

NOTICE OF SALE

\$62,455,000*

Virginia Public School Authority

**School Technology and Security Notes
Series VIII**

Electronic Bids, via PARITY Competitive Bidding System ("PARITY") only, for the purchase of all, and not less than all, of its \$62,455,000* Virginia Public School Authority (the "Authority") School Technology and Security Notes Series VIII (the "Notes") will be received until 10:45 a.m., RICHMOND, VIRGINIA TIME, on Thursday, May 28, 2020 (unless such time or date is changed as described herein), by the Authority.

Preliminary Official Statement

The Authority has authorized the preparation and distribution of a Preliminary Official Statement dated May 21, 2020 (the "Preliminary Official Statement") containing information relating to the Notes. The Preliminary Official Statement in its entirety is available in physical form and may be obtained by contacting the Authority at (804) 225-2142.

The Notes

Authorization and Security

The Notes are being issued under substantially identical Note Resolutions duly adopted by the Authority on March 23, 2020, to provide funds to make grants (i) in the aggregate amount of approximately \$56,264,400 primarily to school divisions of various cities, counties and towns in the Commonwealth of Virginia (the "Commonwealth") to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools and (ii) in the aggregate amount of approximately \$12,000,000 primarily to school divisions of various cities, counties and towns in the Commonwealth to help offset the related costs associated with the purchase of appropriate security equipment that will improve and help ensure the safety of students attending public schools in the Commonwealth (see "INTRODUCTION – Authorization and Appropriations" and "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" in the Preliminary Official Statement).

The Notes are limited obligations of the Authority payable solely from appropriations by the Virginia General Assembly from (i) available monies in the Literary Fund and (ii) to the extent necessary, from a "sum sufficient appropriation" from the general fund of the Commonwealth in the event that available moneys in the Literary Fund are less than the appropriation for debt service due on the Notes. The Virginia Acts of Assembly 2018, Special Session I, Chapter 2, as amended, authorizes the Notes and directs the Authority to conduct the educational technology grant program and the school security equipment grant program in fiscal year 2020. The first debt service

**Preliminary, subject to adjustment as provided herein.*

payment on the Notes will come due in the fiscal year starting July 1, 2020. The budget for the 2020-2022 biennium provides an appropriation from the Literary Fund to pay debt service on the Notes in fiscal year ending June 30, 2021 and a "sum sufficient" appropriation from the general fund of the Commonwealth to the extent that available funds in the Literary Fund are not sufficient.

In each Note Resolution, the Authority has covenanted to use its best efforts to cause the Governor of the Commonwealth to include in the budget each legislative session an amount sufficient to cover the principal and interest coming due on the Notes in the next biennium or fiscal year, as the case may be, and to request the General Assembly to appropriate funds from the Literary Fund sufficient to pay such amounts. Accordingly, the Authority, in keeping with its covenant, will seek to have all of the debt service payments appropriated in the applicable sessions of the General Assembly. The Governor has the power to request, and the General Assembly has the power to make, appropriations from the Literary Fund to pay debt service on the Notes, but neither the Governor nor the General Assembly is legally obligated to make any such request or appropriation. The Notes do not constitute a debt or a pledge of the faith and credit of the Commonwealth.

The Authority has also covenanted in each Note Resolution to seek in the Governor's budget submission each year a sum sufficient appropriation from the general fund of the Commonwealth of an amount equal to the difference, if any, between available moneys in the Literary Fund and scheduled debt service on the Notes. The General Assembly has the power to make biennial appropriations from the general fund with respect to the debt service on the Notes, but is under no legal obligation to do so. The Authority's Enabling Act requires that the Governor's budget submission each year shall include provisions for the payment of debt service on the Notes through a sum sufficient appropriation from the general fund of the Commonwealth.

Details of Notes; Book-Entry-Only

The Notes will be dated the date of delivery. Interest on the Notes will be payable semiannually on April 15 and October 15, beginning October 15, 2020. The Notes will be issued as fully registered bonds only in book-entry form payable to a nominee of The Depository Trust Company ("DTC") as securities depository for the Notes. Reference is made to the Preliminary Official Statement relating to the Notes for the applicable provisions relating to the transfer of beneficial ownership, the responsibilities of DTC participants and the right of the Authority to discontinue use of the book-entry-only system.

Maturity Schedule

The principal of the Notes will be due on April 15 in the following years and in the following amounts, respectively:

Preliminary Maturity Schedule*

<u>Year of Maturity</u>	<u>Principal Amount</u>
2021	\$11,825,000
2022	11,920,000
2023	12,400,000
2024	12,895,000
2025	13,415,000

*Preliminary, subject to adjustment as provided herein.

