PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING: May 7, 2026

Mission Statement

Pacific Grove Unified School District, in partnership with the community and with a focus on equity, will challenge every student by providing a quality instructional program in a positive, safe, and stimulating environment. The District will meet the diverse needs of all students by ensuring exceptional learning opportunities to acquire and apply the knowledge and skills that develop the insight and character necessary for a productive and rewarding life.

DATE: May 7, 2026

TIME: 4:30 PM Retiree Recognition Ceremony & Reception
5:30 PM Closed Session
6:30 PM Open Session

LOCATION: **IN PERSON**
Pacific Grove Unified School District Office
435 Hillcrest Ave
Pacific Grove, CA 93950

Trustees:
Jennifer McNary, President
Beth Shammas, Clerk
Dr. Elliott Hazen
Laura Ottmar
Mike Wachs

Administration:
Superintendent Dr. Linda Adamson
Assistant Superintendent Joshua Jorn

Student Representative(s):
Jasmine Booker
Paige Houston
Paige Silveira
Sulachhya Gurung

VIRTUAL ZOOM LINK
https://pgusd.zoom.us/j/87936408490?pwd=nPOa9rcwu7GIix42anW865nW818qol.1

Meeting ID: 879 3640 8490
Passcode: 063389
One tap mobile +16699006833,,81793111121#,,,,*717431# US (San Jose)
+16694449171,,81793111121#,,,,*717431# US
Find your local number: https://pgusd.zoom.us/u/kdsFxgImWk

ADDITIONAL TELECONFERENCE LOCATION
This meeting is also being conducted by teleconference at the following location:

The Board of Education welcomes you to its meetings, which are regularly scheduled for the first and third Thursdays of the month. Regular Board meetings shall be adjourned by 10:00 PM, unless extended to a specific time determined by a majority of the Board. This meeting may be extended no more than once and may be adjourned to a later date. Individuals who require accommodation, including but not limited to an American Sign Language interpreter, accessible seating or documentation in accessible formats, should contact the Superintendent at least two days before the meeting date.

Any writings or documents that are public records and are provided to a majority of the Governing Board regarding an open session item on this agenda will be made available for public inspection in the District Office located at 435 Hillcrest Avenue, Pacific Grove during normal business hours.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR/SPECIAL MEETING: May 7, 2026

AGENDA AND ORDER OF BUSINESS

I. OPENING BUSINESS

A. Call to Order

B. Land Acknowledgement
Good evening; As we begin this meeting, it's important to pay respect to and acknowledge that we are on the traditional land of the Ohlone, Costanoan & Esselen people and additionally pay respect to elders both past and present.

C. Roll Call

D. Retiree Recognition Ceremony & Reception

E. Adoption of Agenda

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

II. CLOSED SESSION

A. Identify Closed Session Topics:
The Board of Education will meet in Closed Session to consider matters appropriate for Closed Session in accordance with Education and Government Code.

a. Negotiations – Collective Bargaining Session planning and preparation with the CSEA for 2025-26 [Government Code § 3549.1, subdivision (d)]
Executive session between the public school employer and its designated representatives, Buck Roggeman and Dr. Linda Adamson, for the purpose of giving direction and updates.

b. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957, subdivision (b)]
Executive session between the Board and its designated representatives, Buck Roggeman and Dr. Linda Adamson, for the purpose of receiving updates and giving direction.

c. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to Gov. Code, § 54956.9, subd. (d)(1)
OAH Case No. 2026020180

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d. Superintendent End of Year Goals Review

B. Public Comment on Closed Session Topics

C. Adjourn to Closed Session

III. RECONVENE IN OPEN SESSION

A. Report Action taken in Closed Session:

a. Negotiations – Collective Bargaining Session planning and preparation with the CSEA for 2025-26 [Government Code § 3549.1, subdivision (d)]

b. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957, subdivision (b)]

c. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to Gov. Code, § 54956.9, subd. (d)(1)
OAH Case No. 2026020180

d. Superintendent End of Year Goals Review

B. Pledge of Allegiance

C. Presentation - ACSA Administrator Awards Recognition

IV. COMMUNICATIONS

A. Student Representative Comments

B. Board Member Comments/Written Communications

C. Superintendent Report

D. Safety Report

V. INDIVIDUALS DESIRING TO ADDRESS THE BOARD

Public comment on any item of interest to the public that is within the Board's jurisdiction will be heard. The Board will also take public comment on each specific action item prior to Board action on each item. Any individual wishing to comment on a specific item on the current agenda are kindly asked to wait until that item is being discussed. The Board will allow a reasonable amount of time for public comment on each agenda item not to exceed 3 minutes per speaker and no more than 20 minutes per agenda item, pursuant to Board Policy 9323. Speakers will be called sequentially until there is no speaker coming forward on the agenda item or the amount of time allocated for the agenda item has elapsed, whichever comes first. This meeting of the Board of Education is a business meeting of the Board, conducted in public. Please note that the Brown Act limits the Board's ability to respond to public comment. The Board may choose to direct items to the Administration for action or place an item on a future agenda.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR/SPECIAL MEETING: May 7, 2026

A reminder of our shared commitment to fostering a safe, respectful, and inclusive space – both here in the boardroom and beyond. To support this environment, we ask that attendees refrain from applause, finger clicking, or any form of acknowledgment in response to a speaker's viewpoint. This ensures all individuals feel comfortable sharing their perspectives without fear of judgment or retaliation – during the meeting and in online spaces. Our core values – Safety, Belonging, and Prosperity – guide all that we do, including how we engage as a community. Thank you for helping us create a space where all voices are respected.

A. Community Members (Non-Agenda Items)

B. PGUSD Staff Comments (Non-Agenda Items)

VI. CONSENT

Items listed under the Consent Agenda are considered to be routine and/or may have been discussed at a previous Board meeting. ***There is no discussion of these items prior to the Board vote unless a member of the Board requests specific items be discussed and/or removed from the Consent Agenda.*** *Each item on the Consent Agenda approved by the Board of Trustees shall be deemed to have been considered in full and adopted as recommended.*

A. Minutes of April 9, 2026 Regular Board Meeting 10
Recommendation: (Dr. Linda Adamson, Superintendent) The District Administration recommends that the Board review and approve the minutes.

B. Minutes of April 23, 2026 Special Board Meeting 16
Recommendation: (Dr. Linda Adamson, Superintendent) The District Administration recommends that the Board review and approve the minutes.

C. Cash Receipts Report #11 20
Recommendation: (Josh Jorn, Assistant Superintendent) The District Administration recommends that the Board review and approve the Cash Receipts Report.

D. Acceptance of Donations 23
Recommendation: (Josh Jorn, Assistant Superintendent) The District Administration recommends that the Board review and accept the donations.

E. Revolving Cash Report #6 25
Recommendation: (Josh Jorn, Assistant Superintendent) The District Administration recommends that the Board review and approve the Revolving Cash Report.

F. Personnel Report 27
Recommendation: (Buck Roggeman, Chief Human Resources Officer) The District Administration recommends that the Board review and approve the Personnel Report.

G. Memorandum of Understanding (MOU) – California School Employees Association (CSEA) Chapter 229 & Pacific Grove Unified School District (PGUSD) – 2026-2027 Classified Work Year Calendar and Paid Days Off 30

Recommendation: (Buck Roggeman , Chief Human Resources Officer) The District Administration recommends that the Board review and approve the memorandum of understanding (MOU) between the California School Employees Association (CSEA) and Pacific Grove Unified School District (PGUSD) establishing the 2026-2027 work year and paid days off for classified employees.

H. Memorandum of Understanding (MOU) - Coastline Academy for Driver Education Services 39
Recommendation: (Dr. Larry Haggquist , Executive Director of Educational Services) The District Administration recommends that the Board approve the Memorandum of Understanding (MOU) between Pacific Grove Unified School District and Coastline Academy to provide access to a free, online driver education course for eligible students.

I. Contract for Services - Chartwell Teaching Institute 45
Recommendation: (Dr. Larry Haggquist , Executive Director of Educational Services) The District Administration recommends that the Board approve the Educational Consultant Services Agreement with Chartwell Teaching Institute to provide professional development and coaching in structured literacy for district staff.

J. Contract for Services - Fiesta Face Paint 51
Recommendation: (Abbie Arbrun , FGE Principal) The District Administration recommends that the Board approve the contract with Fiesta Face Paint.

K. Contract for Services - MTH DJ & Photo Booth 58
Recommendation: (Abbie Arbrun , FGE Principal) The District Administration recommends that the Board review and approve to contract for services with MTH DJ & Photo Booth.

L. Contract for Services - Monterey Bay Equestrian Center 65
Recommendation: (Abbie Arbrun , FGE Principal) The District Administration recommends that the Board review and approve to contract for services with Monterey Bay Equestrian Center.

M. Contract for Services - My Museum 73
Recommendation: (Abbie Arbrun , FGE Principal) The District Administration recommends that the Board review and approve to contract for services with My Museum

N. Contract for Services - Monterey Mini Cow Company, LLC 81

Recommendation: (Emily Tsai Brownfield , RHD Principal) The District Administration recommends that the Board review and approve the Contract for Services with Monterey Mini Cow Company, LLC for the Robert H. Down Elementary School.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

VII. ACTION/DISCUSSION

A. Resolution Number 1188 - Authorizing the Issuance and Sale of 2026 General Obligation Refunding Bonds 89
Recommendation: (Josh Jorn , Assistant Superintendent) The District Administration recommends that the Board review and adopt Resolution Number 1188, which will authorize the issuance and sale of 2026 General Obligation Refunding Bonds in aggregate principal amount not to exceed $18,000,000.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

B. Resolution Number 1189 - Authorizing the Issuance and Sale of General Obligation Bonds, Election of 2024 (Measure B), Series A 257
Recommendation: (Josh Jorn , Assistant Superintendent) The District Administration recommends that the Board review and adopt Resolution Number 1189, which will authorize the issuance and sale of a general obligation bond in aggregate principal amount of not to exceed $26,000,000.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

C. Resolution Number 1194 - Final Certificated Layoff 418
Recommendation: (Buck Roggeman , Chief Human Resources Officer) The District Administration recommends that the Board review and approve Final Certificated Layoff Resolution Number 1194.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
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D. Resolution Number 1197 - Classified School Employee Week 422
Recommendation: (Linda Adamson , Superintendent) The District Administration recommends the Board review and adopt Resolution Number 1197, proclaiming Classified School Employee Week, May 17-23, 2026.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

E. Resolution Number 1196 - California Day of the Teacher & Teacher Appreciation Week 424
Recommendation: (Linda Adamson , Superintendent)The District Administration recommends that the Board adopt Resolution Number 1196 proclaiming May 4-8, 2026, as Teacher Appreciation Week and specifically Wednesday, May 13, 2026, as California Day of the Teacher (EC 37222.10).

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

F. Resolution Number 1198 - Regarding Designation of a Specific Brand or Trade Name in Invitations to Bid and Requests for Proposal (Public Contract Code §3400) 426
Recommendation: (Jon Anderson , Director of Maintenance, Operations, and Transportation) The District Administration recommends that the Board review, discuss and approve Resolution No. 1198 designating Weatherweld liquid applied roofing system as the specified brand of roofing to be applied to our District's built-up-roofs.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

G. Contract for Services - Fresh Start Painting 430
Recommendation (Jon Anderson , Director of Maintenance, Operations & Transportation) The District Administration recommends that the Board review and approve a contract for services with Fresh Start Painting for the exterior painting of the Gymnasium, Performing Arts Center, Music Building and Field Restroom at Pacific Grove Middle School.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR/SPECIAL MEETING: May 7, 2026

H. Contract for Services - CMA Painting 440
Recommendation (Jon Anderson , Director of Maintenance, Operations & Transportation) The District Administration recommends that the Board review and approve a contract for services with CMA Painting Inc. for the exterior painting wood rot repairs and installation of rain gutters on two buildings of our David Ave campus. This is a continuation of last year's work.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

I. Contract for Services - Sentry Alarm 450
Recommendation (Jon Anderson , Director of Maintenance, Operations & Transportation) The District Administration recommends that the Board review and approve a contract for services with Sentry Alarm for the upgrade of the Fire Alarm at Robert H. Down Elementary.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

J. Elementary Mental Health Therapist - Itinerant Job Description 460
Recommendation: (Buck Roggeman , Chief Human Resources Officer) The District Administration recommends that the Board review and approve the job description for Elementary Mental Health Therapist – Itinerant

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

K. Proposed Board Meeting(s) Calendar 465
Recommendation: (Dr. Linda Adamson , Superintendent) The District Administration recommends that the Board review and adopt the proposed Board meeting calendar to ensure that all scheduled sessions remain in compliance with the meeting frequency and notification requirements established in Bylaw 9320.

- Public Comment:
- Board Discussion:
- Move: _____ Second: _____ Vote: _____

VIII. INFORMATION/DISCUSSION

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR/SPECIAL MEETING: May 7, 2026

A. PGUSD Draft Educational Technology Plan for 2026-2029 - Binder 476
Recommendation: (Matthew Binder , Director Of Educational Technology, and Louis Algaze , Director of Technology Services) The District Administration recommends that the Board review and discuss the PGUSD 2026-29 Draft Ed Tech Plan.

- Public Comment:
- Board Discussion:
- Direction: _____

B. Board Requested Fiscal Support Review 523
Recommendation: (Josh Jorn , Assistant Superintendent) The District Administration recommends that the Board review the information requested from the Fiscal Crisis Management Assistant Team (FCMAT) and School Services of California Inc. (SSC).

- Public Comment:
- Board Discussion:
- Direction: _____

C. Future Agenda Items 533
Recommendation: (Dr. Linda Adamson , Superintendent) The District Administration recommends that the Board review the Future Agenda Items list and provide direction regarding the addition, prioritization, or scheduling of items for upcoming meetings.

- Public Comment:
- Board Discussion:
- Direction: _____

IX. ADJOURNMENT

Next Board Meeting(s):
Regular: May 21, 2026
Regular: Jun 4, 2026
Special: Jun 18, 2026

Board Cover Sheet

Consent

- ☑ Credibility & Communication
- ☑ Student Learning & Achievement
- ☑ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Dr. Linda Adamson
Superintendent

Item
Minutes of April 9, 2026 Special Board Meeting

Recommendation
The District Administration recommends that the Board review and approve the minutes.

Background
The District Administration records all Pacific Grove Unified School District Board Meetings and posts them on the PGUSD YouTube Channel. The Executive Assistant then uses these recordings to transcribe the meeting minutes in accordance with the Ralph M. Brown Act.

Information
All meetings of the governing board of any school district shall be open to the public and shall be conducted in accordance with Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code. All actions authorized or required by law of the governing board shall be taken at the meetings and shall be subject to the following requirements:

(a) Minutes shall be taken at all of those meetings, recording all actions taken by the governing board. The minutes are public records and shall be available to the public.

(b) An agenda shall be posted by the governing board, or its designee, in accordance with the requirements of Section 54954.2 of the Government Code. Any interested person may commence an action by mandamus or injunction pursuant to Section 54960.1 of the Government Code for the purpose of obtaining a judicial determination that any action taken by the governing board in violation of this subdivision or Section 35144 is null and void.

Fiscal Impact
N/A

2025/26

(None) No Fiscal Impact

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING MINUTES: April 9, 2026

435 Hillcrest Ave.
Pacific Grove, CA 93950

Trustee(s) Present:
- ☑ President Jennifer McNary
- ☑ Clerk Beth Shammas
- ☐ Trustee Dr. Elliott Hazen
- ☑ Trustee Mike Wachs
- ☑ Trustee Laura Ottmar

Student Representative(s) Present:
- ☐ Jasmine Booker
- ☑ Paige Houston
- ☐ Paige Silveira
- ☐ Sulachhya Gurung

Next Board Meeting Date(s):
April 23, 2026 – *Special*
May 7, 2026 – *Regular*

Full YouTube Video of Meeting here

Administration Present:
- ☑ Superintendent Dr. Linda Adamson
- ☑ Assistant Superintendent Josh Jorn

Board Recorder:
- ➔ Executive Assistant to the Superintendent Carey O'Sullivan

School Site Acronyms:
DO - District Office
FGE - Forest Grove Elementary School
RHD - Robert H. Down Elementary School
PGMS - Pacific Grove Middle School
PGHS - Pacific Grove High School
PGCHS - Pacific Grove Community High School
PGAE - Pacific Grove Adult Education
PGUSD - Pacific Grove Unified School District

I. OPENING BUSINESS

A. Call to Order - *President McNary called the meeting to order at 5:31*
B. Roll Call
- President McNary - *Present*
- Clerk Shammas - *Present*
- Trustee Hazen - *Absent*
- Trustee Ottmar - *Present (not present during Opening Business)*
- Trustee Wachs - *Present*

C. Adoption of Agenda
- Public Comment: *none*
- Board Discussion: *Board discussed Land Acknowledgement agenda placement.*
- Move: ***Trustee Wachs***
- Second: ***Clerk Shammas***
- Student Representative Vote: Aye
- Board of Trustees Vote: 3-0 Motion Carried

II. CLOSED SESSION

A. Identify Closed Session Topics:
   a. Negotiations – Collective Bargaining Session planning and preparation with the PGTA for 2025-26 [Government Code § 3549.1 (d)]

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING MINUTES: April 9, 2026

b. Negotiations – Collective Bargaining Session planning and preparation with the CSEA for 2025-26 [Government Code § 3549.1 (d)]
c. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957]
d. Conference with Legal Counsel - Existing Litigation pursuant to Gov. Code, § 54956.9, subd. (d)(1)
e. Related to the provision of special educational services to a District student

B. Public Comment on Closed Session Topics: *none*
C. Adjourn to Closed Session: *5:35 PM*

III. RECONVENE IN OPEN SESSION - *6:30 PM (begins on YouTube at 4:43)*

A. Report Action Taken in Closed Session:
   a. Negotiations – Collective Bargaining Session planning and preparation with the PGTA for 2025-26 [Government Code § 3549.1 (d)]
      i. Information received
   b. Negotiations – Collective Bargaining Session planning and preparation with the CSEA for 2025-26 [Government Code § 3549.1 (d)]
      i. Information received
   c. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957 subdivision(b)]
      i. Information received
   d. Conference with Legal Counsel - Existing Litigation pursuant to Gov. Code, § 54956.9, subd. (d)(1)
      i. Board of Trustees voted to approve with a 4-0 vote
   e. Related to the provision of special educational services to a District student
      i. Board of Trustees voted to approve with a 4-0 vote
B. Land Acknowledgement
C. Pledge of Allegiance
D. Pacific Grove Middle School – AVID Presentation – Principal Sean Roach *(begins on YouTube at 7:28)*

IV. COMMUNICATIONS *(begins on YouTube at 22:23)*

A. Student Representative Comments
B. Board Member Comments/Written Communications
C. Superintendent Report
D. Safety Report

V. INDIVIDUALS DESIRING TO ADDRESS THE BOARD (*begins on YouTube at 47:29)*

A. Community Members (Non-Angenda Items): *none*
B. PGUSD Staff Comments (Non-Agenda Items): *none*

VI. CONSENT (*begins on YouTube at 49:20)*

A. Minutes of March 19, 2026 Regular Board Meeting
B. Minutes of March 26, 2026 Special Board Meeting

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING MINUTES: April 9, 2026

C. Cash Receipts Report #10
D. Warrant Schedule #690
E. Acceptance of Donations
F. Out of County/Overnight Activities
G. Personnel Report
H. PGHS – Contract for Services with Dan Deegan
I. Robert Down Elementary – Contract for Services with Adventures by the Sea
J. Robert Down Elementary – Contract for Services with My Museum
K. Contract for Services with Grace Rainer
L. Designation of California Interscholastic Federation (CIF) Representatives to League (2026-27 School Year)

- Public Comment: *none*
- Board Discussion: *none*
- Move: ***Trustee Wachs***
- Second: ***Clerk Shammas***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

VII. ACTION/DISCUSSION (*begins on YouTube at 51:22)*

A. Resolution No. 1185 - 2026 School Board Trustee Election (Monterey County Elections Department)

- Public Comment: *none*
- Board Discussion: Trustees discussed the item.
- Move: ***Trustee Wachs***
- Second: ***Clerk Shammas***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

B. Resolution No. 1186 - Issuance of a Tax and Revenue Anticipation Note (TRAN) Not to Exceed $8,000,000

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Move: ***Clerk Shammas***
- Second: ***Trustee Wachs***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

C. Resolution 1190 - Recognizing May as Asian American Pacific Islander Heritage Month

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING MINUTES: April 9, 2026

- Move: ***Trustee Ottmar***
- Second: ***President McNary***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

D. Resolution 1191 - Recognizing May as Mental Health Awareness Month

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Move: ***Trustee Ottmar***
- Second: ***Trustee Wachs***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

E. Resolution 1192 - School Principal's Day (May 1, 2026)

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Move: ***Clerk Shammas***
- Second: ***Trustee Ottmar***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

F. Resolution 1193 - Honoring the Service of Robin McCrae

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Move: ***President McNary***
- Second: ***Clerk Shammas***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

G. Award of Public Bid - 2026 Quick Start Projects - RHD
   - *Director Jon Anderson and Dustin Connor presented*

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Move: ***Trustee Ottmar***
- Second: ***President McNary***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

H. Award of Public Bid - 2026 Quick Start Projects - FGE
   - *Director Jon Anderson and Dustin Connor presented*

- Public Comment: *none*

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING MINUTES: April 9, 2026

- Board Discussion: *Trustees discussed the item.*
- Move: ***Trustee Wachs***
- Second: ***Clerk Shammas***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

I. Williams District Uniform Complaints - Quarterly Report

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Move: ***Trustee Wachs***
- Second: ***Clerk Shammas***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

J. Proposed Board Meeting(s) Calendar

- Public Comment: *none*
- Board Discussion: Trustees discussed the item.
- Move: ***Clerk Shammas***
- Second: ***President McNary***
- Student Representative Vote: Aye
- Board of Trustees Vote: 4 - 0 Motion Carried

VIII. INFORMATION/DISCUSSION (On YouTube link at 2:11:57)

A. Exploration of Revenue Sources - Parcel Tax Information

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Direction: *Direction given to move forward with surveying the community.*

B. Future Agenda Items

- Public Comment: *none*
- Board Discussion: *Trustees discussed the item.*
- Direction: *Direction given to add two Future Agenda items.*

IX. ADJOURNMENT - *9:15 PM*
Next Special Board Meeting: Apr 23, 2026
Next Regular Board Meeting: May 7, 2026

Board Cover Sheet

Consent

- ☑ Credibility & Communication
- ☑ Student Learning & Achievement
- ☑ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Dr. Linda Adamson
Superintendent

Item
Minutes of April 23, 2026 Special Board Meeting

Recommendation
The District Administration recommends that the Board review and approve the minutes.

Background
The District Administration records all Pacific Grove Unified School District Board Meetings and posts them on the PGUSD YouTube Channel. The Executive Assistant then uses these recordings to transcribe the meeting minutes in accordance with the Ralph M. Brown Act.

Information
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(b) An agenda shall be posted by the governing board, or its designee, in accordance with the requirements of Section 54954.2 of the Government Code. Any interested person may commence an action by mandamus or injunction pursuant to Section 54960.1 of the Government Code for the purpose of obtaining a judicial determination that any action taken by the governing board in violation of this subdivision or Section 35144 is null and void.

