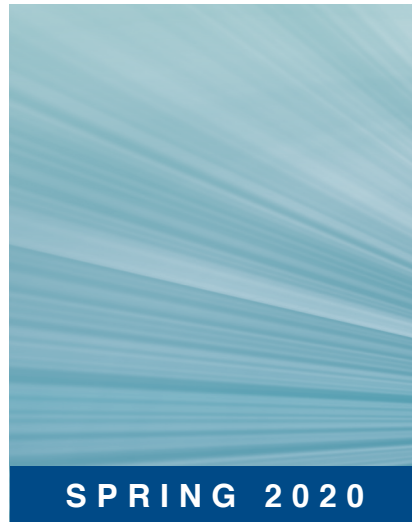


SPECIAL ISSUE

brief



Protecting Health and Safety in the Battle Against COVID-19

AEGIS LIVING LEADS THE WAY IN PREVENTION AND INTERVENTION

**AMERICAN
SENIORS
HOUSING
ASSOCIATION**

Living Longer Better

Ægis Living
Assisted Living | Memory Care

TABLE OF CONTENTS

PREPARING FOR AND RESPONDING TO COVID-19	I
LESSONS LEARNED AND LOOKING AHEAD	3
ABOUT DWAYNE CLARK, AEGIS LIVING FOUNDER AND CEO	9



Protecting Health and Safety in the Battle Against COVID-19

AEGIS LIVING LEADS THE WAY IN PREVENTION AND INTERVENTION

PREPARING FOR AND RESPONDING TO COVID-19

Aegis Living has been at the epicenter of the COVID-19 virus outbreak from the outset.

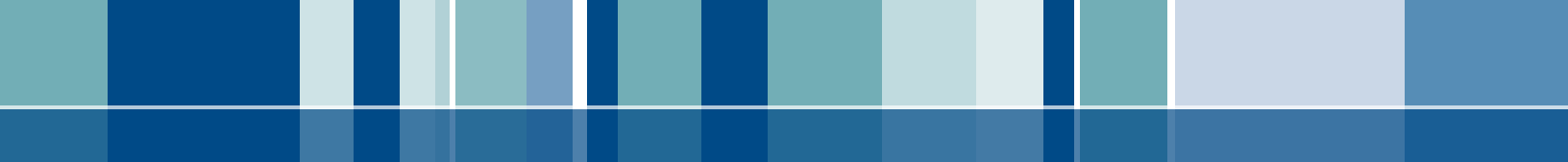
Based outside Seattle in Bellevue, WA, Aegis had been planning for the coronavirus to make it to the U.S. and was prepared to immediately respond after Washington state announced the nation's first confirmed case of the virus on Jan. 21, 2020 and subsequently its first death in late February. Its approach: Mitigating the risk of infection and implementing a comprehensive containment plan to protect residents and staff.

With 17 locations in Washington, 14 in California and one in Nevada, Aegis' first step was enhancing its infection control protocols and sanitation practices, increasing the monitoring and screening for all staff and others entering the community, limiting non-essential visits for family and loved ones, reinforcing emergency preparedness, managing vendor and service provider interactions, and cancelling events and meetings.

As more confirmed coronavirus cases spread across the country and along the west coast, especially among older adults, Aegis learned during the second week of March that a resident at its Redmond, WA, community was diagnosed with COVID-19.

Over a dozen residents and several staff members at the Redmond community ultimately tested positive for coronavirus. To date, staff and most residents — some well into their 90s — are fully recovered.

Aegis' fast action, heightened precautions and vigilant interventions were absolutely critical in containing and minimizing the virus' threat among approximately 2,400 residents and an equal number of staff. No other Aegis Living communities currently have residents diagnosed with the coronavirus, and the company has only two other communities with staff testing positive for the virus.



When the first resident at the Redmond community tested positive for COVID-19, all residents were placed in isolation and additional infection control measures were put in place. The Centers for Disease Control (CDC) visited the community to provide the staff additional support and training specific to COVID-19. Meanwhile, Aegis coordinated with the CDC to provide precautionary testing to residents to ensure every effort was taken to keep them safe.

The CDC validated that Aegis' practices and protocols were well above established standards. Resident and staff vitals were checked daily, including temperatures and oxygen saturation levels. As a standard practice, if any resident exhibited symptoms or other signs of illness, they quickly received the medical attention they needed.

