

THE VILLAGE AT MORRISONS COVE FLEXIBLE BENEFITS PLAN

SUMMARY PLAN DESCRIPTION
MATERIAL MODIFICATIONS

I
INTRODUCTION

THE VILLAGE AT MORRISONS COVE has amended your Flexible Benefits Plan as of July 1, 2014.

This is merely a summary of the most important changes to the Plan. It is presented to you as an addition to the Summary Plan Description. If you have any questions, contact the Administrator. A copy of the Plan, including this amendment, is available for your inspection. If there is any discrepancy between the terms of the Plan or the amendment itself and this summary of material modifications, the provisions of the Plan, as amended, will control.

II
GENERAL INFORMATION ABOUT THE PLAN

There is certain general information which you may need to know about Amendment Number ONE to the Plan. This information has been summarized for you in this Section.

1. General Plan Information

THE VILLAGE AT MORRISONS COVE Flexible Benefits Plan is the name of the Plan.

The amended provisions of the Plan become effective on 07/01/2014, unless otherwise provided.

Your Employer has assigned Plan Number 510 to your Plan.

2. Employer Information

Your Employer's name, address and identification number are:

The Village at Morrisons Cove
429 South Market Street
Martinsburg, Pennsylvania 16662
23-1381403

3. Administrator Information

The name, address and business telephone number of the Administrator are:

The Village at Morrisons Cove
429 South Market Street
Martinsburg, Pennsylvania 16662
814-793-2104

The Administrator has the complete power, in its sole discretion to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

III SUMMARY OF CHANGES

The employer is modifying the Flexible Benefits Plan in accordance with IRS Notice 2013-7 Modification of "Use-or-Lose" Rule for Health Flexible Spending Arrangements. The employer is removing the Grace Period option from the Health Flexible Spending Benefit and adopting the provision that allows a \$500 carryover of unused Health FSA monies to the subsequent plan year. The Grace Period provision will remain in effect for the Dependent Care FSA Benefit under the Plan.

Therefore, starting with plan year 2014 any references to "Grace Period" are no longer applicable to the Health FSA Benefit, but remain applicable to the Dependent Care FSA Benefit. Any references to "forfeiture of funds" now refer to unused Health FSA funds over \$500.00. Unused Health FSA balances of \$500 or under will carryover to the participants subsequent plan year. The carryover provision does not apply to unused Dependent care funds. Unused Dependent care fund will be forfeited at the end of the plan year run out period.

1. Section V BENEFIT PAYMENTS, Item 2. is amended to read as follows:

What happens if I don't spend all Plan contributions during the Plan Year?

If you have not spent all the amounts in your Health Flexible Spending Account by the end of the Plan Year run out period, \$500 of the used Health Flexible Spending Account is eligible to be carried over into the next plan year. Any Health Flexible Spending monies over \$500.00 left at the end of the plan year run-out will be forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts above \$500.00 in the Plan if you do not use the contributions that have been made, it is important that you decide how much to place in the Flexible Spending Account carefully and conservatively. Remember, you must decide the benefits you want to contribute to and how much to place in the Health Flexible Spending Account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in the Health Flexible Spending Account will be used, because only \$500.00 of Health Flexible Spending Account monies will be able to carryover into the next plan year.

If you have not spent all the amounts in your Dependent Care Flexible Spending Account by the end of the Plan Year you will have an additional 2 ½ months to incur expenses to spend down this account. Any Dependent Care Flexible Spending Account monies left over after the 2 ½ month grace period will be forfeited. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in the Dependent Care Flexible Spending Account carefully and conservatively. Remember, you must decide the benefits you want to contribute to and how much to place in the Dependent Care Flexible Spending Account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely

Obviously, qualifying expenses that you incur late in the Plan Year or during the Dependent Care Grace Period for which you seek reimbursement after the end of such Plan Year and Dependent Care Grace Period will be paid first before any amount is forfeited. Any monies left at the end of the Plan Year, after the \$500 carryover for the Health FSA, and after the Grace Period for the Dependent Care FSA will be forfeited.