

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### General

The Bonds will constitute limited obligations of the Authority payable solely from, and secured by, the revenues and other moneys pledged and assigned by the Indenture to secure that payment. Those revenues and other moneys include the payments required to be made by the Borrower under the Loan Agreement (other than certain fees and indemnification payments required to be made to the Authority); all other moneys receivable by the Authority, or by the Trustee for the account of the Authority, in respect of repayment of the loan of the proceeds of the Bonds; and certain monies and securities in the funds and accounts held by the Trustee under the Indenture (collectively, the "Revenues").

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH THE BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.**

### The Indenture

The Bonds will be issued under and secured by the Indenture. The Indenture provides that all Bonds issued thereunder will be limited obligations of the Authority, payable solely from the sources identified therein, which include: (i) payments required to be made by the Borrower under the Loan Agreement (other than certain fees and indemnification payments required to be paid to the Authority or to the Trustee), and (ii) certain moneys and securities held by the Trustee under the Indenture and investment earnings thereon, including those held in the Debt Service Reserve Fund discussed below (but excluding the Rebate Fund). See "THE INDENTURE" below for a summary of certain provisions of the Indenture.

### Debt Service Reserve Fund

Concurrently with the issuance of the Bonds, the Trustee will deposit to the Debt Service Reserve Fund established under the Indenture (the "Debt Service Reserve Fund") funds in an amount equal to the Debt Service Reserve Requirement for the Bonds. The Debt Service Reserve Fund is expected to approximate the least of (1) 10% of the original principal amount of the Bonds, (2) 125% of the average annual debt service payment on the Bonds, and (3) 100% of the Maximum Annual Debt Service Requirement on the Bonds.

If, on the date of any permitted or required payment of the principal of or interest on the Bonds, available moneys in the Bond Fund established under the Indenture are insufficient to make such payment, moneys in the Debt Service Reserve Fund shall be withdrawn and applied to cure the deficiency. The amount of any such withdrawal shall be restored to such Fund in twelve (12) substantially equal monthly deposits from payments required to be made by the Borrower for such purpose under the Loan Agreement.

For further discussion of the Debt Service Reserve Fund, see "THE INDENTURE – Debt Service Reserve Fund" below.

### The Loan Agreement

Under the Loan Agreement, the Borrower will be obligated to make loan payments in amounts necessary to provide for the payment as and when due of the principal or redemption price of, and interest on, the Bonds, any amounts that may be required to make up any deficiency that may occur in the Debt Service Reserve Fund or any