All other communities in Washington and California began voluntary community-wide isolation shortly after out of an abundance of caution. Community-wide isolation includes such measures as:

- No visitors, including family, were allowed into the communities. Exceptions were made for essential visits, including end-of-life situations. Families contacted Aegis if they believed a visit was essential
- All residents remained in their apartments, avoiding any common spaces and interaction with other residents. Meals were brought directly to residents' apartments, where staff made sure everyone stayed hydrated and had the nutrition they wanted and needed throughout the day. The dining and food areas were closed
- In addition to closely monitoring all residents for signs of illness, staff checked temperatures and oxygen saturation daily. Temperatures for all staff members were also monitored, along with those of anyone who entered a community for what had been deemed an essential visit

Guidelines on re-admissions for residents returning from the hospital or another care location evolved to prioritize resident safety. For any resident sent out of a community for medical treatment (e.g. doctor's offices, urgent care, hospitals, skilled nursing facilities or other medical facilities), they were required to complete a 14-day isolation with heightened monitoring upon return to the community.

Resident engagement and connection have been a top priority. Staff have made regular visits and assisted with connecting residents with family. New digital programming was introduced, with tablet devices delivered to each community, preloaded with curated content (TED Talks, guided meditation, travelogues and more), music and other mentally stimulating apps.

A new, online show produced by Aegis Living was made available to residents. It features segments on seated fitness, trivia, musical guests, a Price Is Right-style game and fun jokes and banter to entertain residents. Episodes entertain and stimulate the mind, body and spirit of residents while they remain safely in their rooms.

Aegis continues to evolve this programming to meet residents' needs, having recently rolled out a movement program to get residents outdoors and engaged in strength-building activities. The company is also exploring hallway music concerts, enhanced art programs, bringing in virtual lectures and more.

LESSONS LEARNED AND LOOKING AHEAD

Dwayne Clark, Aegis Living's founder and CEO, has immersed himself in the latest COVID-19 research and spent time learning from experts across the medical and research community as he leads the organization's response to the pandemic.

When he founded Aegis Living in 1997, he coupled his personal experience with best practices from world-class companies such as Costco, Nordstrom and Starbucks to create a new model for senior assisted living centered on helping residents live life to the fullest.

He grew Aegis Living from a concept to a company that now has \$3 billion+ in real estate assets, more than \$210 million in annual operating revenues and 2,400+ staff members. Today, Aegis Living has 32 communities and seven additional properties in development, with ambitious plans to double in size over the next 10 years.

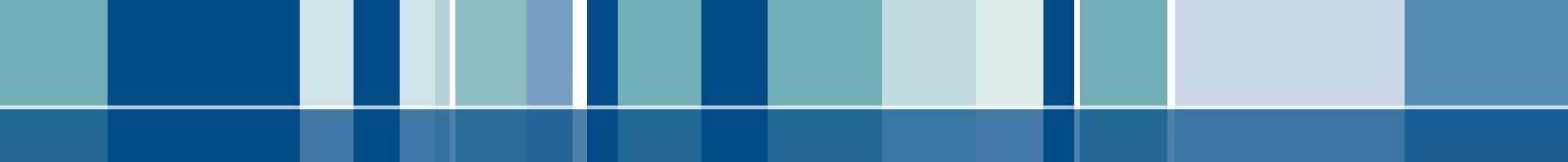
Looking back on Aegis' experiences with the COVID-19 outbreak, he shared lessons learned and reflected on how senior living will respond to the virus going forward.

Dwayne, you have talked to doctors, scientists, virologists and have a remarkable understanding of the COVID-19 virus. What have you learned about this virus that everyone in senior living needs to know?

Before the coronavirus even made its way to the U.S., I made it my personal mission to learn everything I could about the virus. Every day, I immerse myself in the latest research and spend time learning from experts across the medical and research community. What's become clear is that the severity of the virus and its impact on an individual depends on three key things:

- **Potency** – the viral load an infected person has in their system when they pass it to another (viral load decreases with time). For example, someone at “viral peak,” who might be symptomatic and running a high fever, is likely to spread a more severe form of the virus to another person vs. someone who is at the end of the cycle and their viral load is lower.
- **Frequency** – the more times you are exposed to the virus, the sicker you may get. This is what's happening with our doctors and other medical providers around the world. Take Italy for example, physicians young and old are dying from the virus. Much of this is a result of the potency and frequency of infected patients they are exposed to consistently over time.
- **Time** – the longer you are exposed to someone with the virus, the more likely you are to contract a severe form of it.

