Choice, LLC.

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

	2024	2025	2026	2027	2028
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 4,029	\$ 7,131	\$ 9,372	\$ 11,901	\$ 14,763
Assets limited as to use, current portion	-	-	-	-	-
Accounts receivable, net	2	4	6	7	9
Prepaid expenses and inventory	17	18	19	20	21
Total current assets	4,048	7,153	9,397	11,928	14,793
Non-current assets	-	-	-	-	-
Total assets	\$ 4,048	\$ 7,153	\$ 9,397	\$ 11,928	\$ 14,793
<u>Liabilities and Net Assets (Deficit)</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	4	4	5	5	5
Total current liabilities	4	4	5	5	5
Long-term liabilities:					
Due To Givens Estates	33	33	33	33	33
Deferred revenue from entrance fees	4,457	7,255	8,771	10,226	11,615
Advance admission deposits	8	8	8	8	8
Total liabilities	4,502	7,300	8,817	10,272	11,661
Net assets (deficit)					
Without donor restrictions	(454)	(147)	580	1,656	3,132
With donor restrictions	-	-	-	-	-
Total net assets (deficit)	(454)	(147)	580	1,656	3,132
Total liabilities and net assets (deficit)	\$ 4,048	\$ 7,153	\$ 9,397	\$ 11,928	\$ 14,793

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)

	2024	2025	2026	2027	2028
Revenues, gains and other support:					
Amortization of entrance fees	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and bequests	27	28	29	30	31
Total revenues, gains and other support	27	28	29	30	31
Expenses:					
Outreach	269	277	285	294	303
Total expenses	269	277	285	294	303
Operating loss	\$ (242)	\$ (249)	\$ (256)	\$ (264)	\$ (272)
Change in net deficit without donor restrictions	\$ (242)	\$ (249)	\$ (256)	\$ (264)	\$ (272)
Net assets without donor restrictions					
Operating loss	\$ (242)	\$ (249)	\$ (256)	\$ (264)	\$ (272)
Net assets released from restrictions--capital projects	-	-	-	-	-
Change in net assets without donor restrictions	(242)	(249)	(256)	(264)	(272)
Net assets with donor restrictions					
Contributions	-	-	-	-	-
Net assets released from restrictions-operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ (242)	\$ (249)	\$ (256)	\$ (264)	\$ (272)
Net deficit, beginning of year	\$ (1,138)	\$ (1,380)	\$ (1,629)	\$ (1,885)	\$ (2,149)
Net deficit, end of year	\$ (1,380)	\$ (1,629)	\$ (1,885)	\$ (2,149)	\$ (2,421)

Supplemental Disclosure

Life Ministries Outreach, LLC.

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Change in net deficit	\$ (242)	\$ (249)	\$ (256)	\$ (264)	\$ (272)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Net change in working capital:					
Change in receivables and prepaid expenses	-	-	-	-	-
Change in accounts payable, other accrued liabilities, and payroll accruals	1	-	1	-	-
Net cash used by operating activities	(241)	(249)	(255)	(264)	(272)
Cash flows from investing activities:					
Change in due to Givens Estates	242	249	256	264	272
Net cash provided by investing activities	242	249	256	264	272
Cash flows from financing activities:					
Net cash provided (used) by financing activities	-	-	-	-	-
Change in cash, cash equivalents and restricted cash	1	-	1	-	-
Cash, cash equivalents and restricted cash, beginning of year	25	26	26	27	27
Cash, cash equivalents and restricted cash, end of year	\$ 26	\$ 26	\$ 27	\$ 27	\$ 27
Cash, cash equivalents and restricted cash reconciliation:					
Cash, cash equivalents and restricted cash	\$ 26	\$ 26	\$ 27	\$ 27	\$ 27
Total cash, cash equivalents and restricted cash	\$ 26	\$ 26	\$ 27	\$ 27	\$ 27

Supplemental Disclosure

Life Ministries Outreach, LLC.

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

	2024	2025	2026	2027	2028
Assets					
Current assets:					
Cash and cash equivalents	\$ 26	\$ 26	\$ 27	\$ 27	\$ 27
Other receivables	1	1	1	1	1
Total current assets	27	27	28	28	28
Non-current assets:					
Due from affiliate	401	401	401	401	401
Total assets	\$ 428	\$ 428	\$ 429	\$ 429	\$ 429
Liabilities and Net Deficit					
Current liabilities:					
Accounts payable and other accrued liabilities	11	11	12	12	12
Total current liabilities	11	11	12	12	12
Long-term liabilities:					
Due To Givens Estates	1,797	2,046	2,302	2,566	2,838
Total liabilities	1,808	2,057	2,314	2,578	2,850
Net deficit					
Without donor restrictions	(1,380)	(1,629)	(1,885)	(2,149)	(2,421)
With donor restrictions	-	-	-	-	-
Total net deficit	(1,380)	(1,629)	(1,885)	(2,149)	(2,421)
Total liabilities and net deficit	\$ 428	\$ 428	\$ 429	\$ 429	\$ 429

Supplemental Disclosure

Attachment 7

Givens Highland Farms
Comparison of 2023 Audited Financial Statements to the 2023 Forecast
Statement of Operations

