

(c) The provider shall compute operating reserves for each facility as of the end of the facility's most recent fiscal year and, simultaneously with submission of its application for a renewal certificate OF REGISTRATION, shall indicate compliance by setting forth in a letter to the Department from a certified public accountant the amount actually set aside or by disclosing the amount in a certified financial statement.

(d) A provider may apply toward the reserve required by this section any reserves, other than debt service reserves, maintained under applicable financing document requirements if the reserves are available to the provider to meet the facility's operating expenses.

(e) For the purpose of calculating the provider's operating reserves, investments held to the credit of the reserves shall be calculated at their market value as of the end of the provider's most recent fiscal year for which a certified financial statement is available.

(f) The provider shall notify the Department in writing [simultaneously withdrawing] IMMEDIATELY ON THE WITHDRAWAL OF any amount from the funds available to satisfy the operating reserve that is required by subsection (b) of this section. Within 30 days of such draw, the provider shall submit to the Department a written plan for restoring the funds in the reserve to the level required by subsection (b) of this section.

(g) (1) A provider shall have up to 10 full fiscal years after the later of October 1, 1996 or the date of its initial certificate OF REGISTRATION to meet the requirement of subsection (b) of this section.

(2) A provider shall meet the requirement of subsection (b) of this section at a minimum rate of 10% per year as of the end of each fiscal year after the later of October 1, 1996 or the date of its initial certificate OF REGISTRATION, up to a total of 100% as of the end of the 10th fiscal year.

(3) The Department may allow any such provider to modify the minimum rate or authorize an additional amount of time to meet the requirement of subsection (b) of this section, if the modification is necessary to maintain the financial viability of the facility.

(h) (1) For any facility that has not been the subject of a conversion and in which some residents are not parties to continuing care agreements, the provider shall set aside as its operating reserves an amount equal to at least 15% of the pro rata proportion of the net operating expenses.

(2) The pro rata proportion of the net operating expenses shall equal the number of units in the facility certified by the Department divided by the total number of accommodations in the facility multiplied by the net operating expenses for the most recent fiscal year for which a certified financial statement is available.

11C.

(a) (1) The provider shall furnish without cost to all prospective subscribers, before payment of any part of the entrance fee or, if earlier, the execution of a