Revised Maturity Schedule

The aggregate principal amount of the Notes (the "Preliminary Aggregate Principal Amount") and the annual principal amounts (the "Preliminary Annual Principal Amounts" and, collectively with reference to the Preliminary Aggregate Principal Amount, the "Preliminary Amounts") as set forth above in this Notice of Sale may be revised before the viewing of electronic bids for the purchase of the Notes. Any such revisions (the "Revised Aggregate Principal Amount," the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 (www.tm3.com) NOT LATER THAN 30 MINUTES PRIOR TO THE ANNOUNCED DATE AND TIME FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS. Prospective bidders may request notification by electronic mail of any revisions in Preliminary Amounts by so advising and furnishing their contact information to PFM Financial Advisors LLC at rotyk@pfm.com by 12 Noon, RICHMOND, VIRGINIA TIME, at least one day prior to the date for receipt of bids.

Changes to Revised Maturity Schedule

The Authority further reserves the right to change the Revised Aggregate Principal Amount and the Revised Annual Principal Amounts after the determination of the winning bidder, by increasing or decreasing the Revised Aggregate Principal Amount by not more than 10% of such amount for the Notes. Such changes, if any, will determine the "Final Annual Principal Amounts" and the "Final Aggregate Principal Amount." THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Notes. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling

compensation per \$1,000 of par amount of Notes from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Prices will not change. The Authority anticipates that the Final Annual Principal Amounts and the Final Aggregate Principal Amount of the Notes will be communicated to the successful bidder by 5:00 p.m., Richmond, Virginia time, on the day of the sale.

Electronic Bidding and Bidding Procedures

Registration to Bid

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System ("BiDCOMP/Parity"). If you do not have a contract with BiDCOMP/Parity, call (212) 404-8102 to become a customer. By submitting a bid for the Notes, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Notes (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Notes. By contracting with Parity a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from PARITY at (212) 404-8102.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Notes. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Notes, it should telephone BiDCOMP/Parity and notify the Director of Debt Management of the Commonwealth by facsimile at (804) 225-2142. After receipt of bids is

closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers, and does not constitute the award of the Notes. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of the Notes (all or none) by means of the Virginia Public School Authority AON Bid Form (the "Bid Form") via BiDCOMP/Parity. Bids must be communicated electronically to BiDCOMP/Parity by 10:45 a.m., Richmond, Virginia time, on Thursday, May 28, 2020, unless such time and/or date is changed as described herein (see "Changes to Bid Date, Closing Date"). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the State Treasurer, each bid will constitute an irrevocable offer to purchase the Notes on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

Bid Specifications

INTEREST		PRICING	
Coupon Multiples:	1/8 or 1/20 of 1%	Max. Aggregate Bid Price:	116%
Zero Coupons:	Not Allowed	Min. Aggregate Bid Price:	103%
Split Coupons:	Not Allowed	Max. Price per Maturity:	No Limit
		Min. Price per Maturity:	No Limit
PRINCIPAL			
Post-bid Aggregate Principal Adjustment (higher/lower):	10%	Maximum Coupon:	5%
Optional Redemption:	Non-Callable	Minimum Coupon:	2%
Term Bonds:	Not Permitted	Maximum True Interest Cost:	3%

Each bidder is required to transmit electronically by means of the Bid Form via PARITY an unconditional bid specifying the rate or rates of interest and the price at which the bidder will purchase the Notes.

Good Faith Deposit

After receipt of the bids is closed and prior to the award, the apparent successful bidder indicated on BiDCOMP/Parity must submit a good faith deposit (the "Deposit") for \$631,400 to the Authority by wire transfer. Wire instructions will be provided to the apparent successful bidder in a timely fashion after receipt of the bids is closed and the wire transfer must be submitted to the Authority by the successful bidder not later than 4:00 p.m., Richmond, Virginia time. The award to the apparent successful bidder is contingent upon receipt of the Deposit and the Notes will not be awarded to such bidder until the Authority has confirmation of receipt of the Deposit.

Award of the Notes

Award or rejection of bids will be made by the Authority prior to 5:00 p.m. Richmond, Virginia time on the date of receipt of bids. Upon such notice, such successful bidder shall advise the Authority of the Initial Reoffering Prices and yields to the public of the various maturities of the Notes as described below. Such information, among other things, will be used by the Authority to calculate the final principal amount of each maturity and the Final Aggregate Principal Amount of the Notes.