Fiscal Impact
N/A

2025/26

(None) No Fiscal Impact

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
SPECIAL MEETING: Apr 23, 2026

435 Hillcrest Ave.
Pacific Grove, CA 93950

Trustee(s) Present:
- ☑ President Jennifer McNary
- ☑ Clerk Beth Shammas
- ☑ Trustee Dr. Elliott Hazen
- ☑ Trustee Mike Wachs
- ☑ Trustee Laura Ottmar

Administration Present:
- ☑ Superintendent Dr. Linda Adamson
- ☐ Assistant Superintendent Josh Jorn

Board Recorder:
- ➔ Executive Assistant to the Superintendent Carey O'Sullivan

Student Representative(s) Present:
- ☐ Jasmine Booker
- ☐ Paige Houston
- ☐ Paige Silveira
- ☐ Sulachhya Gurung

Next Board Meeting Date(s):
May 7, 2026 – Regular
May 21, 2026 – Regular

Full YouTube Video Here

School Site Acronyms:
DO - District Office
FGE - Forest Grove Elementary School
RHD - Robert H. Down Elementary School
PGMS - Pacific Grove Middle School
PGHS - Pacific Grove High School
PGCHS - Pacific Grove Community High School
PGAE - Pacific Grove Adult Education
PGUSD - Pacific Grove Unified School District

I. OPENING BUSINESS

A. Call to Order - *5:30 PM by President McNary*
B. Land Acknowledgement
C. Roll Call
   - President McNary - *Present*
   - Clerk Shammas - *Present*
   - Trustee Hazen - *Present*
   - Trustee Ottmar - *Present*
   - Trustee Wachs - *Present*
D. Adoption of Agenda
   - Public Comment: *none*
   - Board Discussion: *none*
   - Move: Trustee Hazen | Second: Trustee Wachs | Vote: 5-0 (Motion Carried)

II. CLOSED SESSION

A. Identify Closed Session Topics:
   a. Confidential Student Matter

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
SPECIAL MEETING: Apr 23, 2026

b. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957]

B. Public Comment on Closed Session Topics - *none*
C. Adjourn to Closed Session - *5:32 PM*

III. RECONVENE IN OPEN SESSION - *6:36 PM*

A. Report Action Taken in Closed Session:
   a. Confidential Student Matter
      i. Information was received and direction was given.
   b. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957]
      i. This was discussed when the Board returned to closed session later in the evening.
B. Pledge of Allegiance
C. Employee of the Year Recognition - Dr. Linda Adamson and Board of Trustees
   a. Dr. Adamson gave a presentation

D. **RETURN TO CLOSED SESSION**
The Board returned to closed session during the Employee of the Year reception

E. **RECONVENE IN OPEN SESSION**

A. Report Action Taken in Closed Session
b. Public Employee Discipline/Dismissal/Release/Leave/Complaint [Government Code § 54957]
   i. The Board voted to approve a resignation agreement with employee #162114. The vote was unanimous.
   ii. The Board voted to approve a resignation agreement with employee #162115. The vote was unanimous.

B. **CONSENT**

A. Out of County/Overnight Activities
- Public Comment: *none*
- Board Discussion: *none*
- Move: Trustee Ottmar | Second: Trustee Hazen | Vote: 5-0 (Motion Carried)

B. **ACTION/DISCUSSION**

A. Resolution No. 1195 - Authorization for California State Preschool Program Relocation and Licensing Application
- Public Comment: *none*
- Board Discussion: *The Board of Trustees discussed the item.*
- Move: Trustee Wachs | Second: Trustee Hazen | Vote: 5-0 (Motion Carried)

B. Parcel Tax Survey
- Public Comment: *none*
- Board Discussion: *The Board of Trustees discussed the item.*
- Move: President McNary | Second: Trustee Shammas | Vote:5-0 (Motion Carried)

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
SPECIAL MEETING: Apr 23, 2026

VIII. INFORMATION/DISCUSSION

A. Local Control and Accountability Plan (LCAP) Community Input Update

- Public Comment: *None*
- Board Discussion: *The Board of Trustees discussed the item.*
- Direction: *Direction given to continue with the preparation of the LCAP.*

IX. ADJOURNMENT - *Meeting adjourned at 9:15 PM*

Next Regular Board Meeting(s): May 7, 2026 and May 21, 2026

Board Cover Sheet

Consent

- [ ] Credibility & Communication
- [ ] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Josh Jorn
Assistant Superintendent

Item
Cash Receipts Report #11

Recommendation
The District Administration recommends that the Board review and approve the Cash Receipts Report.

Background
The attached listing identifies Cash Receipts received by the District during the period of April 1, 2026-April 28, 2026.

Information
The receipt and deposit of the identified funds were conducted consistent with District policies and procedures within the appropriate revenue accounts.

Fiscal Impact
N/A

2025/26

(N/A) No Fiscal Impact

Program/Grant
N/A

PGUSD

2025-26 BOARD REPORT #11 Cash Receipts

April 1, 2026-April 28, 2026

Date	Num	Name	Account	Amount
Apr 1 - 28, 26				
04/07/2026	7872	BASRP-FG	FEES COLLECTED	22,192.34
04/09/2026	7873	BASRP-RD	FEES COLLECTED	31,141.89
04/09/2026	7874	STATE OF CALIFORNIA	MEDI-CAL	627.44
04/09/2026	7875	Developer Fees	FEES COLLECTED	3,050.30
04/09/2026	7876	RETIREE INSURANCE	RETIREE INSURANCE	238.00
04/09/2026	7877	PGHS LIBRARY	LIBRARY FINES/FEES	14.00
04/09/2026	7878	RETIREE INSURANCE	RETIREE INSURANCE	132.00
04/09/2026	7880	CTA	FEES COLLECTED	225.20
04/09/2026	7881	Cal Card	FEES COLLECTED	7.75
04/09/2026	7882	RETIREE INSURANCE	RETIREE INSURANCE	150.00
04/09/2026	7883	MERMA	REIMBURSMENT	4,601.00
04/09/2026	7884	MCOE	REIMBURSMENT	277.70
04/09/2026	7885	MCOE	REIMBURSMENT	100.00
04/09/2026	7886	MCOE	REIMBURSMENT	61.22
04/09/2026	7887	STATE OF CALIFORNIA	MEDI-CAL	823.36
04/09/2026	7888	RETIREE INSURANCE	RETIREE INSURANCE	935.00
04/09/2026	7889	RETIREE INSURANCE	RETIREE INSURANCE	123.00
04/09/2026	7890	RETIREE INSURANCE	RETIREE INSURANCE	219.00
04/09/2026	7891	Facilitron	RENT	4,856.43
04/09/2026	7892	Monterey Peninsula Water	REBATE	435.38
04/09/2026	7893	Monterey Peninsula Water	REBATE	1,438.59
04/09/2026	7894	Monterey Peninsula Water	REBATE	560.57
04/09/2026	7895	Monterey Peninsula Water	REBATE	1,061.26
04/09/2026	7896	Monterey Peninsula Water	REBATE	674.52
04/09/2026	7897	Home Depot	REBATE	136.83
04/09/2026	7898	YELLOW BRICK ROAD	DONATION	7,100.00
04/09/2026	7899	RETIREE INSURANCE	RETIREE INSURANCE	1,038.33
04/09/2026	7900	RETIREE INSURANCE	RETIREE INSURANCE	132.00
04/09/2026	7901	RETIREE INSURANCE	RETIREE INSURANCE	132.00
04/09/2026	7902	RETIREE INSURANCE	RETIREE INSURANCE	1,937.05
04/09/2026	7903	RETIREE INSURANCE	RETIREE INSURANCE	132.00
04/09/2026	7905	PGMS	DONATION	100.00
04/09/2026	7906	PGMS	DONATION	100.00
04/09/2026	7907	PGMS	DONATION	100.00
04/09/2026	7908	PGMS	DONATION	100.00
04/09/2026	7909	PGMS	DONATION	100.00
04/09/2026	7910	BASRP-RD	DONATION	300.00
04/09/2026	7911	BASRP-RD	FEES COLLECTED	156.00
04/09/2026	7912	FOOD SERVICE	FEES COLLECTED	125.00
04/09/2026	7914	BASRP-FG	FEES COLLECTED	1,082.00
04/09/2026	7915	After School School Enrichment	FEES COLLECTED	3,760.00
04/09/2026	7916	After School School Enrichment	FEES COLLECTED	12,080.00
04/09/2026	7917	YELLOW BRICK ROAD	DONATION	2,000.00
04/10/2026	7918	PGMS	FIELD TRIP	600.00
04/10/2026	7919	PGMS	FIELD TRIP	455.00
04/10/2026	7920	PGHS ALUMNI	CTE Donations	217.16
04/10/2026	7921	RETIREE INSURANCE	RETIREE INSURANCE	72.00
04/10/2026	7922	RETIREE INSURANCE	RETIREE INSURANCE	229.00
04/10/2026	7923	PGMS	FIELD TRIP	500.00
04/10/2026	7924	STATE OF CALIFORNIA	MEDI-CAL	3,403.32
04/10/2026	7925	RETIREE INSURANCE	RETIREE INSURANCE	1,371.00
04/10/2026	7926	RETIREE INSURANCE	RETIREE INSURANCE	59.00
04/10/2026	7927	RETIREE INSURANCE	RETIREE INSURANCE	111.00
04/10/2026	7928	RETIREE INSURANCE	RETIREE INSURANCE	127.00
04/10/2026	7929	RETIREE INSURANCE	RETIREE INSURANCE	100.00
04/10/2026	7930	PGMS	FIELD TRIP	200.00
04/10/2026	7931	PGMS	FIELD TRIP	300.00
04/10/2026	7932	PG PRIDE	GRANTS	2,766.00
04/10/2026	7933	P G PRIDE	GRANTS	2,500.00
04/10/2026	7934	HUMAN RESOURCES	Fingerprint Fees	875.00

Date	Num	Name	Account	Amount
04/10/2026	7935	Developer Fees	Developer Fees	6,178.15
04/10/2026	7936	PGHS	DONATION	10,000.00
04/10/2026	7937	RETIREE INSURANCE	RETIREE INSURANCE	78.00
04/10/2026	7938	STATE OF CALIFORNIA	PRESCHOOL	11,363.00
04/10/2026	7939	PGMS	DONATION	30.00
04/10/2026	7940	PGMS	FIELD TRIP	300.00
04/10/2026	7941	HUMAN RESOURCES	MISC	7.00
04/10/2026	7942	STATE OF CALIFORNIA	CAFETERIA	96,635.87
04/10/2026	7943	RETIREE INSURANCE	RETIREE INSURANCE	219.00
04/10/2026	7944	RETIREE INSURANCE	RETIREE INSURANCE	72.00
04/10/2026	7945	Developer Fees	Developer Fees	3,241.59
04/10/2026	7946	STATE OF CALIFORNIA	PRESCHOOL	11,363.00
04/10/2026	7947	PGMS	FIELD TRIP	300.00
04/15/2026	7948	STATE OF CALIFORNIA	MEDI-CAL	439.88
04/15/2026	7949	STATE OF CALIFORNIA	CAFETERIA	26,306.34
04/15/2026	7950	MONTEREY BAY CHARTER SCHOOL	UTILITIES	15,438.88
Apr 1 - 28, 26				300,415.35

Board Cover Sheet

Consent

- ☐ Credibility & Communication
- ☐ Student Learning & Achievement
- ☐ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Josh Jorn
Assistant Superintendent

Item
Acceptance of Donations

Recommendation
The District Administration recommends that the Board review and accept the donations.

Information
During the past weeks the following donations were received:

Forest Grove Elementary School
None

Robert H. Down Elementary School

Mahindru Family	$300.00 (BASRP)

Pacific Grove Middle School

Various	$3,185.00 (Boardwalk Trip)

Pacific Grove High School

Yellow Brick Road	$9,100.00
PGHS Alumni	$10,000.00 (pool cover)

Pacific Grove Community High School
None

Pacific Grove Adult School/Lighthouse Preschool & Preschool Plus Co-op

Friends of the Co-Op	$819.37 (new shed)

Pacific Grove Unified School District
None

Fiscal Impact
N/A

2025/26

(N/A) No Fiscal Impact

Program/Grant

N/A

Board Cover Sheet

Consent

- [ ] Credibility & Communication
- [ ] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Josh Jorn
Assistant Superintendent

Item
Revolving Cash Report #6

Recommendation
The District Administration recommends the Board review and approve the Revolving Cash Report.

Background
The attached listing identifies payments made from the Revolving Cash Fund during the period of March 7, 2026 - April 30, 2026.

Information
Prior to the approval of the identified payments, appropriate District procedures were followed, and authorizations obtained.

Fiscal Impact
N/A

2025/26

(N/A) No Fiscal Impact

Program/Grant
N/A

PGUSD

2025-26 BOARD REPORT #6 REVOLVING CASH

March 7, 2026-April 30, 2026

Date	Name	Account	Amount
Mar 7 - Apr 30, 26			
04/02/2026	Transfer of Funds	MISC	1,287.23
04/15/2026	ANALYSIS CHARGE	BANK FEE	-481.79
04/16/2026	SPED Legal Matter	SP ED	-6,169.72
04/16/2026	Transfer of Funds	MISC	2,000.00
04/28/2026	DEPOSIT	DEPOSIT	6,651.51
04/30/2026	Transfer of Funds	MISC	-2,000.00
Mar 7 - Apr 30, 26			1,287.23

Board Cover Sheet

Consent

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [x] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Buck Roggeman
Chief Human Resources Officer

Item
Personnel Report

Recommendation
The District Administration recommends that the Board review and approve the Personnel Report.

Background
The Personnel Report outlines appointments, leaves, resignations, retirements and releases as it relates to employees' employment status with the District.

Recruitment and selection procedures include dissemination of vacancy announcements to local and surrounding public agencies, community colleges and institutions of higher education as well as posting on the District's website.

Information
Persons listed in the Personnel Report are being recommended to the Board of Education for employment in the District. No individual is recommended to the Board of Education for employment prior to receipt of the criminal background summary.

Fiscal Impact
N/A

2025/26

(N/A) No Fiscal Impact

Program/Grant
N/A

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
PERSONNEL REPORT – CERTIFICATED
May 7, 2026

APPOINTMENTS

Name	Position	FTE	Site	Status	Effective Dates
Fourkas, Alissa	Substitute Teacher	Various	District	On Call	4/23/26
Kelly, Karlee	Substitute Teacher	Various	District	On Call	4/7/26
Hickman, Tomas	Substitute Teacher	Various	District	On Call	4/9/26
Martin Del Campo, Cesar	Substitute Teacher	Various	District	On Call	4/20/26
Nguyen, Nathan	Substitute Teacher	Various	District	On Call	4/24/26
Stange, Robert	Substitute Teacher	Various	District	On Call	5/1/26

TEMPORARY APPOINTMENTS

Name	Position	FTE	Site	Status	Effective Dates
Morrissey, Camilla	ESY M/M	Hrly	RHD	Perm	6/1/26-6/26/26
Prowse, Jasona	ESY EN ATP	Hrly	PGMS/ PGHS	Perm	6/1/26-6/26/26
Lauchaire, Jennifer	ESY SLP	Hrly	District	Perm	6/1/26-6/26/26
Homami, Erin	ESY Preschool	Hrly	RHD	Perm	6/1/26-6/26/26
Tulley, Amy	ESY M/M	Hrly	RHD	Perm	6/1/26-6/26/26
Bloomer, Patty	ESY EN TK-2	Hrly	RHD	Perm	6/1/26-6/26/26
Webb, Andrea	ESY EN 3-5	Hrly	RHD	Perm	6/1/26-6/26/26
D'Tomaso, Jeanie	Temp 4th Grade	0.2	FGE	Temp	7/30/26-5/29/27
Spadoni, Katie	Temp 1st Grade	0.5	RHD	Temp	7/30/26-5/29/27
Jenner, Alex	Temp 5th Grade	1.0	FGE	Temp	7/30/26-5/29/27
McNickle, Rachel	Teacher Job Share	0.5	RHD	Perm	7/30/26-5/28/27
Valdez, Irene	Teacher Job Share	0.8	FGE	Perm	7/30/26

PROMOTION/TRANSFER

Name	Position	FTE From	FTE To	Site	Effective Dates
Bloomer, Patty	Education Specialist	1.0	1.0	From RHD to ATP	7/1/26

RESIGNATIONS/RELEASES/RETIREMENTS

Name	Position	FTE	Site	Status	Effective Dates
Hober, Anne	Elementary Teacher	1.0	RHD	retired	6/30/26

LEAVES OF ABSENCE

Name	Position	FTE	Site	Leave Type	Effective Dates
Hawthorne, Kylee	Teacher	1.0	PGMS	FMLA	5/11/26-1/15/27
Williams, Jennifer	Teacher	1.0	FGE	Unpaid	4/21/26-5/29/26
McDonald, Molly	Teacher	1.0	PGAS	FMLA	6/9/26-12/18/26

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
PERSONNEL REPORT – CLASSIFIED
May 7, 2026

APPOINTMENTS

Name	Position	FTE	Site	Status	Effective Dates
Bleyle, Diana	Food Service II	0.75	PGMS	Prob	4/1/26
Huss, Emily	Substitute Classified	Various	District	On Call	3/27/26
Grushkin, Natassia	Adult Ed Instructor	Various	ADE	Temp	4/23/26

PROMOTION/TRANSFER

Name	Position	FTE From	FTE To	Site	Effective Dates
Romero, Lisa	From Library Media Tech III to Administrative Assistant to the Assistant Superintendent	0.5	1.0	HS to DO	5/1/26

RESIGNATIONS/RELEASES/RETIREMENTS

Name	Position	FTE	Site	Status	Effective Dates
Waznis, Chelsea	Noon Duty/Crossing Guard	0.45	RHD	Resigns	4/10/2026
West, Leonard	PE IA	0.75	FGE	Retires	4/29/26

TEMPORARY APPOINTMENTS

Name	Position	FTE	Site	Status	Effective Dates
Riedel, Amy	Administrative Assistant II	Hrly	RHD	Perm	6/1/26-6/26/26

LEAVES OF ABSENCE

Name	Position	FTE	Site	Leave Type	Effective Dates
Ternullo, Leslie	Administrative Specialist	1.0	DO	FMLA	3/24/26-5/21/26
Mares, Cherie	IA / Noon Duty	0.625	FGE	FMLA	4/24/26-6/1/26
West, Leonard	PE Instructional Assistant	0.75	FGE	FMLA	4/24/26-4/28/26

Board Cover Sheet

Consent

- ☑ Credibility & Communication
- ☑ Student Learning & Achievement
- ☑ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Buck Roggeman
Chief Human Resources Officer

Item

Memorandum of Understanding (MOU) – California School Employees Association (CSEA) Chapter 229 & Pacific Grove Unified School District (PGUSD) – 2026-2027 Classified Work Year Calendar and Paid Days Off

Recommendation

The District Administration recommends that the Board review and approve the memorandum of understanding (MOU) between the California School Employees Association (CSEA) and Pacific Grove Unified School District (PGUSD) establishing the 2026-2027 work year and paid days off for classified employees.

Background

In accordance with its collective bargaining agreement, PGUSD works with CSEA when establishing the work year and paid days off for classified employees. This agreement will set the work calendars for all of our classified employees.

Information

The District collaborates with CSEA to build the work calendars for all classified employees. This calendar includes the 15 paid holidays for 2026-2027. In addition to these paid days off, Dec. 23, 2026 is identified as unpaid, non-workday for classified employees who work 10, 10.5, 10.75, 11 and 12-month calendars to account for the extra weekday over 260 days in the 2026-2027 calendar.

Fiscal Impact

This item has no fiscal impact

2025/26

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
AND
THE CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION AND ITS CHAPTER 229

MEMORANDUM OF UNDERSTANDING

Classified Work Year Calendar 2026-2027 and Paid Days Off

April 6, 2026

The Pacific Grove Unified School District ("District") and the California School Employees Association, and its Chapter 229 ("CSEA"), together known as the "Parties," hereby agree to the following:

1. The 2026-2027 classified work year calendars and "Computation of Workdays" are attached hereto.
2. The paid holidays for 2026-2027 are listed below:

1.	Friday, July 3, 2026	Independence Day Observance
2.	Monday, September 7, 2026	Labor Day
3.	Wednesday, November 11, 2026	Veterans Day
4.	Thursday, November 26, 2026	Thanksgiving Day
5.	Friday, November 27, 2026	Thanksgiving Observance
6.	Thursday, December 24, 2026	Christmas Eve
7.	Friday, December 25, 2026	Christmas Day
8.	Thursday, December 31, 2026	New Year's Eve
9.	Friday, January 1, 2027	New Year's Day
10.	Monday, January 18, 2027	Martin Luther King, Jr. Day
11.	Monday, February 15, 2027	Washington Day
12.	Tuesday, February 16, 2027	Local Holiday
13.	Wednesday, February 17, 2027	Lincoln Day
14.	Monday, May 31, 2027	Memorial Day
15.	Friday, June 18, 2027	Juneteenth Observance

3. Wednesday, December 23, 2026, shall be an unpaid, non-workday for affected classified employees who work 10, 10.5, 10.75, 11, and 12-month calendars to account for the extra weekday over 260 days in the 2026-2027 year.
4. Employees in paid status for any portion of the workday before or the workday after a holiday shall be paid for that holiday. This includes summer assignments including but not limited to ESY and summer school.

5. This agreement shall be incorporated into the Parties' collective bargaining agreement.

This Memorandum of Understanding is subject to Policy 610 procedure of CSEA and is subject to the grievance and arbitration sections of the collective bargaining agreement.