This is why social distancing and self-isolation are the best way to combat this highly contagious virus.



We have learned that it can spread in ways we didn't know before. For example, there is evidence that the virus can be passed on equipment that hasn't been properly sanitized and that transmission could possibly even happen through shared air vents (say a resident living in a floor above another resident, for example).

Most recently, we also discovered that the virus impacts our assisted living and memory care residents in different ways and there are longer-term implications even after a person has recovered. We are seeing some assisted-living residents pass away from failure to thrive, not the virus. The reason being is the virus causes them to lose appetite and taste. We are actively exploring a number of ways to address this, even the use of CBD to restore appetite for residents should families' and doctors' consent. We aren't seeing this issue with our memory care residents as they are more driven by schedule and habit.

Being in Washington state you have had firsthand experience with the virus making an appearance in one of your communities. Can you describe how the situation presented itself and how your team dealt with the situation? What was your message to staff, residents and families?


Our team has done an outstanding job managing through the coronavirus and its impact on our communities. A lot of this ties back to the steps we took to prepare.

Our staff is able to quickly identify signs of illness — that's how we detected our first staff member who was ill with COVID-19.

As soon as we found out about the first case in one of our communities, we went into full lockdown and isolation for our residents. We brought in leadership from our corporate office to provide onsite training and support for all staff, especially our frontline caregivers. We worked closely with the Centers for Disease Control and Prevention and local health officials to ensure we were doing everything possible to prevent further spread of the virus.

Nobody could have imagined a situation like the one we are facing right now in our country. The best way to approach these complex situations is to prepare for the worst-case scenario. For us, that meant everything from intentional leadership planning for "what if" to stocking up on inventory, including food, personal protective equipment, medications, etc. and assuming we may be operating with minimal external support and resources.

From the beginning, we were also able to stock up on supplies, especially personal protective equipment for our staff. It's important organizations work with businesses they trust, because there is a lot of fraudulent products out there from groups trying to profit from this crisis. We are lucky to have a good business partners that produces gloves, and we ordered protective masks early on to last us several weeks at all of our communities.



Our Life Enrichment team has done an incredible job completely changing our programs to be there for our residents. We have talent shows, music and art activities and more. The talent we have found at each of our communities has been incredible.

We have been communicating with residents, families, staff and other friends of Aegis frequently and transparently — reporting the good and the bad. You can't communicate enough during times like this.

What steps have you taken to maintain appropriate staffing levels?

We are so proud of how our team has stepped up, and we haven't had to manage staffing shortages.

This speaks to our company culture. As a company, we have shown our employees that we're prioritizing their safety. We are also providing them with additional support during this challenging time. We're providing staff and family meals, working with employees on creative childcare solutions, offering telehealth services for free to all staff and more. We're also encouraging those who are experiencing any financial hardships to use our Potato Soup Foundation, created to support staff during times of need.

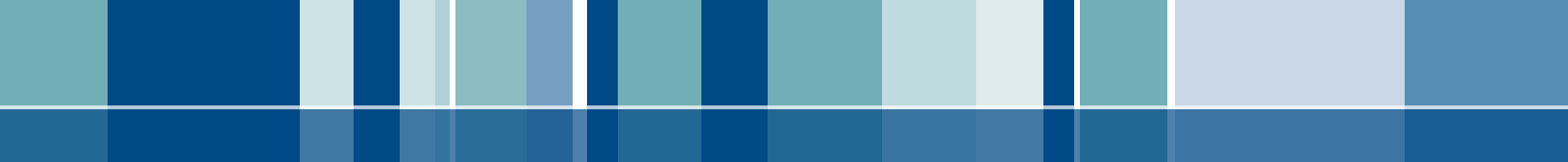
As noted, we encourage frequent communication and transparency with staff, always. This has kept our people together and rallying behind the company as a team.

Can you describe what you think the biggest challenge is right now for senior living operators?

The biggest challenge is isolation among our residents. How long can people be isolated? We must get creative and find new ways to offer interaction and keep morale high.

What do you think your biggest challenge will be in two months, beginning in June?

When your community is in lockdown mode, you can't tour new families, which means no deposits and no move-ins. This is something we'll have to closely navigate. There is also the challenge of industry perception and instilling trust in prospective residents and families.