The proceeds of the Deposit will be held as security for the performance of the successful bidder's bid and applied to the purchase price of the Notes, but in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest will be allowed thereon.

ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., RICHMOND, VIRGINIA TIME, ON THE DATE OF RECEIPT OF BIDS. An award of the Notes, if made, will be made by the Authority by 5:00 P.M. Richmond, Virginia time. Unless all bids are rejected, the Notes will be awarded to the bidder whose bid results in the lowest true interest cost to the Authority, based on the Revised Amounts described above. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due) for the Notes, will equate the sum of such discounted semi-annual payments to the total purchase price (exclusive of accrued interest). The true interest cost shall be calculated from the dated date of the Notes. In case of a tie, the Authority may select the successful bidder. The Authority reserves the right to waive any irregularities in any bid and to reject any or all bids.

Changes to Bid Date, Closing Date

Amendments to the Notice of Sale

The Authority reserves the right to change the time and/or the date, from time to time, established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on TM3 (www.tm3.com). Prospective bidders may request notification by electronic mail of any such changes in the date or time for the receipt of bids by so advising, and furnishing their contact information to PFM Financial Advisors LLC at rottyk@pfm.com by 12 Noon, Richmond, Virginia time, on the day prior to the announced date for receipt of bids.

Any change to the time or date for receipt of bids will be announced via TM3 not later than 30 minutes prior to any announced date and time for receipt of bids, and an alternative sale date and time will be announced via TM3 by Noon, Richmond, Virginia time, the business day prior to such alternative time for receipt of bids.

On any such alternative date and time for receipt of bids, the Authority will accept electronic bids for the purchase of the Notes, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

The Authority may change the scheduled delivery date for the Notes by notice given in the same manner as that set forth for a change in the date for the receipt of bids.

Other Amendments

The Authority reserves the right to otherwise amend this Notice of Sale not later than 30 minutes prior to the announced date and time for receipt of bids. The Authority expects that it would publish notification of any such amendment via TM3 not later than 4:00 p.m. Richmond, Virginia time on the last business day prior to any announced date for receipt of bids and would provide notification by electronic mail to prospective bidders who have so requested such notification and provided their contact information to PFM Financial Advisors LLC.

Closing; Miscellaneous

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of all the Notes to the general public and shall, within 30 minutes after being notified that such bidder's bid appears to be the apparent winning bid, subject to verification, advise the Authority of the yields to the public and initial public offering prices of the Notes (the "Initial Reoffering Prices").

The Notes will be delivered on or about June 9, 2020,* (the "Closing Date") through the facilities of DTC against payment of the purchase price therefor (less the amount of the Deposit) in Federal Reserve funds. The approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel to the Authority, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers.

After the award of the Notes, the Authority will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Notes as the successful bidder may reasonably request; provided, however, that the Authority will not include in the final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Notes. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. Final Official Statements will be provided to the successful bidder within seven

* Preliminary, subject to change.

business days after the award of the Notes in such quantities as may be necessary for the successful bidder's regulatory compliance.

The Authority expects the successful bidder to deliver copies of the final Official Statement to persons to whom such bidder initially sells the Notes and the Municipal Securities Rulemaking Board (the "MSRB"). The successful bidder will be required to acknowledge receipt of such final Official Statement, to certify that it has made delivery of the final Official Statement to such parties, to acknowledge that the Authority expects the successful bidder to deliver copies of such final Official Statement to persons to whom such bidder initially sells the Notes and to certify that the Notes will only be offered pursuant to the final Official Statement and only in states where the offer is legal.

To assist the successful bidder in complying with the requirements of Rule 15c2-12(b)(5) (the "Rule") of the Securities Exchange Act of 1934, as amended, the MSRB will be provided annual information respecting the Authority and the Commonwealth, including audited financial statements. In addition, the Authority will provide to the MSRB notice of the occurrence of any events described in the Rule and the Commonwealth will provide notice of any change in the ratings of its general obligation bonds.

It is the policy of the Commonwealth pursuant to Executive Order 35 (2019) to ensure that small businesses and businesses owned by women, minorities and service disabled veterans receive every opportunity to compete for the Commonwealth's business. Following award of the Bonds the Authority requires that the winning bidder provide a listing of syndicate members noting any minority, women, service disabled veterans or disadvantaged business enterprises participating in the syndicate.

