

Guidelines Term Sheet

Credit Structure:	Service Agreement whereby Member Jurisdictions pay for incarceration services provided by the Regional Jail Authority.
Rating Requirement:	Regional Jail must have at least a rating in the BBB/Baa/BBB Category from either Standard & Poor's, Moody's or Fitch respectively. A rating from Standard & Poor's is preferred.
Debt Service Reserve Funds:	Fully funded Debt Service Reserve Requirement at the local (Regional Jail Authority) level may be required for Regional Jails which have ratings lower than the "AA" level.
Shortfall Make-up Provision:	Service Agreement must provide for a timely adjustment of any shortfall in Debt Service Payment.
Commitment of Prisoners:	The Member Jurisdictions must agree to send their prisoners to the Regional Jail Authority and the Authority must agree to accept all Member Jurisdictions' prisoners, thereby providing for a closed sole source system of incarceration for Member Jurisdiction prisoners.
Funding of Debt Service:	Debt Service Payments should be funded on a periodic (i.e. quarterly, monthly) basis in advance of the payment due date to VRA.
Grant Anticipation Note:	Funding of Grant Anticipation Notes (GAN) for new money construction projects may be provided by VRA as a non-Virginia Pooled Financing Program (VPFP) stand alone transaction that will have the Moral Obligation of the Commonwealth. Ratings in the highest short-term rating category for the GAN from either Moody's or Standard & Poor's will be required. The Board of Corrections approval of the reimbursement to the Regional Jail Authority for its new money project must be in place.
Jail Revenue Bonds:	Funding of Jail Revenue Bonds for new money construction projects may be provided by VRA as a VPFP transaction within the current credit structure of the VPFP credit.
Member Jurisdiction Approval:	Each Member Jurisdiction must approve an authorizing resolution acknowledging its approval of the Authority's intention to refinance existing bonds for savings or issue new money bonds for new projects.
Borrower Concentration:	Where the total existing or proposed debt exposure to any one local government borrower rises to a level where the locality becomes a Material Obligor, as defined in the appropriate VRA program documentation, or such other lesser amount that could impact the existing public debt ratings of a VRA loan program, the Executive

Director shall seek PRMC and Board approval prior to authorization of any new debt exposure.