	2023	2023		
	Audited	Forecast	Variance	%
Unrestricted revenues, gains and other support:				
Long-term care revenue	\$ 7,088,111	\$ 6,601,000	\$ 487,111	7%
Residential revenue, including amortization	11,676,122	11,060,000	616,122	6%
Assisted living revenue	-	-	-	N/A
Residential food service revenue	1,274,348	1,181,000	93,348	8%
Contributions and grants	32,224	-	32,224	N/A
Interest and dividend income	129,348	98,000	31,348	32%
Realized loss on investments	(24,954)	-	(24,954)	N/A
Net assets released - operations	15,623	-	15,623	N/A
Other revenue	538,794	425,000	113,794	27%
Total unrestricted revenues, gains and other support	20,729,616	19,365,000	1,364,616	7%
Expenses:				
Administration	1,035,521	831,000	204,521	25%
Long-term care	5,086,258	4,437,000	649,258	15%
Home care	12,887	-	12,887	N/A
Maintenance	2,734,200	2,775,000	(40,800)	-1%
Dining services	2,964,082	2,494,000	470,082	19%
Housekeeping	1,261,838	906,000	355,838	39%
Laundry	119,495	88,000	31,495	36%
Management fees	2,115,273	2,094,000	21,273	1%
Marketing	-	-	-	N/A
Resident services	467,063	734,000	(266,937)	-36%
Utilities	1,311,915	1,170,000	141,915	12%
Insurance	337,972	295,000	42,972	15%
Outreach	405,708	142,000	263,708	186%
Bad debt expense	23,394	35,000	(11,606)	-33%
Depreciation	2,379,448	2,302,000	77,448	3%
Amortization	910,046	910,000	46	0%
Interest	613,878	409,000	204,878	50%
Total expenses	21,778,978	19,622,000	2,156,978	11%
Operating income (loss)	(1,049,362)	(257,000)	(792,362)	308%
Non-operating income (expense)				
Unrealized loss on investments	494,025	-	494,025	N/A
Net assets released from restrictions - capital	109,675	-	109,675	N/A
Loss on disposal of P&E	(125,790)	-	(125,790)	N/A
Total non-operating income (expense)	477,910	-	477,910	N/A
Change in net assets without donor restrictions	(571,452)	(257,000)	(314,452)	122%
Net assets with donor restrictions:				
Contributions & Net investment income	22,575	-	22,575	N/A
Net assets released from restrictions - capital	(109,675)	-	(109,675)	N/A
Change in net assets with donor restrictions	(87,100)	-	(87,100)	N/A
Change in net assets	\$ (658,552)	\$ (257,000)	\$ (401,552)	156%

Givens Highland Farms
Comparison of 2022 Audited Financial Statements to the 2022 Forecast
Balance Sheet

	2023 Audited	2023 Forecast	Variance	%	
Assets					
Current assets:					
Cash and cash equivalents	\$ 6,235,940	\$ 750,000	\$ 5,485,940	731%	3
Assets limited as to use, current	5,977	5,000	977	20%	
Accounts receivable, net	1,051,716	1,594,000	(542,284)	-34%	
Contributions receivables, current	-	-	-	N/A	
Other receivables	4,432,923	44,000	4,388,923	9975%	4
Escrow deposits	2,866,485	2,000,000	866,485	43%	
Prepaid expenses	89,383	482,000	(392,617)	-81%	
Total current assets	14,682,424	4,875,000	9,807,424	201%	
Non-current assets:					
Property and equipment, net	80,602,425	83,822,000	(3,219,575)	-4%	
Due from Affiliate	-	-	-	N/A	
Assets limited as to use, less current portion	16,517,297	4,996,000	11,521,297	231%	5
Statutory operating reserve fund	4,245,000	4,245,000	-	0%	
Investments	771,133	15,267,000	(14,495,867)	-95%	6
Contributions receivables, less current portion	-	-	-	N/A	
Intangibles, net	1,365,069	1,365,000	69	0%	
Total noncurrent assets	103,500,924	109,695,000	(6,194,076)	-6%	
Total assets	\$ 118,183,348	\$ 114,570,000	\$ 3,613,348	3%	
Liabilities and net assets					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 7,294,882	\$ 5,480,000	\$ 1,814,882	33%	7
Interest payable	89,834	184,000	(94,166)	-51%	
Agency funds	5,977	5,000	977	20%	
Escrow deposits	2,866,485	2,000,000	866,485	43%	
Long-term debt, current portion	707,268	482,000	225,268	47%	
Refundable entrance fees, current portion	1,776,000	1,488,000	288,000	19%	
Total current liabilities	12,740,446	9,639,000	3,101,446	32%	
Long-term liabilities:					
Long-term debt, net of current portion	56,013,974	56,485,000	(471,026)	-1%	
Due to affiliate	3,432,826	3,201,000	231,826	7%	
Refundable entrance fees, net of current portion	33,394,799	40,364,000	(6,969,201)	-17%	8
Deferred revenue from entrance fees	27,082,711	18,751,000	8,331,711	44%	8
Resident deposits	452,584	362,000	90,584	25%	
Total long-term liabilities	120,376,894	119,163,000	1,213,894	1%	
Net Assets	(14,933,992)	(14,232,000)	(701,992)	5%	
Total Liabilities & Net Assets	\$ 118,183,348	\$ 114,570,000	\$ 3,613,348	3%	

