

Fall Newsletter

2024

The power of choice

It is said that variety is the spice of life. Variety provides us with the ability to make choices. At ECS, we believe that seniors should be offered a wide variety of options so they can live life on their terms. We are so thankful that thousands of residents have made the choice to call an ECS community home.

ECS's Southern California communities are in attractive locations, offer a broad array of social and occupational opportunities, and importantly, choice in how care is delivered. ECS's Choice Custom Care program brings the care residents desire and need to where they live. In addition, ECS communities provide abundant dining options with attractive menus and venues.

We know choice is also important to team members. Our teams are essential to the mission of providing exceptional communities and services for seniors. Each community is exceptional because its team members are exceptional. ECS's core values were developed in collaboration with our team members and these values represent a collective of choices in how to show up every day — brave, compassionate, inclusive, respectful, and imaginative.

Team members bring their best to their roles, which is why residents give so generously to show their appreciation and to invest in assisting the team members as they further their careers through education. And as a nonprofit organization, ECS is also able to reinvest a portion of our revenue to support and enhance the lives of our team members.

We are incredibly grateful for the thousands of residents who have chosen to call an ECS community home, and for our team members who have chosen to dedicate their career to an ECS community. We know you have a choice, and we are thankful your choice brought you to ECS.

James Rothrock
President and CEO



Highlights

This newsletter features stories of the investments in our communities that provide choice to seniors in Southern California.

Twelve Oaks

The vision for
Twelve Oaks

MonteCedro

The completion
of MonteCedro's
master plan

The Covington

Enhancements coming
to The Covington

The Canterbury

Upgrades to The
Canterbury

Investing in the
future of our
communities



Twelve Oaks

The Vision for Twelve Oaks *Plans for a new campus*

Last month, we announced the difficult but essential decision for the ongoing viability of Twelve Oaks. At the end of February 2025, Twelve Oaks will be closing temporarily for long-awaited enhancements.

Our first concern is for the current residents and team members. We are actively helping residents through the transition process, including providing financial assistance to offset the cost of relocation as well as supplementing the difference in fees at their new location. In addition, for team members, we are providing retention packages to encourage them to stay with us through the final months of operation. As we approach the closure of Twelve Oaks, we will assist them with finding new job opportunities at other ECS communities or elsewhere. Our goal is to make the transition as smooth as possible for everyone.

We know Twelve Oaks is a special place. "There are 14 buildings on the campus," says Sharon Pewtress, Senior Vice

President and Chief Operations Officer. "Some buildings are 90 years old." Over time, several buildings have become non-compliant with current building and operating codes. During our development process, it was determined that rehabilitation of the buildings is not feasible for some of these structures.

The plans for the new campus include a centralized building with more residential accommodations to meet the growing demand, additional areas for activities as well as increased space for Memory Care for which there is a great demand. There is a vital need for senior housing in the area, especially for those of moderate income and the new facilities will respond to this need by tripling the number of residents it can accommodate.

The unique woodland character and natural beauty of Twelve Oaks will be preserved, while respecting the residential character of the immediate neighborhood. We anticipate the new development to be completed within five years.

MonteCedro

The completion of MonteCedro's master plan *A long-term vision coming to life*

Before MonteCedro first opened, it had a comprehensive, phased master plan. The past years have brought that master plan closer to completion. David Weidert, Executive Director of

MonteCedro has been with the community since the beginning. "This past year, Phase 1, Part 1 has been completed," David says. This work includes improving acoustics at two of the dining destinations, Station 8 and Off Lake Bistro, as well as enhancing the bistro's kitchen. "We also added guest accommodations so residents now have two guest rooms for visitors," he says.



Upcoming enhancements include updates to the main lobby, continued modifications for Station 8, an upgrade to Marcelle's fine dining restaurant, and an expansion of the auditorium to accommodate more residents. In addition, the fitness center will be redesigned, along with Studios A, B and C where fitness and art classes take place. "We anticipate these updates to be completed in early 2026," he says.

The completion of the master plan includes the expansion of MonteCedro with 40 new residences and a new restaurant that overlooks a green space. Residents have been active in providing feedback on all the changes and upgrades to the community. They created ad-hoc committees to provide input into the kitchens, landscaping, walkways, building names,

acoustics and programming. The result of this work will be the completion of this original vision for this sought-after community in Altadena.