Date Signed: 04/15/2026

For the District:

Buck Roggeman (Apr 10, 2026 09:06:08 PDT)
Buck Roggeman, Chief Human Resources Officer

Joshua Jorn (Apr 15, 2026 12:00:51 PDT)
Joshua R. Jorn, Assistant Superintendent/CBO

Yolanda Cork-Anthony
Yolanda Cork-Anthony, Executive Director of Student Services

Jason Tovani (Apr 10, 2026 11:01:02 PDT)
Jason Tovani, Assistant Principal, PGMS

Linda Adamson (Apr 10, 2026 12:45:44 PDT)
Linda Adamson, EdD., Superintendent

For CSEA Chapter 229:

Jill Houston (Apr 10, 2026 00:03:38 PDT)
Jill Houston, President/Chair, Negotiations

Greg Kelley (Apr 10, 2026 08:36:59 PDT)
Greg Kelley, 1st Vice President/Negotiations

Nargess Akhavi (Apr 10, 2026 08:23:50 PDT)
Nargess Akhavi, 2nd Vice President/Negotiations

Christine L Gruber
Christine L Gruber (Apr 9, 2026 23:45:55 PDT)
Christine Gruber, Communications Officer/ Negotiations

Sarah Herrera
Sarah Herrera, Labor Relations Representative

Pacific Grove Unified School District - 2026-2027

12 Month Calendar

	M	T	W	TH	F	Date	Event	
July 2026			1	2	3	7/3	Observance of 4th of July	
	6	7	8	9	10			
	13	14	15	16	17			
	20	21	22	23	24	7/30	New Hire Orientation	
	27	28	29	30	31	7/31	Welcome Back Breakfast	22
Aug 2026	3	4	5	6	7	8/3	Professional Development Day (Non Student Day)	
	10	11	12	13	14	8/4	Teacher Prep day (Non Student Day)	
	17	18	19	20	21	8/5	First day of School	
	24	25	26	27	28			21
Sept 2026	31	1	2	3	4	9/7	Labor Day Holiday	
	7	8	9	10	11			
	14	15	16	17	18			
	21	22	23	24	25			21
Oct 2026	28	29	30	1	2	10/3	Butterfly Parade	
	5	6	7	8	9	10/9	End of 1st Quarter (47 days)	
	12	13	14	15	16	10/9	Minimum Day for Students and Classified Staff	
	19	20	21	22	23	10/12-10/16	Fall Break	
	26	27	28	29	30			22
Nov 2026	2	3	4	5	6			
	9	10	11	12	13	11/11	Veterans Day Holiday	
	16	17	18	19	20	11/26	Thanksgiving Holiday	
	23	24	25	26	27	11/25-11/27	Thanksgiving Holiday Break	18
	30	1	2	3	4	12/18	End of 2nd Quarter (41 days)	
Dec 2026	7	8	9	10	11	12/18	End of 1st Semester (88 days)	
	14	15	16	17	18	12/18	Minimum Day for Students and Classified Staff	
	21	22	23	24	25	12/21-1/1	Winter Break	19
	28	29	30	31	1	12/23	Non work day	
Jan 2027	4	5	6	7	8	1/4	Teacher Prep Day (Non Student Day)	
	11	12	13	14	15			
	18	19	20	21	22	1/18	Dr. Martin Luther King Jr. Holiday	
	25	26	27	28	29			19
Feb 2027	1	2	3	4	5			
	8	9	10	11	12			
	15	16	17	18	19	2/15-2/19	Presidents' Break	
	22	23	24	25	26			17
March 2027	1	2	3	4	5			
	8	9	10	11	12	3/12	End of 3rd Quarter (43 days)	
	15	16	17	18	19	3/15	Professional Development Day (Non Student Day)	
	22	23	24	25	26			23
April 2027	29	30	31	1	2			
	5	6	7	8	9			
	12	13	14	15	16	4/12-4/16	Spring Break	
	19	20	21	22	23			
	26	27	28	29	30			22
May 2027	3	4	5	6	7	5/28	Minimum Day for Students and Classified Staff	
	10	11	12	13	14	5/28	End of 4nd Quarter (49 days)	
	17	18	19	20	21	5/28	End of 2nd Semester (92 days)	
	24	25	26	27	28	5/28	Last Day of School	20
	31	1	2	3	4	5/31	Memorial Day	
June 2027	7	8	9	10	11			
	14	15	16	17	18	6/18	Juneteenth Holiday	
	21	22	23	24	25			
	28	29	30					21

	First Day/Last Day of School		Breaks
	Professional Development Day/Teacher Prep Day		Holiday (11 total)
	Welcome		Local Holiday (4 total)
	Minimum Day for Classified Staff (4 total)		Non Work Day (261 work year)

185 Work Days - Current Teachers **186 Work Days - New Teachers** **Work Days 245**

PACIFIC GROVE UNIFIED SCHOOL DISTRICT 2026-2027

180-Day School Calendar

						Date	Event	
July 2026	27	28	29	30	31	7/30	New Hire Orientation	
	3	4	5	6	7	7/31	Welcome Back Breakfast	
	10	11	12	13	14	8/3	Professional Development Day (Non Student Day)	
	17	18	19	20	21	8/4	Teacher Prep day (Non Student Day)	
	24	25	26	27	28	8/5	First day of School	19
Aug 2026	31	1	2	3	4	9/7	Labor Day Holiday	
	7	8	9	10	11			
	14	15	16	17	18			
	21	22	23	24	25			21
Sept 2026	28	29	30	1	2	10/3	Butterfly Parade	
	5	6	7	8	9	10/9	End of 1st Quarter (47 days)	
	12	13	14	15	16	10/9	Minimum Day for Students and Classified Staff	
	19	20	21	22	23	10/12-10/16	Fall Break	
Oct 2026	26	27	28	29	30			17
	2	3	4	5	6	11/11	Veterans Day Holiday	
	9	10	11	12	13			
	16	17	18	19	20			
	23	24	25	26	27	11/25-11/27	Thanksgiving Holiday Break	17
Nov 2026	30	1	2	3	4	12/18	End of 2nd Quarter (41 days)	
	7	8	9	10	11	12/18	End of 1st Semester (88 days)	
	14	15	16	17	18	12/18	Minimum Day for Students and Classified Staff	
	21	22	23	24	25	12/21-1/1	Winter Break	14
Dec 2026	28	29	30	31	1			
	4	5	6	7	8	1/4	Teacher Prep Day (Non Student Day)	
	11	12	13	14	15			
	18	19	20	21	22	1/18	Dr. Martin Luther King Jr. Holiday	
Jan 2027	25	26	27	28	29			18
	1	2	3	4	5			
	8	9	10	11	12			
	15	16	17	18	19	2/15-2/19	Presidents' Holiday Break	
Feb 2027	22	23	24	25	26			15
	1	2	3	4	5			
	8	9	10	11	12	3/12	End of 3rd Quarter (43 days)	
	15	16	17	18	19	3/15	Professional Development Day (Non Student Day)	
	22	23	24	25	26			22
March 2027	29	30	31	1	2			
	5	6	7	8	9	4/9	Minimum Day for Students and Classified Staff	
	12	13	14	15	16	4/12-4/16	Spring Break	
	19	20	21	22	23			
April 2027	26	27	28	29	30			17
	3	4	5	6	7	5/28	Minimum Day for Students and Classified Staff	
	10	11	12	13	14	5/28	End of 4nd Quarter (49 days)	
	17	18	19	20	21	5/28	End of 2nd Semester (92 days)	
	24	25	26	27	28	5/28	Last Day of School	
May 2027	31					5/31	Memorial Day	20

	First Day/Last Day of School		Breaks
	Professional Development Day/Teacher Prep Day		Holiday (9 total)
	Welcome		Local Holiday (4 total)
	Minimum Day for Classified Staff (4 total)		

185 Work Days - Current Teachers **186 Work Days - New Teachers** **School Days 180**

Pacific Grove Adult School - 2026-2027

12 Month Calendar

	M	T	W	TH	F	S	DATE	EVENT
July 2026			1	2	3	4	7/3	Observance of 4th of July
	E	7	8	9	10	11	7/6	First Day of Summer Session
	13	14	15	16	17	18		
	20	21	22	23	24	25		
	27	28	29	30	31	1	7/31	Welcome Back Breakfast
Aug 2026	3	4	5	6	7	8		
	10	11	12	13	14	15		
	17	18	19	20	21	22		
	24	25	26	27	28	29		
	31	1	2	3	4	5		
Sept 2026	7	8	9	10	11	12	9/7	Labor Day Holiday
	14	15	16	17	18	17	9/12	Last Day of Summer Session
	21	22	23	24	25	26	9/14	First Day of Fall Session
	28	29	30	1	2	3		
Oct 2026	5	6	7	8	9	10		
	12	13	14	15	16	17	10/9	Minimum Day for Classified Staff
	19	20	21	22	23	24	10/12-10/16	Fall Break
	26	27	28	29	30	31		
Nov 2026	2	3	4	5	6	7		
	9	10	11	12	13	14	11/11	Veterans Day Holiday
	16	17	18	19	20	21	11/26	Thanksgiving Holiday
	23	24	25	26	27	28	11/25-11/27	Thanksgiving Holiday Break
	30	1	2	3	4	5		
Dec 2026	7	8	9	10	11	12	12/12	Last Day of Fall Session
	14	15	16	17	18	19	12/14 - 1/1	Winter Break
	21	22	23	24	25	26	12/22 & 12/30	Minimum Day for Classified Staff
	28	29	30	31	1	2	12/23	Non work day
Jan 2027	4	5	6	7	8	9		
	11	12	13	14	15	16	1/4	First Day of Winter Session
	18	19	20	21	22	23	1/18	Dr. Martin Luther King Jr. Holiday
	25	26	27	28	29	24		
Feb 2027	1	2	3	4	5	6	2/15-2/19	Presidents' Break
	8	9	10	11	12	13		
	15	16	17	18	19	14		
	22	23	24	25	26	27		
March 2027	1	2	3	4	5	6		
	8	9	10	11	12	13		
	15	16	17	18	19	20	3/20	Last Day of Winter Session
	22	23	24	25	26	27	3/22	First Day of Spring Session
	29	30	31	1	2	3		
April 2027	5	6	7	8	9	10	4/9	Minimum Day for Classified Staff
	12	13	14	15	16	17	4/12-4/16	Spring Break
	19	20	21	22	23	24		
	26	27	28	29	30	1		
May 2027	3	4	5	6	7	8		
	10	11	12	13	14	15		
	17	18	19	20	21	22		
	24	25	26	27	28	29	5/31	Memorial Day
	31	1	2	3	4	5		
June 2027	7	8	9	10	11	12	6/12	Last Day of Spring Session
	14	15	16	17	18	19	6/18	Juneteenth Holiday
	21	22	23	24	25	26		
	28	29	30					

	Welcome Breakfast		Breaks
	Minimum Day - Classified Staff (4 total)		Holiday (11 total)
	Non Work Day (261 work year)		Local Holiday (4 total)

PGAE Child Development Center- 2026-2027

12 Month Calendar						DATE	MONTH
	M	T	W	TH	F		
July 2026			1	2	3	7/3	Observance of 4th of July
	6	7	8	9	10		
	13	14	15	16	17		
	20	21	22	23	24		
	27	28	29	30	31	7/31	Welcome Back Breakfast
Aug 2026	3	4	5	6	7	8/3 & 8/4	Professional Development Days
	10	11	12	13	14		
	17	18	19	20	21		
	24	25	26	27	28		
	31	1	2	3	4		
Sept 2026	7	8	9	10	11	9/7	Labor Day Holiday
	14	15	16	17	18		
	21	22	23	24	25		
	28	29	30	1	2		
Oct 2026	5	6	7	8	9	10/9	Minimum Day for Classified Staff
	12	13	14	15	16	10/12-10/16	Fall Break
	19	20	21	22	23		
	26	27	28	29	30		
Nov 2026	2	3	4	5	6		
	9	10	11	12	13	11/11	Veterans Day Holiday
	16	17	18	19	20		
	23	24	25	26	27	11/25-11/27	Thanksgiving Holiday Break
	30	1	2	3	4		
Dec 2026	7	8	9	10	11		
	14	15	16	17	18	12/18	Minimum Day for Classified Staff
	21	22	23	24	25	12/21 - 1/1	Winter Break
	28	29	30	31	1	12/23	Non Work Day
Jan 2027	4	5	6	7	8	1/4	Professional Development Days
	11	12	13	14	15		
	18	19	20	21	22	1/18	Dr. Martin Luther King Jr. Holiday
	25	26	27	28	29		
Feb 2027	1	2	3	4	5		
	8	9	10	11	12		
	15	16	17	18	19	2/15-2/19	Presidents' Break
	22	23	24	25	26		
March 2027	1	2	3	4	5		
	8	9	10	11	12		
	15	16	17	18	19	3/15	Professional Development Days
	22	23	24	25	26		
	29	30	31	1	2		
April 2027	5	6	7	8	9	4/9	Minimum Day for Classified Staff
	12	13	14	15	16	4/12-4/16	Spring Break
	19	20	21	22	23		
	26	27	28	29	30		
May 2027	3	4	5	6	7		
	10	11	12	13	14		
	17	18	19	20	21	5/28	Minimum Day for Classified Staff
	24	25	26	27	28	5/31	Memorial Day
	31	1	2	3	4		
June 2027	7	8	9	10	11	6/10-7/30	Center Closed-Summer Break
	14	15	16	17	18	6/18	Juneteenth Holiday
	21	22	23	24	25		
	28	29	30				

	Welcome Breakfast		Professional Development -1/2 days		Holiday (10 total)
	Minimum Day - Classified Staff 4 total		Breaks		Local Holiday (4 total)
	Non Work Day (261 work year)				

PACIFIC GROVE UNIFIED SCHOOL DISTRICT	
Classified Computation of Work Days for 2026-2027	
365 = days in one year	
104 = weekend days	
365 - 104 = 261 work days per year (wd/y)	
1 unpaid day designated as December 23, 2026 due to work year exceeding contract days	
260 contract days	
12 Month Classified Employee	**Maintenance, Grounds, Custodians, Utility**
260 contract days per year - 15 holidays = 245 work days	**Bus Driver, Transporation Specilaist (MOT)**
· Unpaid day designated as December 23, 2026	**Admin. Specialist (MOT), Mechanic**
· Pay Schedule is 12 checks over 12 months	**Acct. Clerk III (DO), Confidential (DO)**
11.5 Month Classified Employee	**Admin. Assist. IV (ADE)**
250 contract days per year - 15 holidays = 235 work days	**Clerk III (ADE)**
· Unpaid day designated as December 23, 2026	
· October Break are non-work days	
· Spring Break are non-work days	
· Pay Schedule is 12 checks over 12 months	
11 Month Classified Employee	**Admin. Assist. IV (HS)**
11 months x 21.67 wd/m = 238 wd/y - 13 holidays = 225 work days	**Admin. Assist. III (HS)**
· Vacation time can be used during Winter, February, October & Spring Breaks	**Admin. Assist. II Counseling (HS)**
· Pay Schedule is 12 equal checks July through June	**Library Media Tech. III (HS)**
· Unpaid day designated as December 23, 2026	**Clerk III (HS), Account Clerk I (HS)**
· Start July 14, 2026 - Last day June 11, 2027	
10.75 Month Classified Employee	**Office Manager (FG, RHD)**
10.75 months x 21.67 wd/m = 233 wd/y - 13 holidays = 220 work days	**Admin. Assist. IV (MS)**
· October Break are non-work days	
· Pay Schedule is 12 equal checks July through June	
· Unpaid day designated as December 23, 2026	
· Start July 14, 2026 - Last day June 11, 2027	
10.5 Month Classified Employee	**Personnel Specialist (HR)**
10.5 months x 21.67 wd/m = 228 wd/y - 13 holidays = 215 work days	**Admin. Specialist (Sped, Curriculum)**
· October Break are non-work days	**Admin. Assist. II (CHS)**
· Pay Schedule is 12 equal checks July through June	**Admin. Assist. II CTE (HS)**
· Unpaid day designated as December 23, 2026	**Clerk III (MS)**
· Start July 14, 2026 - Last day June 4, 2027	**Career Tech. (HS), IT Technician (ADE)**
10 Month Classified Employee	**Recreation Coord.**
10 months x 21.67 wd/m = 217 wd/y - 13 holidays = 204 work days	**Recreation Leader**
· October Break = non-working days	**IT Technician (HS, MS, RHD, FGE)**
· Pay Schedule = 12 equal checks July through June	
· Unpaid day designated as December 23, 2026	
· Start July 29, 2026 - Last day June 4, 2027	
190 Day Classified Employee	**Clerk III (RHD, FGE)**
· All Breaks Off - Work student days + 5 days before school + 5 after school	
· Pay Schedule is 12 equal checks July through June	
· Start July 29, 2026 - Last day June 7, 2027	
185 Day Classified Employee	**Library Media Tech. II (MS, RHD, FGE)**
· All Breaks Off ~ Work student days + 5 days before school or after school	
· Pay Schedule is 11 equal checks August through June (see payroll to sign up for 12 month deferred Pay)	
· Start August 3, 2026 - Last day June 3, 2027	
180 Day Classified Employee	**Instructional Assist., Voc. Assist., Noon Duty**
· All Breaks Off ~ Work student days ONLY	**Campus Supervisor, Para., Recreation Attend.**
· Pay Schedule is 10 equal checks August through May (see payroll to sign up for 12 month deferred Pay)	**Healthcare Assist., Crossing Guard**

· Start August 5, 2026 - Last day May 28, 2027	**Food Service, Admin. Assist. (FS)**

Classified Computation of Work Days for 2026-2027 for those who follow the Adult Education Calendars	
PACIFIC GROVE ADULT EDUCATION CALENDARS	
Pacific Grove Adult School	
· All Breaks Off ~ Work student days	**Adults with Disabilities Instructional Assistants**
· Pay Schedule is 12 equal checks July through June	**Career Technician**
· Unpaid day designated as December 23, 2026	
· Start July 6, 2026 - Last day June 12, 2027	
PGAE Child Development Center	
· All Breaks Off ~ Work student days and Professional Development days	**CDC Instructional Assistants**
· Pay Schedule is 12 equal checks July through June	
· Unpaid day designated as December 23, 2026	
· Start July 6, 2026 - Last day June 9, 2027	

Board Cover Sheet

Consent

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [x] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Larry Haggquist
Executive Director of Educational Services

Item

Approval of a Memorandum of Understanding (MOU) Between Pacific Grove Unified School District and Coastline Academy for Driver Education Services

Recommendation

The District Administration recommends that the Board approve the Memorandum of Understanding (MOU) between Pacific Grove Unified School District and Coastline Academy to provide access to a free, online driver education course for eligible students.

Background

Under California Education Code Section 51220(j), school districts are required to offer driver education to students in grades 7–12; however, driver education is not a requirement for graduation. Historically, access to driver education has varied, and many districts are not fully meeting this requirement.

Educational Services staff met with representatives from Coastline Academy to explore options for providing accessible driver education to students. Coastline Academy offers a California Department of Motor Vehicles (DMV)-approved online course that satisfies the classroom-based driver education requirement.

Information

Through this MOU, Coastline Academy will provide the District with vouchers for a free, online driver education course for students aged 15 and older. The course fulfills the required instructional component (approximately 30 hours) needed for students to obtain a learner's permit through the DMV.

Students who complete the course will receive a certificate of completion, which they may present to the DMV to apply for a learner's permit. After obtaining a permit, students may pursue behind-the-wheel training independently.

Coastline Academy will also provide a grant award letter, promotional materials, and vouchers for distribution. Vouchers will be valid for one year from the date of issuance.

Participation in the program is voluntary, and the District's role is limited to facilitating access by distributing vouchers and sharing information with students and families.

Fiscal Impact

There is no cost to the District associated with this agreement. Coastline Academy provides the online driver education course and student vouchers at no charge.

MEMORANDUM OF UNDERSTANDING

Between COASTLINE ACADEMY and PACIFIC GROVE UNIFIED SCHOOL DISTRICT

(For In-Kind Educational Grants)

This Memorandum of Understanding ("MOU") is entered into as of May 11, 2026 ("Effective Date") by and between:

Coastline Automation, Inc. DBA Coastline Academy
a Delaware corporation
("Coastline")

and

Pacific Grove Unified School District
a California public school district
("District").

Each a "Party" and together the "Parties."

1. Purpose

1.1 Coastline has developed a California DMV-approved online driver-education course ("Course").

1.2 Coastline desires to support public education by providing in-kind, no-cost access to the Course through its Student Driver Safety Grant ("Program").

1.3 This MOU establishes the framework under which Coastline may issue Grant Awards from time to time to the District, at Coastline's discretion, in the form of complimentary Course access vouchers or licenses.

2. Grant Awards

2.1 Coastline may issue specific in-kind grants ("Grant Awards") to the District annually, or from time to time.

2.2 Each Grant Award will be documented in a separate Grant Award Letter, substantially in the form attached as **Exhibit C**, stating:

- The number of Course access licenses/vouchers awarded;
- The term or school year;
- The estimated retail value (if provided); and

- Redemption details.

2.3 Each Grant Award is made without charge, without obligation to purchase, and without any expectation of commercial benefit from the District or its students.

2.4 Nothing in this MOU obligates Coastline to issue any minimum number of awards.

2.5 If required by District policy, the District shall complete and return the Grant Acceptance Form attached hereto as **Exhibit B** for each Grant Award

3. Redemption

3.1 Students awarded Course access under a Grant Award shall create a user account through a Coastline-provided account creation page. Following account creation, students shall redeem the applicable Grant Award voucher or code, which will automatically associate the Course with the student's account without any requirement to purchase, enter payment information, or reference monetary consideration.

3.2 The Parties acknowledge that the account creation and voucher redemption process is used solely for user authentication, access provisioning, course delivery, and completion tracking, and does not constitute a commercial transaction or sale.

3.3 Confirmation emails and Course access emails sent in connection with account creation and voucher redemption shall be transactional in nature and shall not contain marketing content.

3.4 User communications preferences, including any opt-in to marketing communications, shall be governed exclusively by Coastline's then-current Terms of Service and Privacy Notice, which users may review during account creation.

4. District Responsibilities

4.1 The District shall distribute Grant Award vouchers or redemption instructions solely to students who are currently enrolled and eligible to take driver education.

4.2 The District will not resell, trade, or otherwise transfer vouchers.

4.3 The District will ensure that any required parental notifications or consents are handled according to District policy.

4.4 The Parties acknowledge and agree that voucher distribution and student redemption instructions shall be provided in the Voucher Distribution Sheet attached hereto as **Exhibit A**, which the District shall use when issuing vouchers to eligible students.

5. Data Privacy & Compliance

5.1 Coastline's collection, use, and protection of student information shall be governed by its Terms of Service, available at coastlineacademy.com/article/terms-of-service, and Privacy Notice, available at coastlineacademy.com/article/privacy-notice, as may be updated from time to time (collectively, the "Coastline Policies"), which are hereby incorporated by reference.

6. Representations

6.1 Coastline represents that the Course meets California DMV requirements for online driver education.

6.2 The District represents that it has authority to enter into this MOU and to accept in-kind grants on behalf of its students, subject to any required board approvals (if applicable).

7. Publicity

7.1 Coastline may list the District as a participating grant recipient on its website or in program summary materials, provided no student names or personally identifiable information are ever disclosed.

8. Term and Termination

8.1 This MOU will begin on the date first written above and continue until terminated by either Party.

8.2 Either Party may terminate this MOU on 30 days' written notice.

8.3 Termination will not affect students who already redeemed access under an active Grant Award; such students may complete the Course.

8.4 Upon termination of this MOU for any reason, any Grant Award vouchers that have not been redeemed as of the effective date of termination shall be automatically revoked and rendered void. For clarity, termination shall not affect students who have already redeemed Course access prior to termination, who may complete the Course in accordance with Section 8.3.

9. Liability

9.1 Each Party is responsible for its own acts, omissions, and negligence.

9.2 Limitation of Liability: Neither Party shall be liable for indirect, consequential, or punitive damages arising under this MOU.

10. Miscellaneous

10.1 Governing Law: the state of California.

10.2 Entire Agreement: This MOU, together with its Exhibits (Exhibit A - Voucher Distribution Sheet; Exhibit B - Grant Acceptance Form; Exhibit C - Grant Award Letter Template), constitutes the entire agreement between the Parties.

10.3 Counterparts: This MOU may be executed electronically and in counterparts.

10.4 No Fees: No financial consideration shall ever be exchanged under this MOU.

IN WITNESS WHEREOF, the parties have duly executed this MOU by its authorized and undersigning representatives as of the Effective Date as stated above.

Coastline Automation, Inc. DBA Coastline Academy

By: _____
Name: _____
Title: _____

District: Pacific Grove Unified School District

By: Lawrence J Haggquist
Name: Lawrence Haggquist
Title: Executive Director of Educational Services

Board Cover Sheet

Consent

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Larry Haggquist
Executive Director of Educational Services

Item

Approval of Educational Consultant Services Agreement with Chartwell Teaching Institute

Recommendation

The District Administration recommends that the Board approve the Educational Consultant Services Agreement with Chartwell Teaching Institute to provide professional development and coaching in structured literacy for district staff.

Background

Pacific Grove Unified School District has prioritized strengthening early literacy instruction and ensuring that all students, particularly those with reading challenges, have access to effective, research-based practices. Chartwell Teaching Institute is a recognized provider of structured literacy training aligned with the science of reading, including support for students with dyslexia and other reading difficulties.

Through a competitive grant opportunity secured by Chartwell on behalf of the District, PGUSD has been awarded funding to provide this training at no cost for program services. This partnership supports the District's ongoing efforts to build staff capacity in foundational literacy instruction and intervention. This training is specifically designed to enhance teacher skills around implementation of EL Education curriculum

Information

The agreement provides for three full-day professional development sessions and one coaching day for up to 35 participants. Training topics include the cognitive processes of reading, neuroscience of dyslexia, phonological awareness, phonics, fluency, morphology, vocabulary development, and assessment practices.

Professional development sessions are scheduled for September 18, September 25, and October 2, 2026. The total contract amount is $20,000, fully covered through grant funding.

Fiscal Impact

There is no cost to the District for the training services, as the $20,000 contract is fully grant-funded. The estimated fiscal impact to the District is $12,255 to cover substitute teacher costs to allow staff participation

2026/27

CHARTWELL
TEACHING INSTITUTE

Introduction to Structured Literacy
Pacific Grove Unified School District

EDUCATIONAL CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into April 21, 2026, by and between **Chartwell School**, Monterey County, California, hereinafter referred to as the **Consultant**, and **Pacific Grove Unified School District .**

WITNESSETH

WHEREAS it is the desire of Chartwell School to provide professionally trained Consultants to provide training services; and

WHEREAS, Consultants are especially trained, experienced and competent to perform such services.

THEREFORE, in consideration of the mutual promises of the parties hereto, Pacific Grove Unified School District hereby retains the Consultants upon the terms and conditions hereinafter set forth, and the Consultants hereby accept said retention and agrees to perform the services hereinafter mentioned upon said terms and conditions.

