

END OF THE SECOND FULL FISCAL YEAR AFTER THE FISCAL YEAR IN WHICH THE PROVIDER MAY OBTAIN, UNDER § 11(C) OF THIS SUBTITLE, THE USE OF FUNDS HELD IN ESCROW.

(2) FOR THE TIME SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION, A PROVIDER THAT DOES NOT BY OCTOBER 1, 1996 HOLD A CERTIFICATE OF REGISTRATION OR A PRELIMINARY CERTIFICATE OF REGISTRATION OR RECEIVE APPROVAL OF THE OFFICE ON AGING OF THE PROVIDER'S FEASIBILITY STUDY IS EXEMPT FROM THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION IF THE PROVIDER HAS A BINDING AGREEMENT WITH A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE, THAT UNCONDITIONALLY OBLIGATES THE FINANCIAL INSTITUTION TO FURNISH THE PROVIDER CREDIT IN AN AMOUNT AT LEAST EQUAL TO THE AMOUNT REQUIRED IN SUBSECTION (B) OF THIS SECTION.

(3) A PROVIDER MEETING THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION IS EXEMPT FROM THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION UNTIL THE EARLIER OF:

(I) THE END OF THE TENTH FULL FISCAL YEAR AFTER THE FISCAL YEAR IN WHICH THE PROVIDER MAY OBTAIN, UNDER § 11(C) OF THIS SUBTITLE, THE USE OF FUNDS HELD IN ESCROW; OR

(II) THE DATE ON WHICH THE BINDING AGREEMENT WITH A FINANCIAL INSTITUTION EXPIRES.

(1) FOR ANY FACILITY IN WHICH SOME RESIDENTS ARE NOT PARTIES TO CONTINUING CARE AGREEMENTS, THE PROVIDER SHALL COMPUTE THE AMOUNT OF THE OPERATING RESERVE REQUIREMENT BASED ON THE PORTION OF THE NET OPERATING EXPENSES WHICH BEARS THE SAME RATIO TO THE TOTAL NET OPERATING EXPENSE AS THE NUMBER OF UNITS CERTIFIED BY THE OFFICE BEARS TO THE TOTAL NUMBER OF LIVING UNITS.

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 CONTINUING CARE AGREEMENT, AND ANNUALLY TO ALL SUBSCRIBERS ON REQUEST, A DISCLOSURE STATEMENT FOR EACH FACILITY OF THE PROVIDER HOLDING A PRELIMINARY CERTIFICATE OF REGISTRATION OR A CERTIFICATE OF REGISTRATION.

(2) THE PROVIDER SHALL SUBMIT ITS INITIAL DISCLOSURE STATEMENT TO THE OFFICE FOR REVIEW AT LEAST 45 DAYS BEFORE DISTRIBUTING THE STATEMENT TO ANY PROSPECTIVE SUBSCRIBERS.

(B) (1) THE PROVIDER SHALL REVISE THE DISCLOSURE STATEMENT ANNUALLY AND FILE THE DISCLOSURE STATEMENT WITH THE OFFICE WITHIN 120 DAYS AFTER THE END OF THE PROVIDER'S FISCAL YEAR.

(2) THE OFFICE SHALL REVIEW THE DISCLOSURE STATEMENT SOLELY TO ENSURE COMPLIANCE WITH THIS SECTION.