The Covington

Enhancements coming

Resident-led input into potential updates

The Covington recently celebrated its 20th anniversary. The community has been a vital part of Orange County since it opened its doors and upcoming capital investments will ensure it continues to be a vibrant place to live.

In light of the two decades as a staple in the community, a resident-led committee worked to review concepts and ideas for updates to the campus. "The residents provide us with insight into what they need and what they are looking for," says Cash Benton, Executive Director.



The coming years will see updates to the basic infrastructure, timed and scheduled to limit or avoid disruptions. Upgrades to our restaurant include enlarging the front of house and back of house to provide more service offerings and

extending the hours of operation.

What was once space for skilled nursing is being transformed for Memory Care. This investment will create a dedicated building for Memory Care and address the long waitlist for these spaces. In addition, the assisted living residences will be expanded so most are one-bedroom suites.

We will be refreshing the corridors and reconfiguring the spaces to improve access to transportation. Other changes include updates to the fitness center and wellness center. The Physical and Occupational Therapy offices will be expanded. Outside, the landscaping will be revisited and refreshed.

Over the coming months, we will be working with residents to finalize the color palette and finish selections, and complete the schedule of phases for the project.

The Canterbury

Upgrades to The Canterbury

Improving the interconnectivity of the community

The Canterbury has long been a cherished part of Rancho Palos Verdes. To ensure it continues to be sought-after destination by residents, we are investing in upgrades to the community.

Dave Hone, Executive Director of The Canterbury, has been working with residents to understand their priorities and incorporate their interests in the refurbishments.

"The initial ideas and inspiration for updates to the community came from resident focus groups and surveys," Dave says. The plans are in development, but some aspects of the enhancements include refreshing and upgrading the Care Suites and their common areas, so residents have better access and a more comfortable environment.



"We also want to improve the interconnectivity of the community," Dave says. Changes will make movement between the buildings easier and faster. We will be designing for more natural light with more amenity spaces in a centralized hub. Other changes will include enhancements to the dining room, both inside and out.

"We will also be upgrading the functionality and accessibility of the pool area," Dave says, as well as enhancing the fitness center. In time, the putting green will be replaced by a meditation garden. Additional landscaping improvements, and possibly a dog park, are under consideration.

"These updates will be phased in over the coming five years," Dave says. Our goal is to create a better, more comfortable and contemporary community for our residents today and in the future.

Investing in the future of our communities

Following the success of our bond issuance earlier this year and ECS's 2022 refinancing, we are investing approximately \$250 million into our communities over the coming five years.

MonteCedro will have an investment of approximately \$75 million, which will include the Expansion (also known as Phase II) that will add 40 new residences to the community. This construction began in late January, with occupancy scheduled for the end of 2025 or early 2026. In addition, MonteCedro will see significant renovations to the current community to optimize the campus.

The Canterbury has a \$50 million commitment to upgrading the community, phased in over five years. These investments will enhance the outdoor spaces, while improving accessibility, pedestrian travel and the community's amenities.

The Covington will receive an investment of \$25-\$30 million in the coming years. "We have been intentional in our planning based on residents' input," says Sharon Pewtress,

Senior Vice President of Operations and COO. "We will be making these updates with the least amount of disruption," she says.

The largest investment is in the redevelopment of the Twelve Oaks community. This work will total \$80 million over the coming five years, resulting in a tripling of capacity when the new campus reopens.

ECS also makes annual investments in maintaining the communities. Unlike for-profit companies that remove cash flow to pay shareholders or owners, as a nonprofit organization, ECS' capital continues to be reinvested in the campuses.



Over the coming half decade, in addition to the large capital projects described above, we will invest \$50 - \$60 million across MonteCedro, The Covington and The Canterbury. These funds will maintain and improve existing infrastructure such as the HVAC system, kitchen

equipment, lighting, carpeting and more. "We don't defer our maintenance. We reinvest in each community, making it like new or near new," says Charlie Rahilly, Executive Vice President and CFO of ECS.



All these capital improvements are funded by proceeds of the bond issue, as well as our investment returns and net entrance fees. ECS's Board of Directors and leadership are committed to using long-term borrowings prudently to maintain or improve resident safety, care and comfort while keeping communities like new. None of our residents' monthly service fees are allocated towards these long-term capital improvements.

Our goal is to continue to provide desirable, relevant choices for care, housing and services.

"The organization has the capacity to borrow and invest in communities, so they continue to be where people want to live," Charlie says.