TERMS OF THE AGREEMENT:

Participants will learn a structured literacy approach to teaching reading, aligned to the Knowledge and Practice Standards (KPS; Cowen, 2016). IDA defines KPS as "the knowledge and skills that all teachers of reading should possess to teach all students to read proficiently." Structured Literacy is explicit, systematic teaching that focuses on phonological awareness, word recognition, phonics and decoding, spelling, and syntax at the sentence and paragraph levels and includes morphology, and fluency development.

CHARTWELL SCHOOL shall maintain in full force throughout the term of the Agreement, at its own expense, a policy of comprehensive liability insurance, which will insure the district and against liability for injury or death of persons and damage to District facilities, arising from CHARTWELL SCHOOL programming and activities and use of classrooms or other District facilities under this Agreement. The policy shall include liability insurance coverage for molestation, physical/mental

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abuse and or child abuse. ($1 million and $3 million aggregate.) The policy shall include coverage limits of not less than $1,000,000 per occurrence for any one person injured or killed, and not less than $1,000,000 for property damage, and shall be maintained on a per occurrence basis.

Prior to the commencement of any CHARTWELL SCHOOL programming or activities under this Agreement, CHARTWELL SCHOOL shall provide the district with a certificate of insurance, naming the district as an additional insured, and including a statement that the policy shall not be reduced or canceled without thirty (30) business days written notice to the District and CHARTWELL SCHOOL. Any altered or terminated insurance policy shall be replaced with an insurance policy meeting the requirements of this section, so that the terms of the replacement policy become effective no later than the termination or alteration of the prior policy.

Indemnification. CHARTWELL SCHOOL shall defend, indemnify, and hold harmless the district, its elected and appointed officials, officers, employees, agents, volunteers, and contractors from and against any and all claims, demands, causes of action, liabilities, losses, damages, or expenses of any kind or nature arising from CHARTWELL SCHOOL's intentional, negligent or willful act or omission related to this Agreement or use of classrooms or other District facilities pursuant to this Agreement. This section shall survive termination of the Agreement.

Introduction to Structured Literacy
Pacific Grove Unified School District

Participants will continue to develop the structured literacy approach to teaching reading, aligned to the Knowledge and Practice Standards (KPS; Cowen, 2016).

Date /Hours	Topics	Cost
Professional Development Day 1 **Date: September 18, 2026**	• Cognitive Processes of Reading • Reading Process: Stages of Development • Neuroscience of Dyslexia • Principles of Effective Reading Instruction	Up to 35 people 6 hours $5,000

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At PGUSD location	• Phonological Awareness and Phonics Skills • Scope and Sequence of Foundational Literacy Skills	
Professional Development Day 2 **Date:** **September 25, 2026** **At PGUSD location**	• Overview of Comprehensive Lesson Plan • Syllable Types and Division Rules • Decoding Strategies • Reading Fluency • Multisensory Spelling Dictation • Foundational Skills Lesson Plan	Up to 35 people 6 hours $5,000
Professional Development Day 3 **Date:** **October 2, 2026** **At PGUSD location**	• Morphology Instruction and Resources • Vocabulary Development and Models • Assessments: Placement and Progress Monitoring • Course Assessment and Evaluation • Foundational Skills Lesson Plan	Up to 35 people 6 hours $5,000
Coaching Day **Date:** **TBD**		5,000
	TOTAL: *Full cost covered by grant funding.	$20,000*

Trainer Bios

Chantel Touryan-Schaefer was a first-grade classroom teacher for 14 years before following her passion for reading instruction to become a Reading Specialist. Chantel is a Reading Specialist and Certified Dyslexia Advocate in California and is working toward her CALT certification. She recently joined the Chartwell Teaching Institute as Associate Director. She has aided numerous readers in realizing their potential using the Orton-Gillingham and Structured Literacy methods and continues to support burgeoning readers.

Molly Bricker is a former elementary classroom teacher and reading interventionist. She now trains teachers in Structured Literacy in collaboration with the Chartwell Teaching Institute. Additionally, Molly runs her own Educational Therapy practice in Los Angeles. Molly is a member of the Association of Educational Therapists,

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the Orton-Gillingham Academy, and the International Dyslexia Association. She is trained through the Certified level with the Orton-Gillingham Academy and has completed training in a variety of Structured Literacy curricula, including Wilson Fundations and PAF. Molly has also written and published a series of decodable books titled The Kid Squad. Molly lives in Los Angeles with her husband and daughter, where they enjoy playing golf, making pizzas, and watching The Great British Baking Show.

Meghan Sanchez is a Teacher Training Consultant with Chartwell Teaching Institute, where she works with educators to strengthen literacy instruction through structured literacy, morphology, language comprehension, and strategies for supporting multilingual learners. With over a decade of experience teaching students from PreK through high school, Meghan is a former classroom teacher and academic leader who taught at Chartwell School, supporting students with language-based learning differences such as dyslexia, and served as Director of Academic Support and Academic Dean at Lake Tahoe Preparatory School. She holds a Bachelor's degree from Haverford College and dual Master's degrees in Elementary and Special Education from Lesley University. Meghan lives in Truckee, California, with her wife, Kayla, and their dog, Reagan.

DATE: April 21, 2026

Jodi Amaditz

Director

Chartwell Teaching Institute

DATE: April 23, 2026

Larry Haggquist, Executive Director

of Educational Services

Pacific Grove Unified SChoo District

Board Cover Sheet

Consent

- [ ] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Abbie Arbrun
Principal - Forest Grove Elementary

Item
Contract for Services - Fiesta Face Paint

Recommendation
The District Administration recommends that the Board review and approve to contract for services with Fiesta Face Paint

Background
Fiesta Face Paint offers vibrant and creative face paint. They offer services in Monterey and Santa Cruz County.

Information
Fiesta Face Paint will have 2 painters painting faces during our Falcon Fest on May 23, 2025 from 12:00pm-3:00pm.

Fiscal Impact

2025/26

(None) No Fiscal Impact

Program/Grant
$350 from PG PRIDE Grant
$257.50 from FG PTA

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
INDEPENDENT CONSULTANT AGREEMENT

CONSULTANT Fiesta Face Paint

SITE/DEPARTMENT Forest Grove Elementary

SUBMITTED BY Rebecca Gamecho

FUNDING SOURCE PG PRIDE & FGE PTA

AGREEMENT TOTAL AMOUNT $607.50

IS THIS A PRIOR YEAR VENDOR CONTRACT?

- [x] Yes
- [ ] No

If yes, did the vendor perform to the standards outlined in their prior year contract?

- [x] Yes
- [ ] No (If no, explain):

The District employee providing the attached Independent Consultant Agreement to the person or entity who will be providing special services to the District should first do the following:

1. Provide only the Pacific Grove Unified School District's approved Independent Consultant Agreement. The Independent Consultant Agreement should be completed in lieu of signing any vendor contract for services.
2. Review the insurance requirements for the person or entity and revise the insurance provisions of the agreement accordingly.
3. Review the forms under Section 20 and determine which of those documents should be attached to the agreement.

This Independent Consultant Agreement for Special Services ("Agreement") is made between the Pacific Grove Unified School District ("District") and Fiesta Face Paint ("Consultant") (together, "Parties").

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal, transportation, administrative matters or other specialized services, if those persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, the District is in need of those services and/or advice; and

WHEREAS, the Consultant is specially trained and experienced and competent to perform the services required by the District, and those services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

1. **Services and/Scope of work:** The Consultant shall furnish to the District the following services herein by this reference (“Services” or “Work”): Consultant shall serve as a Face painters. Consultant shall use their specialized experience and skills to organize, maintain to serve in this capacity. Services shall include but not be limited to Face painting.

2. **Term:** Consultant shall commence providing services under this Agreement on May 22, 2026, and will diligently perform as required and complete performance by May 22, 2026.

3. **Compensation:** District agrees to pay $607.50 to Consultant for Services satisfactorily rendered pursuant to this Agreement. This is not to exceed $607.50during the term of this Agreement. District shall pay Consultant according to the following terms and conditions:

3.1. Payment for the Services shall be made for all undisputed amounts in installment payments within thirty (30) days after the Consultant submits an invoice to the District for Services actually completed.

4. **Expenses:** District shall not be liable to Consultant for any costs or expenses paid or incurred by Consultant in performing Services for District.

5. **Independent Consultant**: Consultant, in the performance of this Agreement, shall be and act as an Independent Consultant. Consultant understands and agrees that he/she shall not be considered an officer, employee, agent, partner, or joint venture of the District, and is not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Consultant shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, Social Security and income taxes with respect to Consultant. In the performance of the Services herein contemplated, Consultant is an independent Consultant or business entity, with the sole authority for controlling and directing the performance of the details of the Services, District being interested only in the results obtained.

6. **Performance of Services:**

6.1. **Standard of Care**. Consultant represents that Consultant has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of the District. Consultant's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of his/her profession for services to California school districts.

6.2. **District Approval.** The Services completed herein must meet the approval of the District and shall be subject to the District’s general right of inspection and supervision to secure the satisfactory completion thereof.

6.3. **Licenses**. Consultant's represents that s/he possesses all required licenses to perform the Services provided in this Agreement.

7. **Termination**:

7.1. **Without Cause by District**. District may, at any time, with or without reason, terminate this Agreement and compensate Consultant only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. Notice shall be deemed given when received by the Consultant or no later than three days after the day of mailing, whichever is sooner.

7.2. **Without Cause by Consultant**. Consultant may, upon thirty (30) days' notice, with or without reason, terminate this Agreement. Upon this termination, District shall only be obligated to compensate Consultant for services satisfactorily rendered to the date of termination. Written notice by Consultant shall be sufficient to stop further performance of services to District. Consultant acknowledges that this thirty (30) day notice period is acceptable so that the District can attempt to procure the Services from another source.

7.3. **With Cause by District**. The District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:

7.3.1. Material violation of this Agreement by the Consultant; or

7.3.2. Any act by Consultant exposing the District to liability to others for personal injury or property damage.

Written notice by District shall contain the reasons for such intention to terminate and unless within three (3) calendar days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required services from another Consultant. If the expense, fees, and/or costs to the District exceeds the cost of providing the services pursuant to this Agreement, the Consultant shall immediately pay the excess expense, fees, and/or costs to the District upon the receipt of the District's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

8. **Compliance**: Consultant shall, at all times while providing the Services, comply with all federal, state, local and District laws, statutes, codes, ordinances, rules, regulations, policies, and requirements, as well as all state executive orders and all public health orders regarding student health and safety, including but not limited to, policies and procedures related to social distancing, the use of personal protective equipment ("PPE") such as face coverings and gloves, and the sanitization of facilities to help prevent the spread of COVID-19 and other contagious diseases.

9. **District's Evaluation of Consultant:** The District may evaluate the Consultant's performance. In no event shall an evaluation of Consultant be considered a prerequisite to the District exercising its rights under paragraph 7 above.

10. **Limitation of District Liability:** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable

to Consultant, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

11. **Indemnity:** Consultant shall defend, indemnify, and hold harmless District and its agents, representatives, officers, consultants, employees, Board of Trustees, members of the Board of Trustees (collectively, the "District Parties"), from and against any and all claims, demands, liabilities, damages, losses, suits and actions, and expenses (including, but not limited to attorney fees and costs including fees of consultants) of any kind, nature and description (collectively, the "Claims") directly or indirectly arising out of, connected with, or resulting from any act, error, omission, negligence, or willful misconduct of Consultant, its agents, subcontractors, employees, material or equipment suppliers, invitees, or licensees (collectively, the "Consultant Parties") in the performance of or failure to perform Consultant's or Consultant Parties' obligations under this Agreement, including, but not limited to Consultant's or Consultant Parties' use of District sites, performance of the Services, breach of any of the representations or warranties contained in this Agreement, or for injury to or death of persons or damage to property or delay or damage to the District or the District Parties. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity, which would otherwise exist as to a party, person, or entity described in this paragraph. The indemnification provided for in this Section includes, without limitation to the foregoing, claims that may be made against District by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against District alleging civil rights violations by Consultant or Consultant Parties under the California Fair Employment and Housing Act ("FEHA").

12. **Confidentiality:** The Consultant and all Consultant's agents, personnel, employee(s), and/or Sub-consultant(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

13. **Notice**: Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

District	**Consultant**
Pacific Grove Unified School District	Name: Fiesta Face Paint
435 Hillcrest Avenue	Address: 29 White Road
Pacific Grove, CA 93950	City/State/Zip: Watsonville, Ca 9507
Josh Jorn	Business Phone: 831.588.8423
Assistant Superintendent/CBO	Email (Optional):

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

14. **Integration/Entire Agreement of Parties:** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

15. **California Law:** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Monterey County, California.

16. **Waiver:** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

17. **Severability:** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

18. **Attorney Fees/Costs:** Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

19. **Counterparts:** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

20. **Incorporation of Recitals and Exhibits:** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

21. **Non-Assignability:** Consultant may not, without the written permission of the District, use other consultants within Consultant's own firm, or outside experts to perform the services for the District.

22. **Fingerprinting:** When the Consultant is working directly with students, the Consultant shall not commence Services under this Agreement until the Consultant has submitted and the District has approved the following document:

- ☐ DOJ Clearance Previously Received by District
- ☐ Consultants will be fingerprinted through the District upon contract approval and prior to services rendered
- ☑ Fingerprinting done by the organization independently (declare under perjury)- Consultant's Employee(s)
- ☐ No direct contact or interaction with students

23. **W-9.** Consultant has provided a completed:

- ☑ W-9 Form

24. **Type of Business Entity:**

- ☐ Corporation, State

- ☑ Individual
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Sole Proprietorship
- ☐ Limited Partnership
- ☐ Other:

**Federal Code of Regulations sections 6041 and 6209 require non-corporate recipients of $600.00 or more to furnish their taxpayer identification number to the payer. The regulations also provide that a penalty may be imposed for failure to furnish the taxpayer identification number. In order to comply with these regulations, the District requires your federal tax identification number or Social Security number, whichever is applicable.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

Pacific Grove Unified School District **Consultant**

Site representative or Assistant Superintendent

(Signed AFTER Board approval*)** ***(Can sign BEFORE Board's approval)

Signature: _____ Signature: _____

Name: Rebecca Gamecho Name: _____

Title: _____ Date: _____

Date: _____

Human Resources

(Signed AFTER Board approval)

- ☐ Contracted work was not assigned using the District's normal employment recruitment process.

Signature: _____ Date: _____
Chief Human Resources Officer

Board Cover Sheet

Consent

- [ ] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Abbie Arbrun
Principal - Forest Grove Elementary

Item
Contract for Services - MTH DJ & Photo Booth

Recommendation
The District Administration recommends that the Board review and approve to contract for services with MTH DJ & Photo Booth

Background
MTH DJ & Photo Booth specializes in creating unique photo experiences for events with their photo booth rentals in the Monterey, San Benito, and Santa Cruz counties

Information
MTH DJ & Photo Booth will provide a photo booth during our Falcon Fest on May 23, 2025 from 12:00pm-3:00pm.

Fiscal Impact

2025/26

(None) No Fiscal Impact

Program/Grant
$350 from FG PTA

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
INDEPENDENT CONSULTANT AGREEMENT

CONSULTANT MTH Photo Booth

SITE/DEPARTMENT Forest Grove Elementary

SUBMITTED BY Rebecca Gamecho

FUNDING SOURCE FG PTA

AGREEMENT TOTAL AMOUNT $350

IS THIS A PRIOR YEAR VENDOR CONTRACT?

- [x] Yes
- [ ] No

If yes, did the vendor perform to the standards outlined in their prior year contract?

- [x] Yes
- [ ] No (If no, explain):

The District employee providing the attached Independent Consultant Agreement to the person or entity who will be providing special services to the District should first do the following:

1. Provide only the Pacific Grove Unified School District's approved Independent Consultant Agreement. The Independent Consultant Agreement should be completed in lieu of signing any vendor contract for services.
2. Review the insurance requirements for the person or entity and revise the insurance provisions of the agreement accordingly.
3. Review the forms under Section 20 and determine which of those documents should be attached to the agreement.

This Independent Consultant Agreement for Special Services ("Agreement") is made between the Pacific Grove Unified School District ("District") and MTH Photo Booth ("Consultant") (together, "Parties").

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal, transportation, administrative matters or other specialized services, if those persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, the District is in need of those services and/or advice; and

WHEREAS, the Consultant is specially trained and experienced and competent to perform the services required by the District, and those services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

1. **Services and/Scope of work:** The Consultant shall furnish to the District the following services herein by this reference ("Services" or "Work"): Consultant shall serve as a photo booth at Falcon Fest. Consultant shall use their specialized experience and skills to organize, maintain to serve in this capacity. Services shall include but not be limited to setting up and managing a photo booth..

2. **Term:** Consultant shall commence providing services under this Agreement on May 22, 2026, and will diligently perform as required and complete performance by May 22, 2026.

3. **Compensation:** District agrees to pay $350 to Consultant for Services satisfactorily rendered pursuant to this Agreement. This is not to exceed $350during the term of this Agreement. District shall pay Consultant according to the following terms and conditions:

3.1. Payment for the Services shall be made for all undisputed amounts in installment payments within thirty (30) days after the Consultant submits an invoice to the District for Services actually completed.

4. **Expenses:** District shall not be liable to Consultant for any costs or expenses paid or incurred by Consultant in performing Services for District.

5. **Independent Consultant**: Consultant, in the performance of this Agreement, shall be and act as an Independent Consultant. Consultant understands and agrees that he/she shall not be considered an officer, employee, agent, partner, or joint venture of the District, and is not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Consultant shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, Social Security and income taxes with respect to Consultant. In the performance of the Services herein contemplated, Consultant is an independent Consultant or business entity, with the sole authority for controlling and directing the performance of the details of the Services, District being interested only in the results obtained.

6. **Performance of Services:**

6.1. **Standard of Care**. Consultant represents that Consultant has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of the District. Consultant's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of his/her profession for services to California school districts.

6.2. **District Approval.** The Services completed herein must meet the approval of the District and shall be subject to the District's general right of inspection and supervision to secure the satisfactory completion thereof.

6.3. **Licenses**. Consultant's represents that s/he possesses all required licenses to perform the Services provided in this Agreement.

7. **Termination**:

7.1. **Without Cause by District**. District may, at any time, with or without reason, terminate this Agreement and compensate Consultant only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. Notice shall be deemed given when received by the Consultant or no later than three days after the day of mailing, whichever is sooner.

7.2. **Without Cause by Consultant**. Consultant may, upon thirty (30) days' notice, with or without reason, terminate this Agreement. Upon this termination, District shall only be obligated to compensate Consultant for services satisfactorily rendered to the date of termination. Written notice by Consultant shall be sufficient to stop further performance of services to District. Consultant acknowledges that this thirty (30) day notice period is acceptable so that the District can attempt to procure the Services from another source.

7.3. **With Cause by District**. The District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:

7.3.1. Material violation of this Agreement by the Consultant; or

7.3.2. Any act by Consultant exposing the District to liability to others for personal injury or property damage.

Written notice by District shall contain the reasons for such intention to terminate and unless within three (3) calendar days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required services from another Consultant. If the expense, fees, and/or costs to the District exceeds the cost of providing the services pursuant to this Agreement, the Consultant shall immediately pay the excess expense, fees, and/or costs to the District upon the receipt of the District's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

8. **Compliance**: Consultant shall, at all times while providing the Services, comply with all federal, state, local and District laws, statutes, codes, ordinances, rules, regulations, policies, and requirements, as well as all state executive orders and all public health orders regarding student health and safety, including but not limited to, policies and procedures related to social distancing, the use of personal protective equipment ("PPE") such as face coverings and gloves, and the sanitization of facilities to help prevent the spread of COVID-19 and other contagious diseases.

9. **District's Evaluation of Consultant:** The District may evaluate the Consultant's performance. In no event shall an evaluation of Consultant be considered a prerequisite to the District exercising its rights under paragraph 7 above.

10. **Limitation of District Liability:** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable

to Consultant, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

11. **Indemnity:** Consultant shall defend, indemnify, and hold harmless District and its agents, representatives, officers, consultants, employees, Board of Trustees, members of the Board of Trustees (collectively, the "District Parties"), from and against any and all claims, demands, liabilities, damages, losses, suits and actions, and expenses (including, but not limited to attorney fees and costs including fees of consultants) of any kind, nature and description (collectively, the "Claims") directly or indirectly arising out of, connected with, or resulting from any act, error, omission, negligence, or willful misconduct of Consultant, its agents, subcontractors, employees, material or equipment suppliers, invitees, or licensees (collectively, the "Consultant Parties") in the performance of or failure to perform Consultant's or Consultant Parties' obligations under this Agreement, including, but not limited to Consultant's or Consultant Parties' use of District sites, performance of the Services, breach of any of the representations or warranties contained in this Agreement, or for injury to or death of persons or damage to property or delay or damage to the District or the District Parties. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity, which would otherwise exist as to a party, person, or entity described in this paragraph. The indemnification provided for in this Section includes, without limitation to the foregoing, claims that may be made against District by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against District alleging civil rights violations by Consultant or Consultant Parties under the California Fair Employment and Housing Act ("FEHA").

12. **Confidentiality:** The Consultant and all Consultant's agents, personnel, employee(s), and/or Sub-consultant(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

13. **Notice**: Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

District	**Consultant**
Pacific Grove Unified School District	Name: MTH Photo Booth
435 Hillcrest Avenue	Address: 81 Las Lomas Drive
Pacific Grove, CA 93950	City/State/Zip: Royals Oaks CA 96076
ATTENTION: Josh Jorn	Business Phone: 831.722.8460
Assistant Superintendent/CBO	Email (Optional): Email

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

14. **Integration/Entire Agreement of Parties:** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

15. **California Law:** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Monterey County, California.

16. **Waiver:** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

17. **Severability:** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

18. **Attorney Fees/Costs:** Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

19. **Counterparts:** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

20. **Incorporation of Recitals and Exhibits:** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

21. **Non-Assignability:** Consultant may not, without the written permission of the District, use other consultants within Consultant's own firm, or outside experts to perform the services for the District.

22. **Fingerprinting:** When the Consultant is working directly with students, the Consultant shall not commence Services under this Agreement until the Consultant has submitted and the District has approved the following document:

- ☐ DOJ Clearance Previously Received by District
- ☑ Consultants will be fingerprinted through the District upon contract approval and prior to services rendered
- ☐ Fingerprinting done by the organization independently (declare under perjury)- Consultant's Employee(s)
- ☐ No direct contact or interaction with students

23. **W-9.** Consultant has provided a completed:

- ☑ W-9 Form

24. **Type of Business Entity:**

- ☐ Corporation, State

- ☑ Individual
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Sole Proprietorship
- ☐ Limited Partnership
- ☐ Other:

**Federal Code of Regulations sections 6041 and 6209 require non-corporate recipients of $600.00 or more to furnish their taxpayer identification number to the payer. The regulations also provide that a penalty may be imposed for failure to furnish the taxpayer identification number. In order to comply with these regulations, the District requires your federal tax identification number or Social Security number, whichever is applicable.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

Pacific Grove Unified School District **Consultant**

Site representative or Assistant Superintendent

(Signed AFTER Board approval*)** ***(Can sign BEFORE Board's approval)

Signature: _____ Signature: _____

Name: Rebecca Gamecho Name: _____

Title: _____ Date: _____

Date: _____

Human Resources

(Signed AFTER Board approval)

- ☐ Contracted work was not assigned using the District's normal employment recruitment process.

Signature: _____ Date: _____
Chief Human Resources Officer

Board Cover Sheet

Consent

- [ ] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Abbie Arbrun
Principal - Forest Grove Elementary

Item
Contract for Services - Monterey Bay Equestrian Center

Recommendation
The District Administration recommends that the Board review and approve to contract for services with Monterey Bay Equestrian Center

Background
Monterey Bay Equestrian Center offers youth friendly mobile petting zoos to the Monterey Bay area.

Information

Monterey Bay Equestrian Center will set up a fenced enclosure from 11:15am-2:00pm on May 23, 2025 at our Falcon Fest. Students will be able to enjoy supervised hands-on interaction with various youth friendly animals, such as chickens, goats, and hamsters, bunnies, and pigs.

