

The *Courage* to carry on

The Resident Profile

Our residents are a very dynamic group of individuals. All their lives, they have overcome adversity in their service to our nation. This year is no different. It has been a very emotionally challenging year for all our residents, as they have experienced great changes. And we salute them for their resiliency.

The AFRH provides great care and extensive services for eligible Veterans, as authorized by the Armed Forces Retirement Home Act of 1991. So, our residents expect The Promise to be upheld. Our Veterans may choose to live at either of our two distinct campuses (space permitting): AFRH-Gulfport and AFRH-Washington.

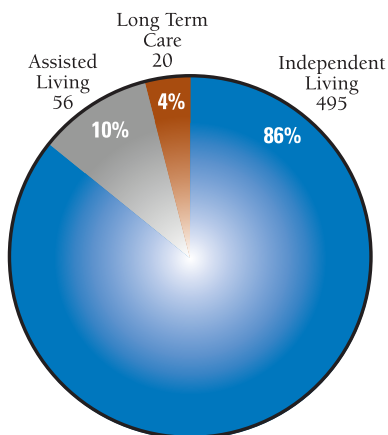
Veterans are eligible to become residents here if their active duty service in the military was at least 50 percent enlisted (Warrant Officer or limited duty officer). They are also eligible if they are:

- *60+ years of age, with 20 or more years of active duty service*
- *Unable to earn a livelihood due to a service-connected disability*
- *Unable to earn a livelihood due to non service-connected disability, yet served in a war theater or received hostile fire pay*
- *Female Veterans who served prior to 1948*
- *Deemed eligible for admission under rules of the COO due to compelling personal circumstances*

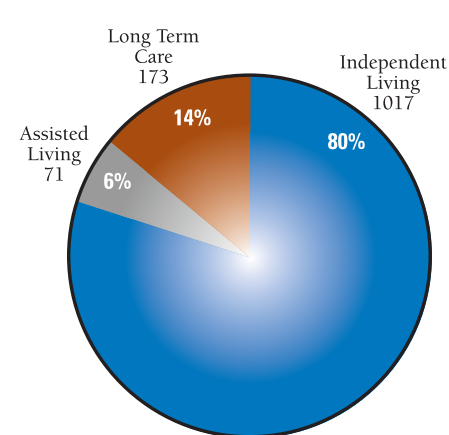
A Swift Evacuation

The damage from Hurricane Katrina left us with no choice but to evacuate our Gulfport residents. This process began with the 10 most fragile residents who were moved to a temporary nursing home in Mobile, Alabama – before final transport to AFRH-Washington. The second group of assisted living residents was bused to Maxwell Air Force base 908th Air Reserve Wing in Montgomery, Alabama and later airlifted to Andrews Air Force Base near Washington, DC. In a mere 24-hours, a full-scale evacuation was executed via bus, airlift and residents' privately operated vehicles.

Gulfport Resident Capacity

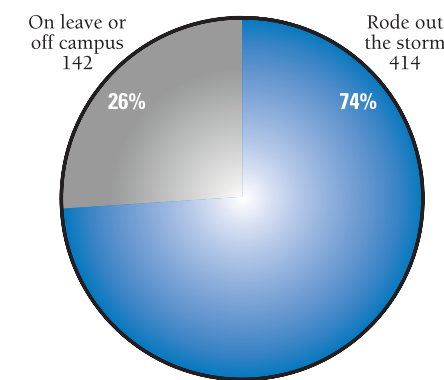


Washington Resident Capacity



At full capacity, both Gulfport and Washington can comfortably house 1800+ Veterans. Both offer Independent Living, Assisted Living and Long Term Care.

Gulfport Residents During Hurricane Katrina



More than 74% of Gulfport residents were in the building during Katrina. Others were on leave, in a medical facility or visiting friends and relatives.

“The support and focus of our residents made a world of difference. As long as they knew what was going on, they were a force multiplier.”

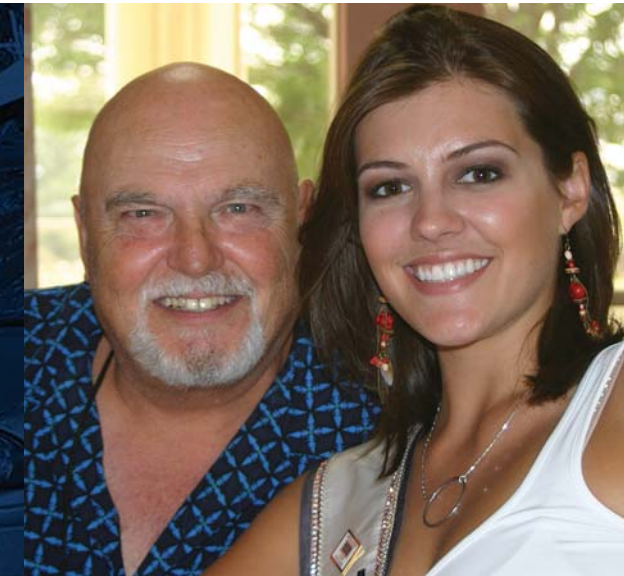
—Steve McManus, CFO



Nearly a Paradise Lost

Thousands of fellow Americans living on the Gulf Coast were devastated by the Category 4 winds of Hurricane Katrina. Our Gulfport residents were no exception. They, too, nearly lost everything. In a mere 48 hours, this massive disaster created the most emotionally trying battle our Veterans would ever fight. When the storm subsided, the Veterans of Gulfport

suddenly became refugees – and were forced to relocate. But, as any Veteran can tell you, we are a resilient corps of people. Just as these Vets fought bravely in World War II, The Korean War and Vietnam, they have confronted this personal loss head on – and overcame it to enjoy the sweet taste of victory in their new home of Washington, DC.



“Chelsea’s bright smile made all our troubles fade away.”

— Nelson Jamison, DC resident

Miss USA, Chelsea Cooley, poses with Nelson Jamison while on her tour to welcome Gulfport residents to Washington.