

**ADDENDUM**

**TO**

**2014 DISCLOSURE STATEMENT**

**February 9, 2015**

Addendum Contents:

***NOTE:***  *A Notice of Expansion Project Letter of February 9, 2015, was sent from Latsha Davis & McKenna, attorneys at law, to the Pennsylvania Insurance Department, which included the contents of this Addendum to the previously distributed 2014 Disclosure Statement:*

Amendment to Disclosure Statement, A1 February 9, 2015

The Meadows Entrance Fees and A2 Monthly Fees 2015

Patio Apartment Entrance Fees and A3 Monthly Fees 2015

**FREDERICK MENNONITE COMMUNITY**

**d/b/a FREDERICK LIVING AMENDMENT TO DISCLOSURE STATEMENT**

February 9, 2015

The Disclosure Statement is hereby amended to include the following: "In Spring of

2015, Frederick Living will begin an expansion project which will add 55 new residential living cottages to its existing campus. The expansion, *The Meadows at Frederick Living,* will be developed over a period of approximately two years. All required governmental approvals and licenses will be obtained prior to the start of construction, and the financing for the project will be in place May of2015. The cottages will feature geo-thermal heating and cooling and four open floor plans ranging from 1200-1600 square feet. The applicable entrance fees for the

cottages range from $225,000 to $480,000 depending on the cottage and entrance fee refund plan chosen. Prospective residents may choose from three refund plans: (i) 50% Refundable Plan ("Plan A"); (ii) Declining Refund Plan ("Plan B"); and (iii) 90% Refundable Plan ("Plan C"). Reference should be made to the Resident Agreement for further information. The monthly fees

for the cottages range from $1,875 to $2,550 based on single or double occupancy and the meal

allowance chosen.

For this expansion project, prospect residents pay a non-refundable application fee at the

time of submitting an Application for Residency. A reservation fee of $1,000 and a signed Reservation Agreement assures a prospective resident's placement on Frederick Living's waiting list. Execution of the Resident Agreement and a deposit of 10% of the applicable entrance fee, less the reservation fee, secure a specific cottage selection. An additional deposit of25% of the entrance fee is required upon notification that construction has begun. The final payment

A1

reflecting the remaining balance of 65% of the entrance fee is due on or before the date the selected cottage becomes available for occupancy (the "designated occupancy date") or occupancy, whichever is earlier.

All construction plans are contingent on acceptable market demands and financing requirements, and all designated occupancy dates are approximate and may vary according to changes in approvals, weather conditions, market demands, and other factors which are beyond Frederick Living's control. There are no assurances or guarantees that the entire project will be completed or that the scope of the project will not change. All future dates are approximate and assumes Reservation Agreements were entered into for all of the proposed 55 cottages."

**Frederick Living**

**The Meadows Entrance Fees and Monthly Fees 2015**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Floor Plan | Square  Footage\*\* | PlanA  50% Refundable Plan | PlanB Declining  Refund  Plan | Plane  90% Refundable Plan | Monthly Fees  *Effective January 26, 2015* | |  |
| Entrance  Fee | Entrance  Fee | Entrance  Fee | One Person Monthly Fee  With Respective Meal Plan Option Mea!PlanB Meal PlanA | Two Person Monthly Fee  With Respective  Meal Plan Options  Meal PlanB Mea! PlanA |
| Aster | 1228 | $300,000 | $225,000 | $440,000 | $1950 $1875 | $2550 $2400 |
| Lavender | 1326 | $300,000 | $225,000 | $440,000 | $1950 $1875 | $2550 $2400 |
| Coneflower | 1402 | $325,000 | $245,000 | $480,000 | $1950 $1875 | $2550 $2400 |
| Sunflower | 1455 | $325,000 | $245,000 | $480,000 | $1950 $1875 | $2550 $2400 |

Refund Policy - to be paid based on Refund Policy per Resident Agreement:

**Plan A**- Minimum 50% refunded. Frederick earns 2% for each month of occupancy up to a maximum of 50% of the entrance fee.

**Plan B** - Declining refund. Entrance fee refund is reduced by 2% for each month of occupancy for fifty months.

**Plan C**- Minimum 90% refunded. Frederick earns 2% per month for first five months.

Meal Plan A includes a meal allowance of $150 per person per month. Meal Plan B includes a meal allowance of $300 per person per month.

\*\*All Square Footages for accommodations are approximate and may vary+/-.

A2

**Frederick Living**

**Patio Apartment Entrance Fees**

**Monthly Fees**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Entrance Fees | PlanA  50% Refundable Plan | PlanB Declining  Refund Plan | Plane  90% Refundable Plan | Monthly Fees  *Effective*  *January I, 2015* | |
| Entrance Fee | Entrance Fee | Entrance Fee | One Person | Two Persons |
| 1 Bedroom with Den  1 *Yz* Baths  1092 Sq. Ft. | $ 188,000 | $ 141,000 | $266,000 | $ 2,350 | $ 3,025 |
| 1 Bedroom with Den  1 *Yz* Baths  1151 Sq. Ft. | $ 198,000 | $ 148,000 | $281,000 | $ 2,400 | $ 3,075 |
| 1 Bedroom with Den  2Bath  1218 Sq. Ft. | $210,000 | $ 157,000 | $297,000 | $2,450 | $ 3,125 |
| 1 Bedroom with Den  2Bath  1474 Sq. Ft. | $253,000 | $ 190,000 | $ 360,000 | $2,500 | $ 3,175 |

**Refund Policy- to be paid based on Refund Policy per Resident Agreement:**

Plan A- Minimum 50% refunded. Frederick earns 2% for each month of occupancy up to a maximum of 50% of the entrance fee.

Plan B- Declining refund. Entrance fee refund is reduced by 2% for each month of occupancy for fifty months.

Plan C- Minimum 90% refunded. Frederick earns 2% per month for first five months.

\*\*All Square Footages for accommodations are approximate and may vary+/-.

A3