

(II) IS AT LEAST THREE TIMES THE WEIGHTED AVERAGE OF THE MONTHLY COST OF THE PERIODIC FEES CHARGED FOR INDEPENDENT LIVING AND ASSISTED LIVING UNITS.

(2) "ENTRANCE FEE" INCLUDES A FEE OF SIMILAR FORM AND APPLICATION, REGARDLESS OF TITLE.

[(h)] (K) "Expansion" means any single new capital addition, excluding renovation and normal repair and maintenance, that meets either of the following criteria:

(1) If independent or assisted living units are to be constructed, then the number of units to be constructed must be less than or equal to 25% of the number of existing independent and assisted living units; or

(2) If independent or assisted living units are not to be constructed, then the total projected cost must be an amount that is more than the sum of:

(i) 10% of the total operating expenses, less depreciation, amortization, and interest expense of the facility as shown on the certified financial statement for the most recent fiscal year for which a certified financial statement is available; and

(ii) The amount of the existing reserves properly allocable to, and so allocated for, the expansion.

(L) "EXTENSIVE CONTRACT" MEANS A CONTINUING CARE AGREEMENT THAT PROVIDES RESIDENTIAL FACILITIES, MEALS, AMENITIES, AND LONG-TERM CARE SERVICES IN LICENSED ASSISTED LIVING AND COMPREHENSIVE CARE PROGRAMS FOR AS LONG AS A SUBSCRIBER NEEDS THEM AND FOR NO INCREASE IN THE SUBSCRIBER'S ENTRANCE FEE OR PERIODIC FEES, EXCEPT FOR AN ADJUSTMENT TO ACCOUNT FOR INCREASED OPERATING COSTS CAUSED BY INFLATION OR OTHER FACTORS UNRELATED TO THE INDIVIDUAL SUBSCRIBER.

[(i)] (M) "Facility" means a physical plant in which continuing care is provided in accordance with this subtitle.

[(j)] (N) "Financial difficulty" means current or impending financial conditions that impair or may impair the ability of the provider to meet existing or future obligations.

(O) "GENERAL ASSETS" MEANS:

(1) ALL PROPERTY THAT IS NOT SPECIFICALLY MORTGAGED, PLEDGED, DEPOSITED, OR OTHERWISE ENCUMBERED FOR THE SECURITY OR BENEFIT OF SPECIFIED PERSONS OR A LIMITED CLASS OF PERSONS;

(2) TO THE EXTENT THAT PROPERTY OF A CONTINUING CARE PROVIDER IS SPECIFICALLY ENCUMBERED, THE AMOUNT OF THE PROPERTY OR ITS PROCEEDS THAT EXCEEDS THE AMOUNT NECESSARY TO DISCHARGE THE ENCUMBRANCE; AND