Fiscal Impact

2025/26

(None) No Fiscal Impact

Program/Grant
PG PRIDE grant for $900.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
INDEPENDENT CONSULTANT AGREEMENT

CONSULTANT Monterey Bay Equestrian Center

SITE/DEPARTMENT Forest Grove Elementary

SUBMITTED BY Rebecca Gamecho

FUNDING SOURCE PG PRIDE Grant

AGREEMENT TOTAL AMOUNT $900

IS THIS A PRIOR YEAR VENDOR CONTRACT?

- [x] Yes
- [ ] No

If yes, did the vendor perform to the standards outlined in their prior year contract?

- [x] Yes
- [ ] No (If no, explain):

The District employee providing the attached Independent Consultant Agreement to the person or entity who will be providing special services to the District should first do the following:

1. Provide only the Pacific Grove Unified School District's approved Independent Consultant Agreement. The Independent Consultant Agreement should be completed in lieu of signing any vendor contract for services.
2. Review the insurance requirements for the person or entity and revise the insurance provisions of the agreement accordingly.
3. Review the forms under Section 20 and determine which of those documents should be attached to the agreement.

This Independent Consultant Agreement for Special Services ("Agreement") is made between the Pacific Grove Unified School District ("District") and Monterey Bay Equestrian Center ("Consultant") (together, "Parties").

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal, transportation, administrative matters or other specialized services, if

those persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, the District is in need of those services and/or advice; and

WHEREAS, the Consultant is specially trained and experienced and competent to perform the services required by the District, and those services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

1. **Services and/Scope of work:** The Consultant shall furnish to the District the following services herein by this reference ("Services" or "Work"): Consultant shall serve as a petting zoo at Falcon Fest. Consultant shall use their specialized experience and skills to organize, maintain to serve in this capacity. Services shall include but not be limited to set up a small petting zoo including bunnies, pigs, chickens, goats, and hamsters..

2. **Term:** Consultant shall commence providing services under this Agreement on May 22, 2026, and will diligently perform as required and complete performance by May 22, 2026.

3. **Compensation:** District agrees to pay $900 to Consultant for Services satisfactorily rendered pursuant to this Agreement. This is not to exceed $900during the term of this Agreement. District shall pay Consultant according to the following terms and conditions:

3.1. Payment for the Services shall be made for all undisputed amounts in installment payments within thirty (30) days after the Consultant submits an invoice to the District for Services actually completed.

4. **Expenses:** District shall not be liable to Consultant for any costs or expenses paid or incurred by Consultant in performing Services for District.

5. **Independent Consultant**: Consultant, in the performance of this Agreement, shall be and act as an Independent Consultant. Consultant understands and agrees that he/she shall not be considered an officer, employee, agent, partner, or joint venture of the District, and is not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Consultant shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, Social Security and income taxes with respect to Consultant. In the performance of the Services herein contemplated, Consultant is an independent Consultant or business entity, with the sole authority for controlling and directing the performance of the details of the Services, District being interested only in the results obtained.

6. **Performance of Services:**

6.1. **Standard of Care**. Consultant represents that Consultant has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of the District. Consultant's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of his/her profession for services to California school districts.

6.2. **District Approval.** The Services completed herein must meet the approval of the District and shall be subject to the District's general right of inspection and supervision to secure the satisfactory completion thereof.

6.3. **Licenses**. Consultant's represents that s/he possesses all required licenses to perform the Services provided in this Agreement.

7. **Termination**:

7.1. **Without Cause by District**. District may, at any time, with or without reason, terminate this Agreement and compensate Consultant only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. Notice shall be deemed given when received by the Consultant or no later than three days after the day of mailing, whichever is sooner.

7.2. **Without Cause by Consultant**. Consultant may, upon thirty (30) days' notice, with or without reason, terminate this Agreement. Upon this termination, District shall only be obligated to compensate Consultant for services satisfactorily rendered to the date of termination. Written notice by Consultant shall be sufficient to stop further performance of services to District. Consultant acknowledges that this thirty (30) day notice period is acceptable so that the District can attempt to procure the Services from another source.

7.3. **With Cause by District**. The District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:

7.3.1. Material violation of this Agreement by the Consultant; or

7.3.2. Any act by Consultant exposing the District to liability to others for personal injury or property damage.

Written notice by District shall contain the reasons for such intention to terminate and unless within three (3) calendar days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required services from another Consultant. If the expense, fees, and/or costs to the District exceeds the cost of providing the services pursuant to this Agreement, the Consultant shall immediately pay the excess expense, fees, and/or costs to the District upon the receipt of the District's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

8. **Compliance**: Consultant shall, at all times while providing the Services, comply with all federal, state, local and District laws, statutes, codes, ordinances, rules, regulations, policies, and requirements, as well as all state executive orders and all public health orders regarding student health and safety, including but not limited to, policies and procedures related to social distancing, the use of personal protective equipment ("PPE") such as face coverings and gloves, and the sanitization of facilities to help prevent the spread of COVID-19 and other contagious diseases.

9. **District's Evaluation of Consultant:** The District may evaluate the Consultant's performance. In no event shall an evaluation of Consultant be considered a prerequisite to the District exercising its rights under paragraph 7 above.

10. **Limitation of District Liability:** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable to Consultant, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

11. **Indemnity:** Consultant shall defend, indemnify, and hold harmless District and its agents, representatives, officers, consultants, employees, Board of Trustees, members of the Board of Trustees (collectively, the "District Parties"), from and against any and all claims, demands, liabilities, damages, losses, suits and actions, and expenses (including, but not limited to attorney fees and costs including fees of consultants) of any kind, nature and description (collectively, the "Claims") directly or indirectly arising out of, connected with, or resulting from any act, error, omission, negligence, or willful misconduct of Consultant, its agents, subcontractors, employees, material or equipment suppliers, invitees, or licensees (collectively, the "Consultant Parties") in the performance of or failure to perform Consultant's or Consultant Parties' obligations under this Agreement, including, but not limited to Consultant's or Consultant Parties' use of District sites, performance of the Services, breach of any of the representations or warranties contained in this Agreement, or for injury to or death of persons or damage to property or delay or damage to the District or the District Parties. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity, which would otherwise exist as to a party, person, or entity described in this paragraph. The indemnification provided for in this Section includes, without limitation to the foregoing, claims that may be made against District by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against District alleging civil rights violations by Consultant or Consultant Parties under the California Fair Employment and Housing Act ("FEHA").

12. **Confidentiality:** The Consultant and all Consultant's agents, personnel, employee(s), and/or Sub-consultant(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

13. **Notice**: Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

District	**Consultant**
Pacific Grove Unified School District	Name: Monterey Bay Equestrian Center
435 Hillcrest Avenue	Address: 19805 Pesant Road
Pacific Grove, CA 93950	City/State/Zip: Salinas CA 93907
ATTENTION: Josh Jorn	Business Phone: 831.663.5712
Assistant Superintendent/CBO	Email (Optional): michael@montereybayequestian.comr

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

14. **Integration/Entire Agreement of Parties:** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

15. **California Law:** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Monterey County, California.

16. **Waiver:** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

17. **Severability:** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

18. **Attorney Fees/Costs:** Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

19. **Counterparts:** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

20. **Incorporation of Recitals and Exhibits:** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

21. **Non-Assignability:** Consultant may not, without the written permission of the District, use other consultants within Consultant's own firm, or outside experts to perform the services for the District.

22. **Fingerprinting:** When the Consultant is working directly with students, the Consultant shall not commence Services under this Agreement until the Consultant has submitted and the District has approved the following document:

- ☑ DOJ Clearance Previously Received by District
- ☐ Consultants will be fingerprinted through the District upon contract approval and prior to services rendered
- ☐ Fingerprinting done by the organization independently (declare under perjury)- Consultant's Employee(s)
- ☐ No direct contact or interaction with students

23. **W-9.** Consultant has provided a completed:

☑ W-9 Form

24. **Type of Business Entity:**

☐ Corporation, State
☐ Individual
☐ Partnership
☑ Limited Liability Company
☐ Sole Proprietorship
☐ Limited Partnership
☐ Other:

**Federal Code of Regulations sections 6041 and 6209 require non-corporate recipients of $600.00 or more to furnish their taxpayer identification number to the payer. The regulations also provide that a penalty may be imposed for failure to furnish the taxpayer identification number. In order to comply with these regulations, the District requires your federal tax identification number or Social Security number, whichever is applicable.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

Pacific Grove Unified School District

Site representative or Assistant Superintendent

***(Signed AFTER Board approval*)**

Signature: _____

Name: Rebecca Gamecho

Title: _____

Date: _____

Consultant

(Can sign BEFORE Board's approval)

Signature: _____

Name: _____

Date: _____

Human Resources

(Signed AFTER Board approval)

☐ Contracted work was not assigned using the District's normal employment recruitment process.

Signature: _____ Date: _____

Chief Human Resources Officer

Board Cover Sheet

Consent

- [ ] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Abbie Arbrun
Principal - Forest Grove Elementary

Item
Contract for Services - My Museum

Recommendation
The District Administration recommends that the Board review and approve to contract for services with My Museum

Background

My Museum Wheelie Mobilee offers a Bubble Table, a Moon Sand Table, a Magna Tiles® Table, a giant Connect Four and other fun activities! They also have Imagination Playground™ blocks for children to design their own inventions. They offer their services to the Monterey Bay area.

Information

My Museum will offer their Wheelie Mobilee during our Falcon Fest on May 23, 2025 from 12:00pm-3:00pm.

Fiscal Impact

2025/26

(None) No Fiscal Impact

Program/Grant
PG PRIDE grant for $750

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
INDEPENDENT CONSULTANT AGREEMENT

CONSULTANT My Museum

SITE/DEPARTMENT Forest Grove Elementary

SUBMITTED BY Rebecca Gamecho

FUNDING SOURCE PG PRIDE Grant

AGREEMENT TOTAL AMOUNT $750

IS THIS A PRIOR YEAR VENDOR CONTRACT?

- [x] Yes
- [ ] No

If yes, did the vendor perform to the standards outlined in their prior year contract?

- [x] Yes
- [ ] No (If no, explain):

The District employee providing the attached Independent Consultant Agreement to the person or entity who will be providing special services to the District should first do the following:

1. Provide only the Pacific Grove Unified School District's approved Independent Consultant Agreement. The Independent Consultant Agreement should be completed in lieu of signing any vendor contract for services.
2. Review the insurance requirements for the person or entity and revise the insurance provisions of the agreement accordingly.
3. Review the forms under Section 20 and determine which of those documents should be attached to the agreement.

This Independent Consultant Agreement for Special Services ("Agreement") is made between the Pacific Grove Unified School District ("District") and My Museum ("Consultant") (together, "Parties").

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal, transportation, administrative matters or other specialized services, if those persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, the District is in need of those services and/or advice; and

WHEREAS, the Consultant is specially trained and experienced and competent to perform the services required by the District, and those services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

1. **Services and/Scope of work:** The Consultant shall furnish to the District the following services herein by this reference ("Services" or "Work"): Consultant shall serve as a fun activities for Falcon Fest. Consultant shall use their specialized experience and skills to organize, maintain to serve in this capacity. Services shall include but not be limited to the Wheelie Mobilee will set up a Bubble Table, a Moon Sand Table, a Magna Tiles® Table, a giant Connect Four and other fun activities..

2. **Term:** Consultant shall commence providing services under this Agreement on May 22, 2026, and will diligently perform as required and complete performance by May 22, 2026.

3. **Compensation:** District agrees to pay $750 to Consultant for Services satisfactorily rendered pursuant to this Agreement. This is not to exceed $750during the term of this Agreement. District shall pay Consultant according to the following terms and conditions:

3.1. Payment for the Services shall be made for all undisputed amounts in installment payments within thirty (30) days after the Consultant submits an invoice to the District for Services actually completed.

4. **Expenses:** District shall not be liable to Consultant for any costs or expenses paid or incurred by Consultant in performing Services for District.

5. **Independent Consultant**: Consultant, in the performance of this Agreement, shall be and act as an Independent Consultant. Consultant understands and agrees that he/she shall not be considered an officer, employee, agent, partner, or joint venture of the District, and is not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Consultant shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, Social Security and income taxes with respect to Consultant. In the performance of the Services herein contemplated, Consultant is an independent Consultant or business entity, with the sole authority for controlling and directing the performance of the details of the Services, District being interested only in the results obtained.

6. **Performance of Services:**

6.1. **Standard of Care**. Consultant represents that Consultant has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of the District. Consultant's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of his/her profession for services to California school districts.

6.2. **District Approval.** The Services completed herein must meet the approval of the District and shall be subject to the District's general right of inspection and supervision to secure the satisfactory completion thereof.

6.3. **Licenses**. Consultant's represents that s/he possesses all required licenses to perform the Services provided in this Agreement.

7. **Termination**:

7.1. **Without Cause by District**. District may, at any time, with or without reason, terminate this Agreement and compensate Consultant only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. Notice shall be deemed given when received by the Consultant or no later than three days after the day of mailing, whichever is sooner.

7.2. **Without Cause by Consultant**. Consultant may, upon thirty (30) days' notice, with or without reason, terminate this Agreement. Upon this termination, District shall only be obligated to compensate Consultant for services satisfactorily rendered to the date of termination. Written notice by Consultant shall be sufficient to stop further performance of services to District. Consultant acknowledges that this thirty (30) day notice period is acceptable so that the District can attempt to procure the Services from another source.

7.3. **With Cause by District**. The District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:

7.3.1. Material violation of this Agreement by the Consultant; or

7.3.2. Any act by Consultant exposing the District to liability to others for personal injury or property damage.

Written notice by District shall contain the reasons for such intention to terminate and unless within three (3) calendar days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required services from another Consultant. If the expense, fees, and/or costs to the District exceeds the cost of providing the services pursuant to this Agreement, the Consultant shall immediately pay the excess expense, fees, and/or costs to the District upon the receipt of the District's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

8. **Compliance**: Consultant shall, at all times while providing the Services, comply with all federal, state, local and District laws, statutes, codes, ordinances, rules, regulations, policies, and requirements, as well as all state executive orders and all public health orders regarding student health and safety, including but not limited to, policies and procedures related to social distancing, the use of personal protective equipment ("PPE") such as face coverings and gloves, and the sanitization of facilities to help prevent the spread of COVID-19 and other contagious diseases.

9. **District's Evaluation of Consultant:** The District may evaluate the Consultant's performance. In no event shall an evaluation of Consultant be considered a prerequisite to the District exercising its rights under paragraph 7 above.

10. **Limitation of District Liability:** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable

to Consultant, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

11. **Indemnity:** Consultant shall defend, indemnify, and hold harmless District and its agents, representatives, officers, consultants, employees, Board of Trustees, members of the Board of Trustees (collectively, the "District Parties"), from and against any and all claims, demands, liabilities, damages, losses, suits and actions, and expenses (including, but not limited to attorney fees and costs including fees of consultants) of any kind, nature and description (collectively, the "Claims") directly or indirectly arising out of, connected with, or resulting from any act, error, omission, negligence, or willful misconduct of Consultant, its agents, subcontractors, employees, material or equipment suppliers, invitees, or licensees (collectively, the "Consultant Parties") in the performance of or failure to perform Consultant's or Consultant Parties' obligations under this Agreement, including, but not limited to Consultant's or Consultant Parties' use of District sites, performance of the Services, breach of any of the representations or warranties contained in this Agreement, or for injury to or death of persons or damage to property or delay or damage to the District or the District Parties. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity, which would otherwise exist as to a party, person, or entity described in this paragraph. The indemnification provided for in this Section includes, without limitation to the foregoing, claims that may be made against District by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against District alleging civil rights violations by Consultant or Consultant Parties under the California Fair Employment and Housing Act ("FEHA").

12. **Confidentiality:** The Consultant and all Consultant's agents, personnel, employee(s), and/or Sub-consultant(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

13. **Notice**: Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

District	**Consultant**
Pacific Grove Unified School District	Name: My Museum
435 Hillcrest Avenue	Address: 425 Washington Street
Pacific Grove, CA 93950	City/State/Zip: Monterey CA 93940
ATTENTION: Josh Jorn	Business Phone: 831.649.6444
Assistant Superintendent/CBO	Email (Optional): Email

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

14. **Integration/Entire Agreement of Parties:** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

15. **California Law:** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Monterey County, California.

16. **Waiver:** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

17. **Severability:** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

18. **Attorney Fees/Costs:** Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

19. **Counterparts:** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

20. **Incorporation of Recitals and Exhibits:** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

21. **Non-Assignability:** Consultant may not, without the written permission of the District, use other consultants within Consultant's own firm, or outside experts to perform the services for the District.

22. **Fingerprinting:** When the Consultant is working directly with students, the Consultant shall not commence Services under this Agreement until the Consultant has submitted and the District has approved the following document:

- ☐ DOJ Clearance Previously Received by District
- ☐ Consultants will be fingerprinted through the District upon contract approval and prior to services rendered
- ☑ Fingerprinting done by the organization independently (declare under perjury)- Consultant's Employee(s)
- ☐ No direct contact or interaction with students

23. **W-9.** Consultant has provided a completed:

- ☑ W-9 Form

24. **Type of Business Entity:**

- ☐ Corporation, State

- ☐ Individual
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Sole Proprietorship
- ☐ Limited Partnership
- ☑ Other: 501(c)(3)

**Federal Code of Regulations sections 6041 and 6209 require non-corporate recipients of $600.00 or more to furnish their taxpayer identification number to the payer. The regulations also provide that a penalty may be imposed for failure to furnish the taxpayer identification number. In order to comply with these regulations, the District requires your federal tax identification number or Social Security number, whichever is applicable.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

Pacific Grove Unified School District

Site representative or Assistant Superintendent

***(Signed AFTER Board approval*)**

Signature: _____

Name: Rebecca Gamecho

Title: _____

Date: _____

Consultant

(Can sign BEFORE Board's approval)

Signature: _____

Name: _____

Date: _____

Human Resources

(Signed AFTER Board approval)

- ☐ Contracted work was not assigned using the District's normal employment recruitment process.

Signature: _____
Chief Human Resources Officer

Date: _____

Board Cover Sheet

Consent

- ☐ Credibility & Communication
- ☑ Student Learning & Achievement
- ☐ Health & Safety of Students & Schools
- ☐ Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Emily Tsai Brownfield
Robert Down Principal

Item

Contract for Services - Monterey Mini Cow Company, LLC

Recommendation

The District Administration recommends that the Board review and approve the Contract for Services with Monterey Mini Cow Company, LLC for the Robert H. Down Elementary School.

Background

Robert Down Elementary School kindergarten students would like to host Monterey Mini Cow Company, LLC on May 26, 2026 from 9:00-10:00 AM. Monterey Mini Cow Company, LLC will provide a handler and two mini highland cows for students to learn about, and touch.

Information

Robert Down Elementary School kindergarten students would like to host Monterey Mini Cow Company, LLC on May 26, 2026 from 9:00-10:00 AM. Monterey Mini Cow Company, LLC will provide a handler and two mini highland cows for students to learn about, and touch.

Fiscal Impact

The cost of service is $500.00, which includes a presentation for 74 students and 3 teachers. The cost of this event will be paid for using WALK with PRIDE donated funds.

2025/26

(01) General Fund

Program/Grant

WALK with PRIDE funds.

Example: Superintendent Budget/Arts & Music Grant

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
INDEPENDENT CONSULTANT AGREEMENT

CONSULTANT Monterey Mini Cow Company, LLC

SITE/DEPARTMENT Robert Down

SUBMITTED BY Emily Tsai Brownfield

FUNDING SOURCE Walk with PRIDE

AGREEMENT TOTAL AMOUNT $500.00

IS THIS A PRIOR YEAR VENDOR CONTRACT?

- ☐ Yes
- ☑ No

If yes, did the vendor perform to the standards outlined in their prior year contract?

- ☐ Yes
- ☐ No (If no, explain):

The District employee providing the attached Independent Consultant Agreement to the person or entity who will be providing special services to the District should first do the following:

1. Provide only the Pacific Grove Unified School District's approved Independent Consultant Agreement. The Independent Consultant Agreement should be completed in lieu of signing any vendor contract for services.
2. Review the insurance requirements for the person or entity and revise the insurance provisions of the agreement accordingly.
3. Review the forms under Section 20 and determine which of those documents should be attached to the agreement.

This Independent Consultant Agreement for Special Services ("Agreement") is made between the Pacific Grove Unified School District ("District") and Monterey Mini Cow Company, LLC ("Consultant") (together, "Parties").

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal, transportation, administrative matters or other specialized services, if

those persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, the District is in need of those services and/or advice; and

WHEREAS, the Consultant is specially trained and experienced and competent to perform the services required by the District, and those services are needed on a limited basis;

NOW, THEREFORE, the Parties agree as follows:

1. **Services and/Scope of work:** The Consultant shall furnish to the District the following services herein by this reference (“Services” or “Work”): Consultant shall serve as a school visit with two mini Highland cow appearances with a handler.. Consultant shall use their specialized experience and skills to organize, maintain to serve in this capacity. Services shall include but not be limited to school visit with two mini Highland cow appearances with a handler.

2. **Term:** Consultant shall commence providing services under this Agreement on May 26, 2026, and will diligently perform as required and complete performance by May 26, 2026.

3. **Compensation:** District agrees to pay $500.00 to Consultant for Services satisfactorily rendered pursuant to this Agreement. This is not to exceed $500.00during the term of this Agreement. District shall pay Consultant according to the following terms and conditions:

3.1. Payment for the Services shall be made for all undisputed amounts in installment payments within thirty (30) days after the Consultant submits an invoice to the District for Services actually completed.

4. **Expenses:** District shall not be liable to Consultant for any costs or expenses paid or incurred by Consultant in performing Services for District.

5. **Independent Consultant**: Consultant, in the performance of this Agreement, shall be and act as an Independent Consultant. Consultant understands and agrees that he/she shall not be considered an officer, employee, agent, partner, or joint venture of the District, and is not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Consultant shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, Social Security and income taxes with respect to Consultant. In the performance of the Services herein contemplated, Consultant is an independent Consultant or business entity, with the sole authority for controlling and directing the performance of the details of the Services, District being interested only in the results obtained.

6. **Performance of Services:**

6.1. **Standard of Care**. Consultant represents that Consultant has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of the District. Consultant's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of his/her profession for services to California school districts.

6.2. **District Approval.** The Services completed herein must meet the approval of the District and shall be subject to the District's general right of inspection and supervision to secure the satisfactory completion thereof.

6.3. **Licenses**. Consultant's represents that s/he possesses all required licenses to perform the Services provided in this Agreement.

7. **Termination**:

7.1. **Without Cause by District**. District may, at any time, with or without reason, terminate this Agreement and compensate Consultant only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. Notice shall be deemed given when received by the Consultant or no later than three days after the day of mailing, whichever is sooner.

7.2. **Without Cause by Consultant**. Consultant may, upon thirty (30) days' notice, with or without reason, terminate this Agreement. Upon this termination, District shall only be obligated to compensate Consultant for services satisfactorily rendered to the date of termination. Written notice by Consultant shall be sufficient to stop further performance of services to District. Consultant acknowledges that this thirty (30) day notice period is acceptable so that the District can attempt to procure the Services from another source.

7.3. **With Cause by District**. The District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:

7.3.1. Material violation of this Agreement by the Consultant; or

7.3.2. Any act by Consultant exposing the District to liability to others for personal injury or property damage.

Written notice by District shall contain the reasons for such intention to terminate and unless within three (3) calendar days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required services from another Consultant. If the expense, fees, and/or costs to the District exceeds the cost of providing the services pursuant to this Agreement, the Consultant shall immediately pay the excess expense, fees, and/or costs to the District upon the receipt of the District's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

8. **Compliance**: Consultant shall, at all times while providing the Services, comply with all federal, state, local and District laws, statutes, codes, ordinances, rules, regulations, policies, and requirements, as well as all state executive orders and all public health orders regarding student health and safety, including but not limited to, policies and procedures related to social distancing, the use of personal protective equipment ("PPE") such as face coverings and gloves, and the sanitization of facilities to help prevent the spread of COVID-19 and other contagious diseases.