Givens Highland Farms
Statement of Cash Flows
Comparison of 2022 Audited Financial Statements to the 2022 Forecast

	2023	2023		
	Audited	Forecast	Variance	%
Cash flows from operating activities:				
Change in net assets	\$ (658,552)	\$ (257,000)	\$ (401,552)	156%
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,289,494	3,212,000	77,494	2%
Amortization of deferred financing costs	(103,558)	(119,000)		0%
Realized and unrealized gain on investments	(506,639)	-	(506,639)	N/A
Loss on disposal of P&E	125,790			
Proceeds from entrance fees	2,649,291	2,000,000	649,291	32%
Amortization of entrance fees	(2,666,069)	(2,347,000)	(319,069)	14%
Bad Debts	23,394	35,000	(11,606)	-33%
Contributed services	-	-	-	N/A
Net change in working capital:				
Change in receivables and prepaid expenses	(4,388)	657,000	(661,388)	-101%
Change in accounts payable and other accrued liabilities	2,512,004	(118,000)	2,630,004	-2229%
Net cash provided by operating activities	4,660,767	3,063,000	1,597,767	52%
Cash flows from investing activities:				
Property and equipment purchases	(29,396,156)	(32,000,000)	2,603,844	-8%
Change in due to/from affiliates	231,354	-	231,354	N/A
Change in investments and assets limited as to use	(2,776,981)	(15,053,000)	12,276,019	-82%
Net cash provided (used) by investing activities	(31,941,783)	(47,053,000)	15,111,217	-32%
Cash flows from financing activities:				
Repayment of long-term debt	(712,247)	(454,000)	(258,247)	57%
Debt issuance costs incurred	-	-	-	N/A
Contributions restricted for capital	-	-	-	N/A
Refunds of entrance fees	(1,220,211)	(1,500,000)	279,789	-19%
Refundable entrance fees received	997,965	743,000	254,965	34%
Entrance fees received from initial units	10,846,154	9,900,000	946,154	10%
Net cash provided (used) by financing activities	9,911,661	8,689,000	534,754	6%
Change in cash and cash equivalents	(17,369,355)	(35,301,000)	17,931,645	-51%
Cash and cash equivalents, beginning of year	42,346,892	42,347,000	(108)	0%
Cash and cash equivalents, end of year	\$ 24,977,537	\$ 7,046,000	\$ 17,931,537	254%

Notes to Comparison of 2023 Audited Financial Statements to 2023 Forecast

For the Statement of Operations any variances greater than 5% and \$600,000 (which represents .5% of assets) are highlighted in the comparison and explained below. For the Balance Sheet and Statement of Cash Flows, any variances greater than 5% and \$1,200,000 (which represents 1% of assets) are highlighted in the comparison and explained below.

Statement of Operations

1. Residential revenue, including amortization – We had higher than expected occupancy and higher than expected turnover that caused the favorable variance of \$616,122.
2. Long-term care expenses were \$649,258 higher than the budget because of the unbudgeted use of contract labor due to nursing staffing shortages.

Balance Sheet

The balance sheet includes restricted and unrestricted assets for comparison.

3. Cash and cash equivalents are \$5,485,940 above the forecast. The forecast assumes any cash exceeding \$750,000 will be invested. Due to cash needs and future projects, cash was not moved to investments.
4. Other receivables were \$4,388,923 higher than the forecast because we didn't receive the deposits in the escrow account until 2024. In addition, a few residents signed a promissory note for the balance of their entrance fee.
5. Assets limited as to use, less current portion – The audit was \$11,521,297 above the forecast. Almost all the assets limited to use relate to 2021 bond proceeds to finance the Brookside and Vista Ridge projects. The forecast was more optimistic about the progress of the projects. Despite the spending discrepancy, the projects are still progressing close to the original timeline.
6. Investments ended the year \$14,495,867 below the forecast. The forecast assumed that all entrance fees collected for Brookside would be received during 2023 (see explanation to number 4 above). A few Brookside residents moved in 2024. Also, we were waiting on bond reimbursements for year-end construction expenses.
7. Accounts payable and other accrued liabilities - The actual accounts were \$1,814,882 above the forecast due to accrued construction expenses.
8. Refundable entrance fees and Deferred revenue from entrance fees – When combined these two only have a variance of \$1,362,510 or 2%. The Forecast assumed that more residents would choose refundable entrance fees.

Cash Flows

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

9. The Change in accounts payable and other accrued liabilities was \$2,630,004 above the forecast due to accrued construction expenses.
10. Property and equipment purchases were \$2,603,844 less than the forecast. The forecast overestimated how much would be spent on the new projects.
11. Change in investments and assets limited to use – There was a \$12,276,019 difference between the audit and forecast. The forecast was more optimistic about the progress of the projects and the use of bond monies.