Between now and the development of a vaccine for COVID-19 or a treatment, do you anticipate any opportunities to move new residents into your communities? Do you foresee a shift to new strategies and tactics for marketing/sales?

Technology will play a major role in new strategies and tactics for marketing and sales – everything from virtual tours to cooking demonstrations, events with neighbors or even happy hours. We'll need to make prospective residents feel as though they are living with us now, helping them feel part of the community and giving them the opportunity to make friends and know our staff before ever stepping onto our grounds.

How concerned are you about reputational damage to senior living's image? How can we combat the misperceptions some may have about senior living following the tragedy in Kirkland?

This is where you have to be completely transparent with families. We'll have to look at our own company and ask our residents and their families about the service and care they've received, both before and after the outbreak.

While people are waiting for the virus to go away, there will be long-term psychological aftermath from this crisis that we will have to overcome for some time. We will not be able to go back to the way we have always done things.

If you had to identify the things that would be most helpful to organizations right now facing COVID-19, what would it be?

From early on, we worked as a team, designated roles and identified owners for all critical functions. Mine was to be the expert. I wanted to educate myself on the virus so I could make the best decisions for my company. This has entailed talking to scientists, researchers, physicians and frontline staff to see how we could keep residents and staff safe and make our company smarter. Not a day goes by when I don't put in my time, reading dozens of articles, talking to doctors and other experts, listening to webinars, etc. I'm keeping a pulse on both the national and local landscape so I can make the best decisions for each of our 32 communities.

We are fortunate to have access to renowned health care providers, researchers and scientists in the Puget Sound region, many of which are leading the way for the country — from University of Washington to the Gates Foundation and even Fred Hutchinson Cancer Research Center deploying top specialists in infectious diseases to study the coronavirus. In fact, we are beginning work with Fred Hutch now to study current coronavirus cases at Aegis Living Marymoor and glean insights for others around the country. We continue to work closely with the Centers for Disease Control and Prevention and local public health experts to review and refine our approaches.



Other key learnings — and these continue to evolve - include:

- **Establish your patient zero.** If your community is impacted, identify and track your patient zero from the start. We must track every possible exposure point to help ensure the safety of others. This is something South Korea has done well, and we have the opportunity to learn from them here in the U.S.
- **Develop high sensitivity to the disease.** While the virus can be spread when individuals are asymptomatic, we can use changes in conditions to our advantage for early detection. We implement daily temperature checks and oxygen saturation level screening for all residents. Staff undergo a screening at every shift.
- **Establish a COVID-19 training program.** Teach your staff about the virus, infection control and how to protect themselves at work and when they are away. We used every communication tool possible to help educate our staff. We spent time during company stand-up meetings and calls sharing best practices, and used onsite signage, emails and more to share what we were learning.
- **You can't communicate enough.** Communicating regularly (even daily) with staff, families, residents and partners, goes a long way. Be real and authentic, sharing the good and the bad.
- **Sanitize EVERYTHING, even your equipment.** Sanitize every piece of equipment and surface frequently. It's not just human-to-human contact that spreads the virus. A monitor that has been touched or a band that has sweat from someone that is infected can be a carrier.
- **Get as much PPE as you can.** I know this has been a struggle for all but do your best to overestimate and over prepare so you have enough equipment. And lean on your trusted partners.
- **Form an alliance with a testing partner.** We all need more timely results and the only way to achieve this is by forming a partnership with a testing lab.
- **Keep all residents active, especially those in memory care.** It continues to be a challenge to keep memory care residents in their rooms. While you will need extra staff to make sure this happens, the most important thing you can do is keep these residents active and engaged with activities and in-person visits.
- **Implement community-wide isolation if you haven't already.** No one in the building, no exceptions. This is one of the main reasons we have been so successful in keeping infection rates low and contained across our communities.
- **Take care of frontline employees and foster a strong company culture.** Like yours, our staff is working around the clock to implement these new standards and be there for our residents and we have to be there for them with many of the items I previously mentioned — consistent communications, free meals for staff and families, childcare support, telehealth offerings and more.



What are your thoughts on PPE and testing kits?

We have to plan for the worst-case scenario. It's important to have an abundance of PPE stock and it's okay if we don't use all the equipment now. Surplus is never a bad thing.