9. **District's Evaluation of Consultant:** The District may evaluate the Consultant's performance. In no event shall an evaluation of Consultant be considered a prerequisite to the District exercising its rights under paragraph 7 above.

10. **Limitation of District Liability:** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable to Consultant, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

11. **Indemnity:** Consultant shall defend, indemnify, and hold harmless District and its agents, representatives, officers, consultants, employees, Board of Trustees, members of the Board of Trustees (collectively, the "District Parties"), from and against any and all claims, demands, liabilities, damages, losses, suits and actions, and expenses (including, but not limited to attorney fees and costs including fees of consultants) of any kind, nature and description (collectively, the "Claims") directly or indirectly arising out of, connected with, or resulting from any act, error, omission, negligence, or willful misconduct of Consultant, its agents, subcontractors, employees, material or equipment suppliers, invitees, or licensees (collectively, the "Consultant Parties") in the performance of or failure to perform Consultant's or Consultant Parties' obligations under this Agreement, including, but not limited to Consultant's or Consultant Parties' use of District sites, performance of the Services, breach of any of the representations or warranties contained in this Agreement, or for injury to or death of persons or damage to property or delay or damage to the District or the District Parties. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity, which would otherwise exist as to a party, person, or entity described in this paragraph. The indemnification provided for in this Section includes, without limitation to the foregoing, claims that may be made against District by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against District alleging civil rights violations by Consultant or Consultant Parties under the California Fair Employment and Housing Act ("FEHA").

12. **Confidentiality:** The Consultant and all Consultant's agents, personnel, employee(s), and/or Sub-consultant(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

13. **Notice**: Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

District	**Consultant**
Pacific Grove Unified School District	Name: Monterey Mini Cow Company, LLC
435 Hillcrest Avenue	Address: 400a Mesa Rd
Pacific Grove, CA 93950	City/State/Zip: Salinas, CA 93908
ATTENTION: Josh Jorn	Business Phone: 831-224-3777
Assistant Superintendent/CBO	Email (Optional): Email

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

14. **Integration/Entire Agreement of Parties:** This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties.

15. **California Law:** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Monterey County, California.

16. **Waiver:** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

17. **Severability:** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

18. **Attorney Fees/Costs:** Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

19. **Counterparts:** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

20. **Incorporation of Recitals and Exhibits:** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

21. **Non-Assignability:** Consultant may not, without the written permission of the District, use other consultants within Consultant's own firm, or outside experts to perform the services for the District.

22. **Fingerprinting:** When the Consultant is working directly with students, the Consultant shall not commence Services under this Agreement until the Consultant has submitted and the District has approved the following document:

- ☐ DOJ Clearance Previously Received by District
- ☐ Consultants will be fingerprinted through the District upon contract approval and prior to services rendered
- ☑ Fingerprinting done by the organization independently (declare under perjury)- Consultant's Employee(s)
- ☐ No direct contact or interaction with students

23. **W-9.** Consultant has provided a completed:

☑ W-9 Form

24. **Type of Business Entity:**

☐ Corporation, State
☐ Individual
☐ Partnership
☑ Limited Liability Company
☐ Sole Proprietorship
☐ Limited Partnership
☐ Other:

**Federal Code of Regulations sections 6041 and 6209 require non-corporate recipients of $600.00 or more to furnish their taxpayer identification number to the payer. The regulations also provide that a penalty may be imposed for failure to furnish the taxpayer identification number. In order to comply with these regulations, the District requires your federal tax identification number or Social Security number, whichever is applicable.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

Pacific Grove Unified School District

Site representative or Assistant Superintendent

***(Signed AFTER Board approval*)**

Signature: _____

Name: Emily Tsai Brownfield

Title: _____

Date: _____

Consultant

(Can sign BEFORE Board's approval)

Signature: _____

Name: _____

Date: _____

Human Resources

(Signed AFTER Board approval)

☐ Contracted work was not assigned using the District's normal employment recruitment process.

Signature: _____ Date: _____

Chief Human Resources Officer

Board Cover Sheet

Action/Discussion

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Josh Jorn
Assistant Superintendent

Item

Resolution No. 1188 Issuance of 2026 General Obligation Refunding Bond for the purpose of refunding (i) 2015 Series A General Obligation Refunding Bonds, (ii) 2015 Series B General Obligation Refunding Bonds and (iii) 2016 General Obligation Refunding Bonds

Recommendation

The District Administration recommends that the Board review and adopt Resolution Number 1188, which will authorize the issuance and sale of 2026 General Obligation Refunding Bonds in aggregate principal amount not to exceed $18,000,000.

Background

The District desires to initiate proceedings for the issuance of a series of general obligation refunding bonds in order to realize debt savings to the taxpayers of the District by refunding all or a portion of the District's 2015 Series A General Obligation Refunding Bonds, 2015 Series B General Obligation Refunding Bonds and 2016 General Obligation Refunding Bonds.

The resolution authorizes the refunding bonds to be issued as current interest bonds through a negotiated sale to R.W. Baird.

Information

The refunding bonds will be sold directly to Baird, which will provide maximum flexibility in the debt service structure and timing of the sale.

Attached as an appendix to Resolution No. 1188 are certain good faith estimates related to the 2026 General Obligation Refunding Bonds which include the Bond Purchase Agreement, the Preliminary Official Statement and the Escrow Agreement.

Fiscal Impact

None to the general fund. Bonds are payable from ad valorem taxes levied in the District.

BOARD OF EDUCATION
PACIFIC GROVE UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 1188

AUTHORIZING THE ISSUANCE AND SALE OF 2026 GENERAL OBLIGATION REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $18,000,000 TO REFUND OUTSTANDING GENERAL OBLIGATION BONDS AND APPROVING ALL RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Pacific Grove Unified School District (the "District") is a school district located within the County of Monterey (the "County"), State of California (the "State"), and is organized and operating pursuant to the Constitution and laws of the State; and

WHEREAS, the Board of the District is authorized to provide for the issuance and sale of the Refunding Bonds under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Bond Law"); and

WHEREAS, for the purpose of refunding outstanding general obligation refunding bonds of the District, pursuant to the Bond Law, on July 15, 2015, the District issued its 2015 Series A General Obligation Refunding Bonds, in the aggregate principal amount of $4,925,000 (the "2015A Bonds"): and

WHEREAS, for the purpose of refunding outstanding general obligation bonds of the District, pursuant to the Bond Law, on July 15, 2015, the District issued its 2015 Series B General Obligation Refunding Bonds in the aggregate principal amount of $3,380,000 (the "2015B Bonds"): and

WHEREAS, for the purpose of refunding outstanding general obligation bonds of the District, pursuant to the Bond Law, on August 4, 2016, the District issued its 2016 General Obligation Refunding Bonds in the aggregate principal amount of $16,125,000 (the "2016 Bonds" and, together with the 2015A Bonds and the 2015B Bonds, the "Prior Bonds"): and

WHEREAS, due to favorable interest rate conditions that exist in the municipal bond market, the District has been advised that it can obtain savings which can be passed on to the property taxpayers of the District by refinancing all or a portion of the outstanding Prior Bonds (such portion, the "Refunded Bonds"), with the sale of general obligation refunding bonds; and

WHEREAS, in order to accomplish the foregoing refinancing plan and restructure the District's outstanding indebtedness, allowing for the increased management of tax rates, the Board of the District has determined at this time to authorize the issuance of its Pacific Grove Unified School District 2026 General Obligation Refunding Bonds in an aggregate principal amount not to exceed $18,000,000 (the "Refunding Bonds"); and

WHEREAS, in accordance with Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix B hereto; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Pacific Grove Unified School District as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning. Any capitalized terms defined in the recitals or body of this Resolution, and not otherwise defined in this Section, shall have the meaning given such terms in the recitals or body of the Resolution.

"Board" means the Board of Education of the District.

"Bond Counsel" means (a) the firm of Jones Hall LLP, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.

"Bond Law" means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended hereafter.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the District and the Underwriter, under which the Underwriter agrees to purchase the Refunding Bonds and pay the purchase price therefor.

"Closing Date" means the date upon which there is a delivery of the Refunding Bonds in exchange for the amount representing the purchase price of the Refunding Bonds by the Underwriter.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate which is executed and delivered by a District Representative on the Closing Date.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Refunding Bonds and the refunding of the Refunded Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, fees and charges of Bond Counsel, fees and charges of the Municipal Advisor, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution and safekeeping of the Refunding Bonds and any other cost, charge or fee in connection with the original issuance of the Refunding Bonds and the refunding of the Refunded Bonds.

"County" means the County of Monterey, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Treasurer" means the Treasurer-Tax Collector of the County, or any person at any time performing the duties of the treasurer of the County.

"Debt Service Fund" means the account held by the County Treasurer under Section 4.02.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the Pacific Grove Unified School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the President of the Board, the Secretary to the Board, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, including any interim officer, or such officer's written designee, or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Resolution and the Refunding Bonds.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Education Code" means the Education Code of the State of California as in effect on the Closing Date or as thereafter amended from time to time.

"Escrow Bank" means U.S. Bank Trust Company, National Association, in its capacity as Escrow Bank under the Escrow Agreement.

"Escrow Agreement" means, with respect to each series of Refunding Bonds issued hereunder, the Escrow Agreement dated as of the related Closing Date, between the District and the Escrow Bank, relating to the refunding and discharge of portions of the Prior Bonds from the proceeds of such series of Refunding Bonds.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

"Government Code" means the Government Code of the State of California, as in effect on the Closing Date or as thereafter amended from time to time.

"Interest Payment Dates" means August 1 and February 1 in each year during the term of such Refunding Bond, commencing on the date set forth in the Bond Purchase Agreement, provided however, that such dates are subject to modification as provided in the Bond Purchase Agreement.

"Municipal Advisor" means Dale Scott & Company Inc., as municipal advisor to the District in connection with the issuance and sale of the Refunding Bonds.

"Office" means the office or offices of the Paying Agent for the payment of the Refunding Bonds and the administration of its duties hereunder. The Paying Agent may

designate and re-designate the Office from time to time by written notice filed with the County and the District.

"Outstanding" when used as of any particular time with reference to Refunding Bonds, means all Refunding Bonds except (a) Refunding Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation, (b) Refunding Bonds paid or deemed to have been paid within the meaning of Section 9.02 and (c) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

"Owner" whenever used herein with respect to a Refunding Bond, means the person in whose name the ownership of such Refunding Bond is registered on the Registration Books.

"Paying Agent" means any bank, trust company, national banking association or other entity appointed as paying agent for the Refunding Bonds in the manner provided in Article VI of this Resolution, initially U.S. Bank Trust Company, National Association.

"Record Date" means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Refunded Bonds" means the maturities of the Prior Bonds which are refunded with the proceeds of the Refunding Bonds, as more particularly identified in the Escrow Agreement.

"Refunding Bonds" means the not to exceed $18,000,000 aggregate principal amount of Pacific Grove Unified School District 2026 General Obligation Refunding Bonds issued and at any time Outstanding under this Resolution.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Refunding Bonds under Section 2.08.

"Resolution" means this Resolution, as originally adopted by the Board, and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Underwriter" means Robert W. Baird & Co. Incorporated, as original purchaser of the Refunding Bonds upon the negotiated sale thereof, as designated pursuant to Section 3.01.

"Written Request" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District as an authorized signer of the District for said purpose.

Section 1.02 Interpretation .

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

(d) Whenever the term "may" is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who "may" take such action shall be under no obligation to do so.

Section 1.03. Authority for this Resolution; Findings . This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Refunding Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Refunding Bonds, together with all other indebtedness of the District, will not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE REFUNDING BONDS

Section 2.01. Authorization .

(a) General. The Board hereby determines that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds under the provisions of the Bond Law without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District. To that end, the Board hereby authorizes the issuance of the Refunding Bonds, in one or more series, on a tax-exempt or taxable basis as shall be determined by a District Representative, in the aggregate principal amount of not to exceed $18,000,000, subject to the terms of the Bond Law and this Resolution, for the purpose of providing funds to refinance certain maturities of the Prior Bonds. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Outstanding Refunding Bonds to secure the full and final payment of principal of and interest and premium, if any, on the Refunding Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Refunding Bonds are designated the "Pacific Grove Unified School District 2026 General Obligation Refunding Bonds," together with any additional designation as may be necessary or advisable to sufficiently identify the bonds.

(b) Savings Required. As provided in Section 53552 of the Bond Law, the Refunding Bonds shall not be issued unless the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds is less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds. Before issuing the Refunding Bonds, the District shall receive confirmation from its municipal advisor that the requirements of Section 53552 of the Bond Law have been satisfied.

(c) Separate Series. Notwithstanding anything in this Resolution to the contrary, the Refunding Bonds may be issued for the purposes described herein in one or more series from time to time. The Refunding Bonds shall be assigned a designation which indicates the respective series thereof, and all of the terms and provisions of this Resolution shall apply to each individual series of Refunding Bonds as if such series were individually authorized to be issued hereunder.

Section 2.02. Terms of Refunding Bonds .

(a) Terms of Refunding Bonds. The Refunding Bonds will be issued as fully registered bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Refunding Bonds maturing in the year of maturity of the Refunding Bonds for which the denomination is specified. Refunding Bonds will be lettered and numbered as the Paying Agent may prescribe. The Refunding Bonds will be dated as of the Closing Date.

Interest on the Refunding Bonds is payable semi-annually on each Interest Payment Date. Each Refunding Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the

first Record Date, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Refunding Bond is in default at the time of authentication thereof, such Refunding Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(b) Maturities; Basis of Interest Calculation. The Refunding Bonds will mature on August 1 (unless otherwise provided in the Bond Purchase Agreement) in the years and in the amounts, and will bear interest at the rates, as determined upon the sale thereof as provided in the Bond Purchase Agreement; *provided, however,* the maximum interest rate per annum and the final maturity date shall not extend beyond the legal limits set forth in the Bond Law. Interest on the Refunding Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(c) CUSIP Identification Numbers. CUSIP identification numbers will be imprinted on the Refunding Bonds, but such numbers do not constitute a part of the contract evidenced by the Refunding Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the Refunding Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Refunding Bonds will not constitute an event of default or any violation of the District's contract with such Owners and will not impair the effectiveness of any such notice.

(d) Payment. Interest on any Refunding Bonds issued (including the final interest payment upon maturity or redemption) is payable by check, draft or wire of the Paying Agent mailed to the Owner thereof (which will be DTC so long as the Refunding Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least $1,000,000 aggregate principal amount of any Refunding Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Refunding Bonds will be paid on the succeeding Interest Payment Date, by wire transfer or otherwise, to such account as will be specified in such written request. Principal of and premium (if any) on the Refunding Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent. The provisions of this subsection (d) are subject in all respects to the provisions of Section 2.09 relating to Refunding Bonds which are held in the book-entry system of DTC.

(e) Bond Insurance. The Board hereby authorizes a District Representative to apply for and, upon the advice of the Municipal Advisor or Underwriter, to sign a commitment to obtain a municipal bond insurance policy with respect to some or all maturities of the Refunding Bonds authorized hereunder. Such commitment, and any other documentation relating to Bond insurance, shall be executed in the name and on behalf of the District by a District Representative.

(f) Provisions of Bond Purchase Agreement to Control. Notwithstanding the foregoing provisions of this Section and the following provisions of Section 2.03, but subject to the provisions of Section 3.01 hereof, any of the terms of the Refunding Bonds may be established or modified under the Bond Purchase Agreement. In the event of a conflict or inconsistency between this Resolution and the Bond Purchase Agreement relating to the terms of the Refunding Bonds, the provisions of the Bond Purchase Agreement will be controlling.

Section 2.03. Redemption of Refunding Bonds .

(a) Optional Redemption Dates and Prices. The Refunding Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on the dates and at the respective redemption prices as set forth in the Bond Purchase Agreement.

(b) Mandatory Sinking Fund Redemption. If the Bond Purchase Agreement specifies that any one or more maturities of the Refunding Bonds are term bonds which are subject to mandatory sinking fund redemption, each such maturity of Refunding Bonds shall be subject to such mandatory sinking fund redemption on August 1 (unless otherwise provided in the Bond Purchase Agreement) in each of the years and in the respective principal amounts as set forth in the Bond Purchase Agreement, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such term bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future payments under this subsection (b) with respect to such term bonds shall be reduced by the aggregate principal amount of such term bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

(c) Selection of Refunding Bonds for Redemption. Whenever less than all of the Outstanding Refunding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual bonds of $5,000 principal amount. The Refunding Bonds may all be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be given, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Refunding Bonds designated for redemption. Such notice may be a conditional notice of redemption and subject to rescission as set forth in (e) below. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Refunding Bonds. In addition, the Paying Agent will give notice of redemption to the Municipal Securities Rulemaking Board and each of the Securities Depositories.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Refunding Bonds are to be called for redemption, shall designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each Refunding Bond or by stating that all Refunding Bonds between two stated numbers, both inclusive, or by indicating that those Refunding Bonds of one or more maturities have been called for redemption, and shall require that such Refunding Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Refunding Bonds will not accrue from and after the redemption date.

Upon surrender of Refunding Bonds redeemed in part only, the District shall execute, and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Refunding Bond or Bonds, of the same maturity, of

authorized denominations in aggregate principal amount equal to the unredeemed portion of the Refunding Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Refunding Bonds so called for redemption have been duly provided, the Refunding Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Refunding Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Refunding Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Refunding Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Refunding Bond Owners, or any other party related to or arising from such rescission of redemption. The Paying Agent shall give notice of such rescission of redemption in the same manner as the original notice of redemption was given under subsection (d) of this Section.

Section 2.04. Form of Refunding Bonds . The Refunding Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon will be substantially in the form as set forth in Appendix A attached hereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and the Bond Purchase Agreement.

Section 2.05. Execution of Refunding Bonds . The Refunding Bonds shall be signed by the manual or facsimile signature of the President, Vice President or Clerk of the Board, and shall be attested by the manual or facsimile signature of a District Representative. Only those Refunding Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Refunding Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Refunding Bonds . Subject to Section 2.10, any Refunding Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Refunding Bond for cancellation at the Office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Refunding Bond issued upon any transfer.

Whenever any Refunding Bond or Bonds is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Refunding Bond or Bonds, for like aggregate principal amount. No transfers of Refunding Bonds shall be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

Section 2.07. Exchange of Refunding Bonds . Refunding Bonds may be exchanged at the principal Office of the Paying Agent for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same Refunding Bond maturity. The District may charge a reasonable sum for each new Refunding Bond issued upon any exchange (except in the cases of any exchange of temporary Refunding Bonds for definitive Refunding Bonds). No exchanges of Refunding Bonds shall be required to be made (a) during the period commencing 15 days before the date established by the Paying Agent for selection of Refunding Bonds for redemption, or (b) with respect to a Refunding Bond after it has been selected for redemption.

Section 2.08. Registration Books . The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Refunding Bonds as herein before provided.

Section 2.09. Book-Entry System . Except as provided below, DTC shall be the Owner of all of the Refunding Bonds, and the Refunding Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Refunding Bonds shall be initially executed and delivered in the form of a single fully registered Refunding Bond for each maturity date of the Refunding Bonds in the full aggregate principal amount of the Refunding Bonds maturing on such date; provided, however, more than one Refunding Bond for a maturity date may be prepared in the event Refunding Bonds with respect to said maturity date bear different rates of interest. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Refunding Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Refunding Bonds. The District shall cause to be paid all principal and interest with respect to the Refunding Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Refunding Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Refunding Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Refunding Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify participants in its book-entry system (the "DTC Participants") of the availability through DTC of Refunding Bonds. In such event, the District shall issue, transfer and exchange Refunding Bonds as requested by DTC and any other Owners in appropriate amounts.

DTC may determine to discontinue providing its services with respect to the Refunding Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Refunding Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Refunding Bonds evidencing the Refunding Bonds to any Depository System Participant having Refunding Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Refunding Bond and all notices with respect to such Refunding Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Refunding Bonds.

Section 2.10. Transfer Under Book-Entry System: Discontinuation of Book-Entry System . Registered ownership of the Refunding Bonds, or any portion thereof, may not be transferred except as follows:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); *provided that* any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of the DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

ARTICLE III

SALE OF REFUNDING BONDS; APPLICATION OF PROCEEDS

Section 3.01. Sale of Refunding Bonds; Approval of Sale Documents .

(a) Negotiated Sale of Refunding Bonds. The Board hereby authorizes the negotiated sale of the Refunding Bonds to the Underwriter. The Refunding Bonds shall be sold pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery by a District Representative of the Bond Purchase Agreement. The Refunding Bonds shall only be sold provided that such issuance will produce savings as required under the Bond Law and Section 2.01(b) hereof, and the Underwriter's discount shall not exceed ___% of the aggregate principal amount of the Refunding Bonds. The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the District.

In accordance with Section 53508.7 of the Government Code, the Board has determined to sell the Refunding Bonds at negotiated sale for the following reasons: (a) a negotiated sale provides more flexibility to choose the time and date of the sale which is often advantageous in the municipal bond market; (b) the involvement of the Underwriter in preparing documents, rating agency presentations and structuring bonds generally enhances the quality and results of the bond offering; (c) a negotiated sale will permit the financing structure to be adjusted, if necessary; and (d) a negotiated sale provides time for underwriters to educate potential investors about the District and the Refunding Bonds with the goal of maximizing investor orders and reducing interest cost on the day of bond pricing.

(b) Official Statement. The Board hereby approves, and hereby deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in substantially the form on file with the Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate stating the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. The Board hereby authorizes the distribution of the Preliminary Official Statement and the Official Statement by the Underwriter. A District Representative is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by a District Representative shall be conclusive evidence of their approval of any such changes and additions. The final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

(c) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds, including but not limited to the execution and delivery of a document with respect to the engagement of the Paying Agent appointed hereby, and an agreement facilitating the payment of Costs of Issuance. Whenever in this Resolution any officer of the District is authorized to execute or countersign any

document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any other District Representative.

Section 3.02. Application of Proceeds of Sale of Refunding Bonds . The proceeds of any series of Refunding Bonds shall be paid by the Underwriter on the related Closing Date, as follows:

(a) The Underwriter shall transfer a portion of the proceeds to the Escrow Bank to be held, invested and applied to refund and discharge the Refunded Bonds in accordance with the related Escrow Agreement.

(b) The Underwriter shall transfer a portion of the proceeds to U.S. Bank Trust Company, National Association, as custodian under the agreement referred to in Section 3.05, to be applied to pay the Costs of Issuance of such series of Refunding Bonds.

Section 3.03. Refunding of Refunded Bonds; Approval of Escrow Agreement . The Refunded Bonds shall be refunded in accordance with the provisions of the Escrow Agreement. The Board hereby approves the Escrow Agreement in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by a District Representative, and the execution thereof by a District Representative will be conclusive evidence of the approval of any such changes or modifications. A District Representative is directed to authenticate and execute the final form of the Escrow Agreement on behalf of the District, and to deliver the executed Escrow Agreement on the Closing Date.

Section 3.04. Estimated Financing Costs . The firm of Dale Scott & Company Inc., has been engaged to serve the District as Municipal Advisor, and the firm of Jones Hall LLP, has been engaged to serve the District as bond counsel and disclosure counsel, in connection with the issuance and sale of the Refunding Bonds. The Underwriter has been engaged, as set forth in Section 3.01, to serve as the underwriter in connection with the issuance and sale of the Refunding Bonds. The estimated Costs of Issuance associated with the issuance of the Refunding Bonds are set forth in Appendix B.

Section 3.05. Costs of Issuance Custodian Agreement . The Board hereby approves the Costs of Issuance Custodian Agreement between the District and U.S. Bank Trust Company, National Association, as custodian, in substantially the form on file with the Clerk of the Board. As provided in said agreement, amounts held thereunder shall be requisitioned by a District Representative for payment of Costs of Issuance in accordance with said agreement. Any amounts held thereunder which are not required for payment of Costs of Issuance shall be transferred to the County Treasurer and deposited into the Debt Service Fund, to be applied to pay interest next coming due and payable on the Refunding Bonds.

ARTICLE IV

SECURITY FOR THE REFUNDING BONDS; DEBT SERVICE FUND

Section 4.01. Security for the Refunding Bonds . The Refunding Bonds are general obligations of the District. The Board has the power to direct the County to levy *ad valorem* taxes upon all property within the District that is subject to taxation by the District, without limitation as to rate or amount, for the payment of the Refunding Bonds and the interest and redemption premium (if any) thereon. The District hereby formally directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Refunding Bonds are Outstanding in an amount not less than sufficient to pay the principal of and interest on the Refunding Bonds when due, including the principal of any Refunding Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on the Refunding Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable on the Refunding Bonds. In no event are the principal of and interest and redemption premium (if any) on Refunding Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District. The Refunding Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code. The District acknowledges that pursuant to Government Code Section 53515, the Refunding Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the voter-approved *ad valorem* taxes for the Refunding Bonds.

The District hereby pledges all revenues from the property taxes collected from the levy by the County for the payment of the Refunding Bonds and the amounts in the Debt Service Fund (the "Pledged Revenues") to the payment of the principal of and interest on the Refunding Bonds. It is the intention of the District that (i) for purposes of 11 U.S.C. §902(2)(E), the Pledged Revenues constitute "taxes specifically levied to finance one or more projects or systems" of the District and are not "general property, sales or income taxes . . . levied to finance the general purposes of" the District, and (ii) the pledge of the Pledged Revenues constitutes a pledge of "special revenues" for purposes of 11 U.S.C. §§901 et seq., and that a petition filed by the District under 11 U.S.C. §§901 et seq., will not operate as a stay under 11 U.S.C. §362 of the application of such Pledged Revenues to payment when due of principal of and interest on the Refunding Bonds. The District will not take any action inconsistent with its agreement and statement of intention hereunder and will not deny that the pledge of the Pledged Revenues constitutes a pledge of special revenues for purposes of 11 U.S.C. §§901 et seq.

Section 4.02. Establishment of Debt Service Fund . The District shall establish and maintain a fund designated as the "Pacific Grove Unified School District 2026 General Obligation Refunding Bonds Debt Service Fund," which shall be maintained as a separate fund. The County Treasurer shall hold this fund. All taxes levied by the County, at the request of the District, for the payment of the principal of and interest and

premium (if any) on the Refunding Bonds shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy.

The Debt Service Fund is hereby pledged for the payment of the principal of and interest on the Refunding Bonds when and as the same become due, including the principal of any term Refunding Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County Treasurer to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Refunding Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

Section 4.03. Disbursements from Debt Service Fund . The County shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. At the request of the District, the County Treasurer shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds when due and payable, to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Refunding Bonds. DTC will thereupon make payments of principal and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund, as provided in Section 15234 of the Education Code. As provided in Section 15232 of the Education Code, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Refunding Bonds elsewhere than at the office of the County Treasurer.

Section 4.04. Pledge of Taxes . The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the District's payment of the Refunding Bonds and amounts on deposit in the Debt Service Fund to the District's payment of the principal or redemption price of and interest on the Refunding Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Refunding Bonds and successors thereto. The property taxes and amounts held in the Debt Service Fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund to secure the District's payment of the Refunding Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. This pledge constitutes an agreement between the District and owners of the Refunding Bonds to provide security for the Refunding Bonds in addition to any statutory lien that may exist. The District hereby represents and warrants that proceeds of the Refunding Bonds will be expended to refinance one or more of the projects specified in the applicable voter-approved measure.

Section 4.05. Investments . All moneys in any of the funds or accounts held by the County Treasurer hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in

any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof.

The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Refunding Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term “Fair Market Value” shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment . The Board hereby directs the County to levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Refunding Bonds, in conformity with the terms of the Refunding Bonds and this Resolution. In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Refunding Bonds out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Section 5.02. Books and Accounts; Financial Statements . The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Refunding Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

Section 5.03. Protection of Security and Rights of Refunding Bond Owners . The District will preserve and protect the security of the Refunding Bonds and the rights of the Refunding Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Refunding Bonds by the District, the Refunding Bonds shall be incontestable by the District.

Section 5.04. Tax Covenants .

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Refunding Bonds are not so used as to cause the Refunding Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Refunding Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Refunding Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Refunding Bonds from the gross income of the Owners of the Refunding Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Refunding Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the Refunding Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Refunding Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

Section 5.05. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Refunding Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Refunding Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.06. CDIAC Annual Reporting . The District hereby covenants and agrees that it will comply with the provisions of California Government Code Section 8855 subdivision (k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Resolution, failure of the District to comply with said reporting does not constitute a default by the District hereunder or under the Refunding Bonds.

Section 5.07. Further Assurances . The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Refunding Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. U.S. Bank Trust Company, National Association is hereby appointed to act as the initial Paying Agent for the Refunding Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Refunding Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the District by executing and delivering to the District an agreement to that effect, which a District Representative is hereby authorized and directed to execute.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor, if not the County Treasurer, shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least $100,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Refunding Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

Any bank, national association, federal savings association, or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national association, federal savings association, or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible as described in this Section 6.01 shall be the successor to such Paying Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.02. Paying Agent May Hold Refunding Bonds . The Paying Agent may become the owner of any of the Refunding Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Agents . The recitals of facts, covenants and agreements herein and in the Refunding, Bonds shall constitute statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Refunding Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 6.04. Notice to Paying Agent . The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, which may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed in this Resolution) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. Compensation; Indemnification . The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF REFUNDING BOND OWNERS

Section 7.01. Remedies of Refunding Bond Owners . Any Refunding Bond Owner has the right, for the equal benefit and protection of all Refunding Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Refunding Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Refunding Bond Owners' rights; or

(c) upon the happening and continuation of any default by the District hereunder or under the Refunding Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

Section 7.02. Remedies Not Exclusive . No remedy herein conferred upon the Owners of Refunding Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Refunding Bond Owners.

Section 7.03. Non-Waiver . Nothing in this Article VII or in any other provision of this Resolution or in the Refunding Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Refunding Bonds to the respective Owners of the Refunding Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Refunding Bonds.

A waiver of any default by any Refunding Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Refunding Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Refunding Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Refunding Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Refunding Bond Owners, the District and the

Refunding Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

Section 8.01. Amendments Effective Without Consent of the Owners . The Board may amend this Resolution from time to time, without the consent of the Owners of the Refunding Bonds, for any one or more of the following purposes:

(a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(c) To cure any ambiguity, supply any omission, substitute any party, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the Refunding Bond Owners in the opinion of Bond Counsel filed with the District; or

(d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Refunding Bonds.

Section 8.02. Amendments Effective With Consent of the Owners . The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Refunding Bonds which are Outstanding at the time such consent is given.

Without the written consent of all the Owners of such Refunding Bonds, no such modification or amendment shall permit (a) a change in the terms of maturity of the principal of any Outstanding Refunding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of Refunding Bonds the consent of the Owners of which is required to effect any such modification or amendment, (c) a change in any of the provisions in Section 7.01 relating to events of default, or (d) a reduction in the amount of moneys pledged for the repayment of the Refunding Bonds. No right or obligation of the Paying Agent may be changed or modified without its written consent.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties . Nothing in this Resolution, expressed or implied, gives to any person other than the District, the County, the Paying Agent or the Owners of the Refunding Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Refunding Bonds.

Section 9.02. Defeasance of Refunding Bonds .

(a) Discharge of Resolution. Any or all of the Refunding Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Refunding Bonds; or

(iii) by delivering such Refunding Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Refunding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Refunding Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Refunding Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Refunding Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), provided that, if such Refunding Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Refunding Bond shall cease and be completely discharged, except only that thereafter

the Owner thereof shall be entitled only to payment of the principal of and interest on such Refunding Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent, or an escrow agent selected by the District, money or securities in the necessary amount to pay or redeem any Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent or a fiscal agent designated by the District has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent or a fiscal agent designated by the District has been made for the giving of such notice.

(d) Payment of Refunding Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent or other escrow agent in trust for the payment of the principal or redemption price of, or interest on, any Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such

moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Refunding Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Refunding Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Thereafter, amounts due the Owners for payment of any amounts due on the Refunding Bonds shall be deemed to be paid by the District from moneys remitted to it by the Paying Agent under this subsection (d).

Section 9.03. Execution of Documents and Proof of Ownership by Refunding Bond Owners . Any request, declaration or other instrument which this Resolution may require or permit to be executed by Refunding Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Refunding Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Refunding Bond Owner or their attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to them the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Refunding Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Refunding Bond shall bind all future Owners of such Refunding Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability . No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Refunding Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Limited Duties of County; Indemnification . The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution and in applicable provisions of the Bond Law and the Education Code, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 9.06. Destruction of Canceled Refunding Bonds . Whenever in this Resolution provision is made for the surrender to the District of any Refunding Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Refunding Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Refunding Bonds therein referred to.

Section 9.07. Partial Invalidity . If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Refunding Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Board, in trust, for the benefit of the Refunding Bond Owners.

Section 9.08. Execution of Documents . The President of the Board, the Secretary to the Board, the Superintendent or the Assistant Superintendent, Business Services of the District, and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any other District Representative if such officer is absent or unavailable.

Section 9.09. Payment on Business Days . Whenever in this Resolution any amount is required to be paid on a day which is not a business day, such payment shall be required to be made on the business day immediately following such day, provided that interest shall not accrue from and after such day.

Section 9.10. Effective Date of Resolution . This Resolution shall take effect from and after the date of its passage and adoption.

* * * * * * * *

The foregoing Resolution was adopted by the Board of Education of the Pacific Grove Unified School District of Monterey County, being the Board authorized by law to make the designations therein contained by the following vote on May 7, 2026.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
President of the Board of Education
Pacific Grove Unified School District

ATTEST:

_____
Secretary to the Board of Education
Pacific Grove Unified School District

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

BOND PURCHASE AGREEMENT

_____, 2026

Board of Education
Pacific Grove Unified School District
435 Hillcrest Avenue
Pacific Grove, California 93950

Ladies and Gentlemen:

Robert W. Baird & Co. Incorporated, as underwriter (the "Underwriter"), acting on its own behalf and not as fiduciary or agent for the hereinafter defined District, offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Pacific Grove Unified School District (the "District"), which, upon acceptance hereof by the District, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at its office prior to 11:59 p.m., Pacific Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all of the following bonds (together, the "Bonds") at the following prices:

(a) $_____ aggregate principal amount of the District's Pacific Grove Unified School District General Obligation Bonds, Election of 2024, Series A (the "Series A Bonds"). The Underwriter shall purchase the Series A Bonds at a price of $_____ (which represents the aggregate principal amount of the Series A Bonds, plus original issuance premium of $_____, and less Underwriter's discount in the amount of $_____).

(b) $_____ aggregate principal amount of the District's Pacific Grove Unified School District 2026 General Obligation Refunding Bonds (the "Refunding Bonds"). The Underwriter shall purchase the Refunding Bonds at a price of $_____ (which represents the aggregate principal amount of the Refunding Bonds, plus original issuance premium of $_____, and less Underwriter's discount in the amount of $_____).

The Bonds are issued under the provisions of resolutions adopted by the Board of Education (the "Board") of the District on May 7, 2026 (together, the "Bond Resolutions") and, with respect to the Series A Bonds, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 of said Code (the "New Money

Bond Law"), and with respect to the Refunding Bonds, Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Refunding Bond Law").

The Series A Bonds are being issued for the purpose of providing funding for capital improvement projects in the District. The Refunding Bonds are being issued for the purpose of refinancing certain maturities of the District's outstanding general obligation bonds and general obligation refunding bonds (such maturities, the "Refunded Bonds"), as more particularly described in the Official Statement. A portion of the net proceeds of the Refunding Bonds will be used to defease and refund the Refunded Bonds through a deposit into an escrow fund created under the terms of an Escrow Agreement (the "Escrow Agreement"), dated as of the Closing Date (as defined below), between the District and U.S. Bank Trust Company, National Association, as escrow bank (the "Escrow Bank").

The Bonds shall accrue interest at the rates, and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference.

The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) in connection with this transaction, including the process leading thereto, the Underwriter is acting solely as a principal and is not acting as an agent, a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the District or any other person or entity, (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, has provided other services or is currently providing other services to the District on other matters), (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement, and (v) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District confirms that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

2. **The Bonds**. The Bonds shall be issued and secured pursuant to, the provisions of the respective Bond Resolutions and the New Money Bond Law and Refunding Bond Law, as applicable.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the respective Bond Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form initially, registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC").

3. **Redemption**. The Bonds shall be subject to redemption as provided in the respective Bond Resolutions and as set forth on Appendix A herein.

4. **Use of Documents**. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, a Preliminary Official Statement and an Official Statement (both as defined below), the Escrow Agreement, the Bond Resolutions, the Continuing Disclosure Certificate, and all information contained herein and

therein and all of the documents, certificates, or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

5. **Public Offering of the Bonds**. The Underwriter agrees to make a bona fide public offering of the Bonds initially at the initial public offering prices or yields to be set forth on the inside cover page(s) of the Official Statement and Appendix A hereto. Subsequent to the initial public offering the Underwriter shall offer the Bonds in accordance with the requirements of Section 11. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

6. **Review of Official Statement**. The Underwriter hereby represents that it has received and reviewed a Preliminary Official Statement with respect to the Bonds, dated _____, 2026 (the "Preliminary Official Statement"). The District represents that the Preliminary Official Statement was "deemed final" as of the date thereof, for purposes of complying with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), except for either revisions or additions to the offering price(s), interest rate(s), yield(s), Underwriter's discount, aggregate principal amount, principal amount per maturity, delivery date, rating(s), redemption provisions and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule. The District hereby ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement.

The Underwriter agrees that prior to the time the final Official Statement (as defined herein) relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. The Preliminary Official Statement and the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed to by the District and the Underwriter. The District confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form. A copy of the Preliminary Official Statement shall be sent to a potential purchaser by first-class mail or electronically (or by other equally prompt means) not later than the first business day following the date upon which each such request is received. References herein to the Preliminary Official Statement and the final Official Statement include the cover page, inside cover page(s) and all appendices, exhibits, maps, reports, and statements included therein or attached thereto.

7. **Closing**. At 9:00 a.m., Pacific Time, on _____, 2026, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (such payment and delivery herein called the "Closing," and the date thereof the "Closing Date"), the District will deliver to the Underwriter, through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Jones Hall LLP, in San Mateo, California ("Bond Counsel"), the other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the respective purchase prices thereof set forth in Section 1 in immediately available funds by check, draft or wire transfer to or upon the order of the District.

8. **Representations, Warranties and Agreements of the District**. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is, and will be on the Closing Date, a school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the

New Money Bond Law and Refunding Law, as applicable, to adopt the Bond Resolutions and to enter into this Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Certificate (as defined in paragraph (i) below).

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement and the Continuing Disclosure Certificate and the Escrow Agreement, to adopt the Bond Resolutions, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement and the Bond Resolutions; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Bond Resolutions, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the Bond Resolutions, this Purchase Agreement, the Escrow Agreement and the Official Statement.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, or is required and has not been taken or obtained. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(d) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds, and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income on the Bonds for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Bonds, as applicable.

(e) No Conflicts; No Default. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Bond Resolutions, the Escrow Agreement, the Continuing Disclosure Certificate and the Bonds, and the compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the District a violation of or material default under the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject. The execution and delivery of the Bonds, this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate

and adoption of the Bond Resolutions and compliance with the provisions on the District's part contained herein and therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Resolutions.

(f) Litigation. As of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the title of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds (other than as described in the Preliminary Official Statement and Official Statement), or the collection or the levy of any taxes contemplated by the Bond Resolutions and available to pay debt service on the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Bond Resolutions or contesting the powers of the District or the Bond Resolutions or this Purchase Agreement; (iii) which affects the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement, the Escrow Agreement or the Bond Resolutions, (b) declare this Purchase Agreement, the Bond Resolution or the Escrow Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of interest paid on the Bonds from State personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District nor any person or entity on behalf of the District will have issued or caused to be issued any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Certificates. Except as specifically provided, any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Continuing Disclosure. The District shall undertake, pursuant to the Bond Resolutions, the Continuing Disclosure Certificate with respect to the Bonds in substantially the form attached as Appendix E of the Preliminary Official Statement (the “Continuing Disclosure Certificate”) and the Rule, to provide

certain annual financial information and notices of the occurrence of certain events described therein. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Based on a review of its previous undertakings, except as disclosed in the Preliminary Official Statement and the final Official Statement, the District has not, in the previous five years failed to comply in all material respects with its prior undertakings pursuant to the Rule.

(j) Preliminary Official Statement and Official Statement Accurate and Complete. The Preliminary Official Statement, as of its date, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(k) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District.

(l) No Financial Advisory Relationship. The District has had no financial advisory relationship with the Underwriter with respect to the Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriter.

(m) Underwriter Not Acting as Fiduciary. Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Underwriter, for its own account.

9. **Underwriter Representations, Warranties and Agreements**. The Underwriter represents, warrants to and agrees with the District that, as of the date hereof and as of the Closing Date:

(a) The Underwriter is and will be duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it.

(b) The execution and delivery hereof and the consummation of the transactions contemplated hereby does not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the MSRB;

(c) All reports required to be submitted to the MSRB pursuant to Rule G-37 with respect to the transaction contemplated hereby have been or will be submitted to the MSRB; and

(d) It has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm, or person (including, but not limited to the District's municipal advisor, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter or counsel to the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

10. **Covenants of the District**. The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the 7th business day following the date this Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (the "Official Statement") (i) in "designated electronic format" as defined in Rule G-32 of the Municipal Securities Rulemaking Board, and (ii) in printed format in such reasonable quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(c) Subsequent Events; Amendments to Official Statement. If, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds (determined pursuant to Section 17), an event occurs which would cause the information contained in a final Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will notify the Underwriter, and, if in the opinion of the District or the Underwriter, such event requires

the preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish to the Underwriter (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to said Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the District will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(d) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Monterey County (the "County") or otherwise necessary in order to arrange for the levy and collection of *ad valorem* taxes and payment of the Bonds. In particular, the District hereby agrees to provide to the Treasurer-Tax Collector for the County, which is the county with jurisdiction over the District, copies of the Bond Resolutions, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with California Education Code Sections 15250 et seq., California Government Code Section 53559 and policies and procedures of the County.

(e) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the respective Bond Resolutions and as described in the Official Statement; and

(f) Filings. The District authorizes the Underwriter to file, to the extent required by the applicable rules promulgated by the SEC or the MSRB, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system); or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filing referred to above). If an amended Official Statement is prepared in accordance with Section 10(c) of this Purchase Agreement during the "Primary Offering Disclosure Period" (as defined herein), and if required by an applicable SEC rule or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The "Primary Offering Disclosure Period" is used as defined in MSRB Rule G-32 and shall end on the twenty-fifth day after the Closing Date.

11. **Establishment of Issue Price**.

(a) Actions to Establish Price. The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the District under this Section 11 to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) 10% Test. Except for the maturities (if any) identified in Appendix A for which the Hold-The-Offering-Price Rule described in (c) below shall apply, the District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) Hold-The-Offering-Price Rule. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Appendix A, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity 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:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) Selling Group or Third-Party Distribution Agreements. The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The District acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) Sales to the Public; Definitions. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(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 District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 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 of execution of this Purchase Agreement by all parties.

12. **Conditions to Closing**. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District, of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the Bond Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the New Money Bond Law and the Refunding Bond Law which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Bond Resolutions, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 8(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. The market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering price, shall not have been materially adversely affected, in the judgment of the Underwriter, by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States (by press release, other form of notice or otherwise), or of the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States or of the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) press release, official statement or other form of notice issued or made:

(i) by or on behalf of the United States Treasury Department or by or on behalf of the Internal Revenue Service or other governmental agency, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation or State income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended or that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(2) legislation enacted by the State legislature or a decision rendered by a Court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence or material escalation of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices on any national security exchange, whether by virtue of a determination of that exchange or by order of the SEC or any other governmental authority having jurisdiction or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force including those relating to the extension of credit by or the charge to the net capital requirements of the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or

by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) a decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended;

(8) the withdrawal, suspension or downgrading or negative change in credit status, or notice of potential withdrawal, suspension or downgrading or negative change in credit status, of any underlying rating of the District's outstanding indebtedness by a national rating agency;

(9) any event occurring, or information becoming known which makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(10) any fact or event shall exist or have existed that, in the Underwriter’s judgment, requires or has required an amendment of or supplement to the Official Statement;

(11) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(12) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(13) any proceeding shall have been commenced or be threatened in writing by the SEC against the District;

(14) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the District;

(15) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions

herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(16) marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

(e) Delivery of Documents. At or prior to the Closing Date, the Underwriter shall receive copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion and Reliance Letter An approving opinion of Bond Counsel, as to the validity of the Bonds and, if applicable, the tax-exempt status of the Bonds, dated the Closing Date, addressed to the District and in substantially the form attached as Appendix D to the Official Statement, and one or more reliance letters from Bond Counsel, addressed to the Underwriter, to the effect that the Underwriter may rely upon such approving opinion;

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statements on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS", "TAX MATTERS" and "CONTINUING DISCLOSURE" to the extent they purport to summarize certain provisions of the Bond Resolutions, the Continuing Disclosure Certificate, California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, or information relating to DTC or its book-entry only system, included therein, or with respect to Appendices A, B, C, F, and G to the Official Statement;

(ii) assuming due authorization, execution and delivery by the parties to this Purchase Agreement other than the District, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the approval of the Official Statement have been duly authorized, executed and delivered by the respective parties thereto and constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought

and by the limitations on legal remedies against public agencies in the State of California; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Bond Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(3) Disclosure Counsel Letter. A letter of Jones Hall LLP, Disclosure Counsel, dated the Closing Date and addressed to the District and the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the District, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data, or information concerning DTC and the book-entry only system, contained in the Official Statement);

(4) Certificates of the District. A certificate or certificates signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the approval of the Official Statement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of each Bond Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Preliminary Official Statement and the final Official Statement and on such basis certifies that the Preliminary Official Statement did not as of its date, and the final Official Statement does not as of its date and as of the Closing Date, contain any untrue statement of a material fact, nor omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the respective Bond Resolution, (vi) no further consent is required for inclusion of the audit included as an appendix to the Preliminary Official Statement and the Official Statement, (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the

Bonds by the District or the due adoption of the Bond Resolutions; and (viii) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should have been disclosed in order to make statements in the Official Statement in light of the circumstances under which they were made not misleading, and (ix) the Bond Resolutions were duly adopted and have not been modified, amended, rescinded or revoked and are in full force and effect on the Closing Date;

(5) Tax Certificate. A non-arbitrage certificate of the District with respect to the Bonds, as appropriate, in form satisfactory to Bond Counsel;

(6) Bond Resolutions. Fully executed copies of the Bond Resolutions:

(7) Official Statement. A certificate of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(8) Continuing Disclosure Certificate. The Continuing Disclosure Certificate, duly executed by the District;

(9) Paying Agent Certificate. A written certificate of U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), executed by a duly authorized representative of the Paying Agent, dated the Closing Date, to the effect that the Paying Agent is validly existing under the laws of the State, and has full power to enter into, accept and perform its duties under the respective Bond Resolutions, together with a paying agent agreement entered into between the District and the Paying Agent;

(10) Escrow Agreement. An original executed copy of the Escrow Agreement;

(11) Escrow Bank Certificate. A written certificate of the Escrow Bank, executed by a duly authorized representative of the Escrow Bank, dated the Closing Date, to the effect that:

(i) The Escrow Bank is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and perform its duties under the Escrow Agreement.

(ii) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Bank and constitutes the legal, valid and binding obligation of the Escrow Bank, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(12) Defeasance Opinion. An opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Underwriter, as to the defeasance of the Refunded Bonds.

(13) Verification. A certificate of Causey Public Finance, LLC, certified public accountants, as verification agent, verifying the sufficiency of the amounts deposited and invested under the Escrow Agreement for the purpose of refunding the Refunded Bonds.