Issue Price Certificate

The successful bidder shall assist the Authority in establishing the issue price of the Notes and shall execute and deliver to the Authority on or prior to the Closing Date an "issue price" or similar certificate setting forth the reasonably expected initial offering prices to the public or the actual sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the applicable form attached hereto as Schedule 1, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Authority and Bond Counsel. All actions to be taken by the Authority under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Authority by the Authority's financial advisor (PFM Financial Advisors LLC) and any notice or report to be provided to the Authority may be provided to the Authority's financial advisor.

If the Authority's financial advisor has certified to the Authority that the competitive sale requirements specified in the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) have been satisfied, the Authority will furnish to the successful bidder on the sale date written notice thereof.

In the event that the competitive sale requirements are not satisfied, the Authority shall so advise the successful bidder in writing on the sale date, and the successful bidder shall be subject to the "hold-the-offering-price rule" for each maturity, unless the successful

bidder confirms on the sale date that it has sold at least 10% of a given maturity as described below.

The Authority may determine to treat (i) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Notes as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Authority if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes. The Authority shall notify the successful bidder, at or before the time of award of the Notes, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Notes shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Notes. Bidders should prepare their bids on the assumption that some or all of the maturities of the Notes will be subject to the hold-the-offering-price rule in order to establish the issue price of the Notes.**

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the Initial Offering Price, or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Notes to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth business day after the sale date.

The Authority acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the

failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the successful bidder that the 10% test has been satisfied as to the Notes of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the Authority to the successful bidder.

Conflict Waiver

McGuireWoods LLP is serving as Bond Counsel in connection with the issuance and sale of the Notes. By placing a bid, each bidder represents that it understands that McGuireWoods LLP, in its capacity as Bond Counsel, represents the Authority, and the successful bidder agrees to waive any conflict of interest that McGuireWoods LLP's involvement in connection with the issuance and sale of the Notes to such successful bidder presents.

CUSIP Numbers

CUSIP numbers for the Notes will be applied for by the Authority's financial advisor, PFM Financial Advisors LLC, but the Authority will assume no obligation for the assignment or printing of such numbers on the Notes or for the correctness of such numbers, and neither the failure to print such numbers on any of the Notes nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Notes. The successful bidder will be responsible for paying for the CUSIP numbers.

Additional Information

The Preliminary Official Statement at its date is "deemed final" by the Authority for purposes of the Rule. Copies of the Preliminary Official Statement in its entirety, including all appendices, are available from the Authority. A printed copy may be obtained by contacting the Authority at (804) 225-2142.

VIRGINIA PUBLIC SCHOOL AUTHORITY

By: BONNIE M. FRANCE, Chair

SCHEDULE 1

Form of Issue Price Certificate

\$ _____
**VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL TECHNOLOGY AND SECURITY NOTES
SERIES VIII**

The undersigned, on behalf of _____ (the "[Successful Bidder]"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Notes").

[Competitive Sale Requirements Met]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the [Successful Bidder] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the [Successful Bidder] in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the [Successful Bidder] to purchase the Notes.

(b) The [Successful Bidder] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the [Successful Bidder] constituted a firm offer to purchase the Notes.

2. Defined Terms.

(a) "*Issuer*" means the Virginia Public School Authority.

(b) "*Maturity*" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "*Sale Date*" means the date that the Notes are awarded by the Issuer to the successful bidder. The Sale Date of the Notes is [DATE].

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Notes, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[UNDERWRITER]

By: _____
Name: _____

Dated: [ISSUE DATE]

[Competitive Sale Requirements Not Met – General Rule to Apply (to those maturities for which 10% were sold on the sale date) / Hold-The-Offering Price to Apply (to those maturities for which 10% were NOT sold on the sale date)]

1. Sale of the Notes – General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

2. Hold-the-Offering Price Maturities.

(a) The [Successful Bidder] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [Successful Bidder] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the [Successful Bidder] would neither offer nor sell any of the Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period.

3. Defined Terms.

(a) "*General Rule Maturities*" means those Maturities of the Notes listed in Schedule A hereto as the "General Rule Maturities."

(b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Notes listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date), or (ii) the date on which the [Successful Bidder] has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "*Issuer*" means the Virginia Public School Authority.

(e) "*Maturity*" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common

ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) "*Sale Date*" means the date that the Notes are awarded by the Issuer to the successful bidder. The Sale Date of the Notes is [DATE].

(h) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Notes, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Notes.

[UNDERWRITER]

By: _____
Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

**EXPECTED OFFERING PRICES OR SALE PRICES OF THE GENERAL RULE
MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-
PRICE MATURITIES**

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION