

NOTICE OF DEFAULT

RE: PUBLIC FINANCE AUTHORITY
SENIOR REVENUE BONDS, SERIES 2017A
(ALABAMA PROTON THERAPY CENTER) (THE “SERIES 2017A BONDS”)

AND

PUBLIC FINANCE AUTHORITY
SUBORDINATE REVENUE BONDS, SERIES 2017B
(ALABAMA PROTON THERAPY CENTER) (THE “SERIES 2017B BONDS”)

May 12, 2022

Proton International Alabama, LLC, a Georgia limited liability company (the “Manager”) provides this Notice of Default pursuant to Section 7 of that certain Continuing Disclosure Agreement dated as of December 1, 2017 relating to the above-referenced Series 2017A Bonds and Series 2017B Bonds (collectively, the “Series 2017 Bonds”). The Public Finance Authority (the “Authority”) previously has issued the above-referenced Series 2017A Bonds and Series 2017B Bonds pursuant to a Trust Indenture dated as of December 1, 2017 (as amended, the “*Indenture*”) between the Authority and U.S. Bank National Association, as Trustee. Capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto in the Indenture.

The Facility has achieved the following Debt Service Coverage Ratio and Days Cash on Hand as of March 31, 2022:

<u>Covenant Test</u>	<u>Covenant Test Result</u>	<u>Comment</u>
Days Cash on Hand	103 days	Cash and Investment: \$2,854,497.20 Operational Expenses: \$10,159,533.28

If the number of Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement (i.e., 200 Days as of December 31, 2021), Section 7.20 of the Indenture requires the Authority to cause the Manager to select and appoint (and, if the Manager fails to do so, the Authority shall select and appoint and authorizes the Trustee to so select and appoint if the Authority fails to do so), with the approval of the Owners, a Medical Consultant to make written recommendations with respect to the rates, fees and charges and the Manager’s methods of operation and other factors affecting the financial condition in order to increase the number of Days Cash on Hand to the Liquidity Requirement for future periods.”

There has been a failure to achieve the Liquidity Requirement as of March 31, 2022, and none of the Manager, the Authority or the Trustee has selected or appointed a Medical Consultant as set forth in Section 7.20 of the Indenture.