When it comes to testing kits, we want to make sure they are accurate and timely. If it's taking almost two weeks to receive results, people will only be more prone to infecting others. Timing is critical and until you know you are tested negative, keep yourself isolated. And even if you have a negative result, you must act with the same precautions to limit risk of future exposure or putting others at risk.

What would be helpful for other operators to think about?

We must recognize that we are a part of the continuum of care for hospitals and other health care providers. We are already feeling the pressure of overpopulated hospitals and when they start performing elective surgeries again, the senior living industry will have to be prepared to take care of these people—possibly in new ways.

Demand for senior living rarely goes away. If anything, those in isolation will likely come out of this crisis wanting to find a community of people and support. Families may be seeking new support after being the sole caregiver for a loved one. I think we can expect to see the results of pent up demand once we are on the other side of this.

What's your sense of the senior living industry's ability to withstand financial pressures – drops in occupancy, cash flow, debt obligations?

Occupancy will be more scrutinized than ever. The industry's ability to withstand financial pressures will vary from business to business and how they started before this crisis hit. This will affect cash flow, debt obligations, etc. If you were on solid financial ground and you had a strong business model, you will come out on the other side of this. The shallower your pockets, the shorter your runway will be. It will be an interesting time for more established companies with a little extra cash. I think we will see more consolidation and businesses capitalizing on lower interest rates, real-estate prices dropping, etc.



ABOUT DWAYNE CLARK, AEGIS LIVING FOUNDER AND CEO

Dwayne J. Clark is the Founder and Chief Executive Officer of Aegis Living. With more than 30 years of senior housing experience, Dwayne is nationally known for redefining the industry – from innovative, programmatic design of senior living communities to novel approaches with employee engagement and retention. In more recent years, he has made his mark as a longevity expert and established author.

When Dwayne founded Aegis Living in 1997, he recognized an industry that had great potential and intentions but was ultimately failing older adults. He coupled his personal experience with best practices from world-class companies such as Costco, Nordstrom and Starbucks to create a new model for senior assisted living centered on helping residents live life to the fullest. He grew Aegis Living from a concept to a company that now has \$3 billion+ in real estate assets, more than \$210 million in annual operating revenues and 2,400+ staff members. Today, Aegis Living has 32 communities and seven additional properties in development, with ambitious plans to double in size over the next 10 years.

Through Dwayne's leadership, Aegis Living has been recognized with a number of industry and organizational accolades over the past 22 years such as: Best Assisted Living by *Seattle Business* magazine, Eastside Fastest Growing Company and top Corporate Philanthropist by *Puget Sound Business Journal*; Best Retirement Facility by *425 Magazine*; Best of Assisted Living Design by *Senior Housing News*; Top 50 Best Places to Work by Glassdoor.com's Employee Choice Award; among others.

After overseeing the care of more than 60,000 Aegis Living residents, Dwayne has developed a lifelong passion for wellness and longevity. With his wife Terese, he has traveled to nearly 100 countries exploring different healing modalities – from working with doctors and alternative health specialists, to engaging in mind, body, and spirit practices. These discoveries inspired his newest book and Amazon Best Seller "30 Summers More."

An experienced author, Dwayne has also written two books about his mother and her journey with Alzheimer's, "*My Mother, My Son*" and "*Saturdays with G.G.*" as well as "*A Big Life*," a combination book/game to inspire families to connect and reflect on the powerful wisdom of older generations.

He is the founder of True Productions and produced a documentary about NBA legend Spencer Haywood, "*Full Court: The Spencer Haywood Story*." His first play, "*Seven Ways to Get There*" premiered in early 2015 at Seattle's ACT Theatre.

Dwayne came from humble beginnings and remains dedicated to helping others. Today he supports more than 70 local and global charities and has founded five of his own, including: The Potato Soup Foundation, The Queen Bee Cafes, The D-One Foundation, The Clark Family Legacy Foundation, and The March for Civility. He has also served on the boards of Seattle-based Rainier Scholars and the 5th Avenue Theatre, as well as the Young President's Organization, where he served as Chairman of the Northwest Chapter.

Prior to forming Aegis Living, Dwayne was Executive Vice President of Sunrise Senior Living, and spent seven years with Leisure Care.



**AMERICAN
SENIORS
HOUSING
ASSOCIATION**
Living Longer Better

www.seniorshousing.org

Aegis Living
Assisted Living | Memory Care

www.aegisliving.com