(14) Tax Rate and Bonding Capacity Certificates (Series A Bonds only). Certificates signed by a District official confirming that the District is in compliance with applicable tax rate and bonding capacity limitations;

(15) Underwriter Certificates. The following certificates from the Underwriter to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting delivery of the Bonds to the Underwriter and receipt of all documents required by the Underwriter, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by the District,

(ii) the certification of the Underwriter regarding the prices at which the Bonds have been reoffered to the public, in form satisfactory to Bond Counsel, as described in Section 11 of this Purchase Agreement

(16) Undewriter's Counsel Opinion. An opinion of Kutak Rock LLP, as counsel to the Underwriter, in form and substance approved by the Underwriter.

(17) Ratings. Evidence that the Bonds have been assigned the ratings set forth on the cover page of the Official Statement, and that such ratings have not been withdrawn or downgraded;

(18) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, Pacific Time, on the Closing Date, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

13. **Conditions to Obligations of the District**. The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of the opinions and certificates being delivered at the Closing by persons and entities other than the District.

14. **Costs and Expenses**. The District shall pay or cause to be paid the expenses incident to the performance of the obligations of the District hereunder from bond proceeds, which shall be deposited with a costs of issuance custodian identified by the District to the Underwriter, including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of all documentation relating to the issuance of the Bonds and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of any legal counsel, accountants, advisors, rating agencies, (including all necessary travel expenses of any District personnel), paying agents, escrow agents, or other experts or consultants retained by the District, including Bond Counsel and Disclosure Counsel, and (c) the cost of printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing of the Official Statement, including the requisite number of copies thereof for distribution by the Underwriter. In the event that the District's expenses incident to the issuance of the Bonds exceed proceeds available for such purpose, the District shall pay such amount from any other lawfully available source.

On the Closing Date, the Underwriter will wire $_____ of the purchase price of the Series A Bonds and $_____ of the purchase price of the Refunding Bonds directly to a costs of issuance custodian identified by the District. The Underwriter shall pay, and the District shall be under no obligation to pay, all expenses incurred by it in connection with the public offering and distribution of the Bonds, including but not limited to CUSIP fees and California Debt Advisory and Investment Commission fees.

The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

15. **Notices**. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Superintendent (or Superintendent's designee), at the address set forth on page 1 hereof, or if to the Underwriter as follows:

Robert W. Baird & Co. Incorporated
2029 Century Park E., Suite 400
Los Angeles, CA 90067
Attention: John Baracy, Managing Director

16. **Parties in Interest; Survival of Representations and Warranties**. This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

17. **Determination of End of the Underwriting Period**. For purposes of this Purchase Agreement, the "end of the underwriting period" for the Bonds is used as defined in the Rule, and shall occur on the later of (a) the day of the Closing, or (b) the date on which the Underwriter no longer retains an unsold balance of the Bonds. Unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District, the District may assume that the "end of the underwriting period" is the Closing Date.

18. **Severability**. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

19. **Nonassignment**. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

20. **Entire Agreement**. This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

21. **Applicable Law**. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

22. **Execution in Counterparts**. This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED, as Underwriter

By: _____
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

Time of Execution: _____ p.m. Pacific Time

APPENDIX A

Maturity Schedules

Series A Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	Applicable Issue Price Rule

_____
* At least 10% of each maturity sold at the time of pricing.
C: Priced to par call on the first optional redemption date of August 1, 20__.
T: Term Bonds

Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	Applicable Issue Price Rule

_____
* At least 10% of each maturity sold at the time of pricing.
C: Priced to par call on the first optional redemption date of August 1, 20__.
T: Term Bonds

Redemption Provisions

Optional Redemption.

Series A Bonds***.*** The Series A Bonds (the "**Series A Bonds**") maturing on or before August 1, 20__, are not subject to redemption prior to maturity. The Series A Bonds maturing on or after August 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Refunding Bonds***.*** The Refunding Bonds (the "**Refunding Bonds**" and, together with the Series A Bonds, the "**Bonds**") maturing on or before August 1, 20__, are not subject to redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent or as otherwise directed by the District. For the purpose of selection for optional redemption, Bonds will be deemed to consist of $5,000 portions (principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption.

Series A Bonds. The Series A Bonds maturing on August 1, 20__ and August 1, 20__ (together, the **"Series A Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year, in accordance with the schedules set forth below, respectively. The Series A Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Series A Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

Series A Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any Series A Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Series A Term Bonds shall be reduced by the aggregate principal amount of such Series A Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Refunding Bonds. The Refunding Bonds maturing on August 1, 20__ and August 1, 20__ (together, the **"Refunding Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year, in accordance with the schedules set forth below, respectively. The Refunding Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Refunding Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

Refunding Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any Refunding Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Refunding Term Bonds shall be reduced by the aggregate principal amount of such Refunding Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Robert W. Baird & Co. Incorporated ("Baird"), hereby certifies based upon information available to it as set forth below with respect to the sale and issuance of the above-captioned obligations (collectively, the "Bonds") of the Pacific Grove Unified School District (the "District").

1. ***Sale of the 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 Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) Baird 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 Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement dated _____, 2026, between Pacific Grove Unified School District (the "District") and Baird, Baird has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any Bonds 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 third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party 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 Bonds during the Holding Period.

3. ***Defined Terms***.

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

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds 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 Baird 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) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) "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.

(f) "Related Party" means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 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 profit 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 first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2026.

(h) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Baird'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 District with respect to certain of the representations set forth in the Certificate of Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall LLP in connection with rendering its opinion that the interest on the Bonds 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 District from time to time relating to the Bonds.

ROBERT W. BAIRD & CO. INCORPORATED,
as Underwriter

By: _____
Managing Director

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2026

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE - FULL BOOK-ENTRY

RATING: S&P: "___"
See "RATING" herein.

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$26,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$18,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

Dated: Date of Delivery **Due: August 1, as shown on inside front cover**

Authority and Purpose. The above-captioned General Obligation Bonds, Election of 2024, Series A (the "Series A Bonds") and the 2026 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series A Bonds, the "Bonds") are being issued by the Pacific Grove Unified School District (the "District") pursuant to certain provisions of the California Government Code and resolutions of the Board of Education of the District adopted on May 7, 2026. The Series A Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of $78,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Series A Bonds are the first series of bonds to be issued under the 2024 Authorization (as defined herein). The Refunding Bonds are being issued to refund certain outstanding general obligation refunding bonds of the District. See "THE BONDS – Authority for Issuance" herein.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by Monterey County (the "County"). The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding. See "SECURITY FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and APPENDIX F.

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing February 1, 2027 for the Series A Bonds and August 1, 2026 for the Refunding Bonds. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption.* The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

MATURITY SCHEDULES
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

*The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall LLP, Bond Counsel to the District, and subject to certain other conditions. Jones Hall LLP is also serving as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about June 11, 2026.**



The date of this Official Statement is _____, 2026.

**Preliminary; subject to change.*

MATURITY SCHEDULES*

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

Base CUSIP†: 694393

$_____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ ____% Term Bonds maturing August 1, 20__; Yield: ___%; Price: ___; CUSIP†: ___

[Continued on the next page]

**Preliminary; subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP data.

MATURITY SCHEDULES*

[Continued from Previous Page]

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

Base CUSIP†: 694393

$_____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ ____% Term Bonds maturing August 1, 20__; Yield: ___%; Price: ___; CUSIP†: ___

*Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP data.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)

BOARD OF EDUCATION

Jennifer McNary, *President*
Beth Shammas, *Clerk*
Laura Ottmar, *Trustee*
Elliot Hazen, *Trustee*
Mike Wachs, *Trustee*

DISTRICT ADMINISTRATION

Linda Adamson, *Superintendent*
Joshua Jorn, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company Inc.
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Irvine, California

BOND REGISTRAR, TRANSFER AGENT, PAYING AGENT AND ESCROW AGENT

U.S. Bank Trust Company, National Association
San Francisco, California

VERIFICATION AGENT

Causey Public Finance, LLC
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover pages of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolutions or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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$26,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$18,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

The purpose of this Official Statement, which includes the cover page, inside cover pages and attached appendices, is to set forth certain information concerning the sale and delivery of (i) General Obligation Bonds, Election of 2024, Series A (the "**Series A Bonds**") and (ii) 2026 General Obligation Refunding Bonds (the "**Refunding Bonds**" and, together with the Series A Bonds, the "**Bonds**") by Pacific Grove Unified School District (the "**District**").

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District is comprised of an area of approximately 12 square miles located on the Monterey Peninsula and serves the City of Pacific Grove and an adjoining portion of the unincorporated area of Del Monte Forest in Monterey County (the "**County**"), in the State of California (the "**State**"). The District currently operates two elementary schools, one middle school and one high school. The District also maintains a continuation high school, an adult education center, and three childcare centers. Enrollment in the District for the 2025-26 school year is projected for approximately 1,707 students. For purposes of education funding, the District is a **"Basic Aid District"** or "**Community Supported District,"** meaning that the District's share of local property taxes exceeds its funding entitlement under the State's education funding formula.

For more information regarding the District and its finances, see APPENDIX A and APPENDIX B attached hereto. See APPENDIX C hereto for demographic and other statistical information regarding the City of Pacific Grove and the County.

Purpose of Issue. The net proceeds of the Series A Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 5, 2024 (the **"Bond Election"**), which authorized a total of $78,000,000 principal amount of general obligation bonds (the "**2024 Authorization**"), and to pay costs of issuance.

The net proceeds of the Refunding Bonds will be used to refund, on a current basis, all or a portion of the District's outstanding: (i) 2015 Series A General Obligation Refunding Bonds (the "**2015A Bonds**"), (ii) 2015 Series B General Obligation Refunding Bonds (the "**2015B Bonds**"), (iii) 2016 General Obligation Refunding Bonds (the "**2016 Bonds**" and, together with the 2015A Bonds and the 2015B Bonds, the "**Refunded Bonds**"), and to pay costs of issuance. See "THE FINANCING PLAN" herein.

Authority for Issuance of the Bonds. Issuance of the Series A Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize $78,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the

California Government Code and a resolution adopted by the Board of Education of the District on May 7, 2026 (the "**Series A Bond Resolution**"). See "THE BONDS – Authority for Issuance" herein.

The Refunding Bonds will be issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "**Refunding Law**") and under a resolution adopted by the Board of Education of the District on May 7, 2026 (the "**Refunding Bond Resolution**" and, together with the Series A Bond Resolution, the "**Bond Resolutions**"). See "THE BONDS - Authority for Issuance."

Description of the Bonds. The Bonds will be issued as current interest bonds, will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover pages hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027, for the Series A Bonds and August 1, 2026, for the Refunding Bonds. See "THE BONDS – Description of the Bonds" herein.

Payment and Registration of the Bonds. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to actual purchasers of the Bonds (the "**Beneficial Owners**") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through participants in DTC's book-entry only system ("**DTC Participants**") as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F.

If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Bond Resolutions. See "THE BONDS - Registration, Transfer and Exchange of Bonds" herein.

Security and Sources of Payment for the Bonds. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

Following the issuance of the Series A Bonds, there will be $52,000,000* principal amount remaining under the 2024 Authorization. See "FINANCIAL INFORMATION – Existing Debt Obligations" in APPENDIX A.

Redemption*.* The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

Legal Matters. Issuance of the Bonds is subject to the approving opinions of Jones Hall LLP, Bond Counsel, to be delivered in substantially the forms attached hereto as APPENDIX D. Jones Hall LLP will also serve as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon issuance of the Bonds.

* *Preliminary; subject to change.*

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and APPENDIX D hereto for the forms of Bond Counsel's opinions to be delivered concurrently with the Bonds.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the "**Continuing Disclosure Certificate**"), the form of which is attached as APPENDIX E. See "CONTINUING DISCLOSURE" for additional information.

Cyber Risks. The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings, described in more detail herein. See APPENDIX A "FINANCIAL INFORMATION – Disclaimer Regarding Cyber Risks."

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement are available from the District, which may impose a charge for copying, mailing and handling.

THE FINANCING PLAN

Series A Bonds

The Series A Bonds are the first series of bonds issued pursuant to the 2024 Authorization. Following the issuance of the Series A Bonds, there will be $52,000,000* principal amount remaining under the 2024 Authorization.

Proceeds of the Series A Bonds will be used for the purposes specified in the ballot measure approved by voters in the District on November 5, 2024, the abbreviated text of which appeared on the ballot as follows:

> *"With no projected increase to current tax rates, shall Pacific Grove Unified School District's measure to renovate existing classrooms; replace deteriorating electrical wiring; expand Science, Technology, Engineering, Arts and Mathematics facilities at Forest Grove Elementary School, Robert Down Elementary School, Pacific Grove Middle School, Pacific Grove Adult Education Center, Pacific Grove Community High School and Pacific Grove High School be adopted, authorizing $78 million of bonds at legal rates, annual audits, average levies below $32 per $100,000 of assessed valuation (approximately $4,700,000 annually) while outstanding, citizens' oversight, and full disclosure of spending with funds that cannot be spent elsewhere?*

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the **"Project List"**). The District makes no representation as to the specific application of the proceeds of the Series A Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2024 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

The Refunding Bonds

The proceeds of the Refunding Bonds will be used to refinance the Refunded Bonds, as further identified below, and to pay related costs of issuance.

2015A Bonds. On July 15, 2015, the District issued its 2015 Series A General Obligation Refunding Bonds (the "**2015A Bonds**"), as current interest bonds, in the original principal amount of $4,925,000 for the purpose of refunding outstanding general obligation refunding bonds of the District.

The 2015A Bonds are subject to optional redemption on August 1, 2025, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium. The 2015A Bonds are currently outstanding in the aggregate principal amount of $1,785,000.

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* *Preliminary; subject to change.*

2015A Refunded Bonds*

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2028 T	694393 ND7	$800,000	08/01/2026	100%
2030 T	694393 NE5	615,000	08/01/2026	100
Total	--	$1,415,000		--

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.
T Term Bond.

2015B Bonds. On July 15, 2015, the District issued its 2015 Series B General Obligation Refunding Bonds (the "**2015B Bonds**"), as current interest bonds, in the original principal amount of $3,380,000 for the purpose of refunding outstanding general obligation refunding bonds of the District.

The 2015B Bonds are subject to optional redemption on August 1, 2025, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium. The 2015B Bonds are currently outstanding in the aggregate principal amount of $1,415,000.

2015B Refunded Bonds*

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2029 T	694393 NU9	$680,000	08/01/2026	100%
2031 T	694393 NT2	505,000	08/01/2026	100
Total	--	$1,185,000		--

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.
T Term Bond.

2016 Bonds. On August 4, 2016, the District issued its 2016 General Obligation Refunding Bonds (the "**2016 Bonds**") in the original principal amount of $16,125,000, as current interest bonds, for the purpose of refunding outstanding general obligation bonds of the District.

The 2016 Bonds are subject to optional redemption on August 1, 2026, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium. The 2016 Bonds are currently outstanding in the aggregate principal amount of $13,730,000.

2016 Refunded Bonds*

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2027	694393 PB9	$740,000	08/01/2026	100%
2028	694393 PC7	790,000	08/01/2026	100
2029	694393 PD5	565,000	08/01/2026	100
2030	694393 PE3	885,000	08/01/2026	100
2031	694393 PF0	390,000	08/01/2026	100
2031	694393 PP8	520,000	08/01/2026	100
2032	694393 PG8	1,230,000	08/01/2026	100
2033	694393 PH6	1,280,000	08/01/2026	100
2034	694393 PJ2	1,340,000	08/01/2026	100
2035	694393 PK9	1,400,000	08/01/2026	100
2036	694393 PL7	1,455,000	08/01/2026	100
2039 T	694393 PM5	2,415,000	08/01/2026	100
Total	--	$13,010,000		--

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.
T Term Bonds.

The District will deliver the net proceeds of the Refunding Bonds to U.S. Bank Trust Company, National Association, as Escrow Agent (the "**Escrow Agent**"), for deposit in an escrow fund (the "**Escrow Fund**") established under an Escrow Agreement (the "**Escrow Agreement**"), between the District and the Escrow Agent. The Escrow Agent will invest such funds in certain federal securities ("**Escrow Fund Securities**"), and will apply such funds, with cash, together with interest earnings (if any) on the investment of such funds in Escrow Fund Securities, to pay the principal of and interest on the Refunded Bonds on their respective redemption dates.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Public Finance, LLC (the **"Verification Agent"**). See "VERIFICATION OF MATHEMATICAL ACCURACY." As a result of the deposit of funds with the Escrow Agent on the date of issuance of the Refunding Bonds, the Refunded Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

The Escrow Fund Securities and cash held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Bonds, and will not be available for the payment of debt service with respect to the Refunding Bonds.

THE BONDS

Authority for Issuance

The Series A Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Series A Bond Resolution. The Refunding Bonds will be issued pursuant to the Refunding Law and the Refunding Bond Resolution.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover pages hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "Book-Entry Only System" and APPENDIX F.

The Bonds shall be issued in the denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2027, for the Series A Bonds and August 1, 2026, for the Refunding Bonds (each, an **"Interest Payment Date"**). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15^{th}) day of the month preceding the Interest Payment Date (each, a **"Record Date"**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2027 for the Series A Bonds or July 15, 2026 for the Refunding Bonds, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers of the Bonds will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or any other action premised on such notice. See APPENDIX F.

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption*

Optional Redemption – Series A Bonds. The Series A Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Series A Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Optional Redemption – Refunding Bonds. The Refunding Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Bonds of any one maturity of a series are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent or as otherwise directed by the District. For the purpose of selection for optional redemption, Bonds will be deemed to consist of $5,000 portions (principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption – Series A Bonds. The Series A Bonds maturing on August 1, 20__ (the **"Series A Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Series A Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Series A Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

* *Preliminary; subject to change.*

Mandatory Sinking Fund Redemption – Refunding Bonds. The Refunding Bonds maturing on August 1, 20__ (the **"Refunding Term Bonds**" and, together with the Series A Term Bonds, the "**Term Bonds**"), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Refunding Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Refunding Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District to be mailed, first class, postage prepaid, at least 20 but not more than 60 days prior to the date fixed for redemption, to the owners of the Bonds designated for redemption. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be

entitled to any benefit under the Bond Resolutions, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the applicable Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book-entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book-entry system is discontinued, the person in whose name a Bond is registered on the Bond registration books shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the applicable Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Bonds of authorized denominations and of the same series and maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book-entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolutions, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance and Discharge of Bonds

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolutions) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolutions it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolutions and will be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the applicable Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the applicable Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

"**Federal Securities**," as defined in the Bond Resolutions, means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

DEBT SERVICE SCHEDULES

Series A Bonds. The following table shows the annual debt service schedule with respect to the Series A Bonds, assuming no optional redemptions.

Pacific Grove Unified School District
General Obligation Bonds, Election of 2024, Series A
Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
TOTAL			

***The Refunding Bonds*.** The following table shows the annual debt service schedule with respect to the Refunding Bonds, assuming no optional redemptions.

Pacific Grove Unified School District
2026 General Obligation Refunding Bonds
Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
TOTAL			

Combined General Obligation Bonds. The following table shows the combined annual debt service schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* property taxes, assuming no optional redemptions. See APPENDIX A – "FINANCIAL INFORMATION – Existing Debt Obligations" for additional information.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Combined General Obligation Bond Debt Service Schedule

Period Ending (Aug.1)	2006 Election Bonds[1][2]	2015A Refunding Bonds[3]	2015B Refunding Bonds[3]	2016 Refunding Bonds[3]	2017 Refunding Bonds	2020 Election Bonds	2014 Series E Bonds	2020 Series D Bonds	Series A Bonds	Refunding Bonds	Total Debt Service
2026	$884,184.20	$445,100.00	$284,300.00	$1,302,550.00	$892,068.76	$1,328,200.00	$72,500.00	$254,861.67			
2027	--	451,600.00	262,400.00	1,286,550.00	887,868.76	1,330,500.00	627,500.00	395,475.00			
2028	--	445,800.00	263,800.00	1,299,550.00	896,668.76	1,209,200.00	551,750.00	395,475.00			
2029	--	424,600.00	269,800.00	1,035,050.00	899,068.76	1,385,100.00	668,500.00	395,475.00			
2030	--	223,600.00	270,200.00	1,326,800.00	900,268.76	1,407,300.00	698,250.00	415,475.00			
2031	--	--	265,200.00	1,316,400.00	905,268.76	1,688,800.00	--	434,475.00			
2032	--	--	--	1,594,800.00	718,868.76	1,734,300.00	--	452,475.00			
2033	--	--	--	1,595,600.00	599,968.76	1,152,200.00	--	469,475.00			
2034	--	--	--	1,604,400.00	604,068.76	1,207,950.00	--	495,475.00			
2035	--	--	--	1,610,800.00	607,568.76	1,264,700.00	--	514,975.00			
2036	--	--	--	1,609,800.00	610,468.76	1,327,200.00	--	538,225.00			
2037	--	--	--	1,296,600.00	67,031.26	1,504,950.00	--	559,975.00			
2038	--	--	--	643,600.00	--	1,676,950.00	--	585,225.00			
2039	--	--	--	644,800.00	--	1,742,950.00	--	613,725.00			
2040	--	--	--	--	--	1,897,700.00	--	630,225.00			
2041	--	--	--	--	--	1,971,450.00	--	670,225.00			
2042	--	--	--	--	--	2,042,250.00	--	702,475.00			
2043	--	--	--	--	--	2,121,600.00	--	732,225.00			
2044	--	--	--	--	--	1,398,800.00	--	764,475.00			
2045	--	--	--	--	--	--	--	798,975.00			
2046	--	--	--	--	--	--	--	835,475.00			
2047	--	--	--	--	--	--	--	874,281.26			
2048	--	--	--	--	--	--	--	910,406.26			
2049	--	--	--	--	--	--	--	953,850.00			
2050	--	--	--	--	--	--	--	999,200.00			
2051	--	--	--	--	--	--	--	1,041,250.00			
TOTAL	$884,184.20	$1,990,700.00	$1,615,700.00	$18,167,300.00	$8,589,187.62	$29,392,100.00	$2,618,500.00	$16,433,849.19			

(1) Private placement.
(2) Debt service shown does not include federal interest subsidy.
(3) Expected to be refunded with the proceeds of the Refunding Bonds. See "THE FINANCING PLAN - The Refunding Bonds."

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SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds	**Series A Bonds**	**Refunding Bonds**
Principal Amount of Bonds		
[Net] Original Issue [Premium]/[Discount]		
Total Sources		
Uses of Funds		
Building Fund		
Escrow Fund		
Debt Service Fund		
Costs of Issuance [(1)]		
Total Uses		

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, the Escrow Bank, the Verification Agent, and the rating agency.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* property taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds, there is other debt issued by the District and other entities with jurisdiction in the District, which is payable from *ad valorem* property taxes levied on all property in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

Levy, Collection and Pledge of Taxes. The County will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund established for each series of the Bonds, which is held by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. Under California law, voter-approved general obligation bonds which are secured by *ad valorem* property tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* property tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Natural Disasters. Economic and other factors beyond the District's control, such as economic recession, deflation of property values, pandemics, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought, climate change or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value."

Building Fund

Proceeds from the sale of the Series A Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Series A Bond Resolution and known as the "Election of 2024, Series A Building Fund" (the "**Building Fund**"), which will be accounted for as separate and distinct from all other District funds. The proceeds will be used solely for the purposes for which the Series A Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Series A Bonds not needed for the authorized purposes for which the Series A Bonds are being issued shall be transferred to the Series A Debt Service Fund (as defined below) and applied to the payment of principal of and interest on the Series A Bonds. If, after payment in full of the Series A Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Funds

Series A Bonds Debt Service Fund. Amounts to pay debt service on the Series A Bonds will be held in the fund created and established in the Series A Bond Resolution and known as the "Election of 2024, Series A Debt Service Fund" (the "**Series A Debt Service Fund**") for the Series A Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District. All taxes levied by the County for the payment of the principal of and interest on the Series A Bonds will be deposited in the Series A Debt Service Fund by the County promptly upon the receipt. The Series A Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Series A Bonds when and as the same become due. The County will transfer amounts in the Series A Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Series A Bonds as the same becomes due and payable.

If, after payment in full of the Series A Bonds, any amounts remain on deposit in the Series A Debt Service Fund, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Refunding Bonds Debt Service Fund. Amounts to pay debt service on the Refunding Bonds will be held in the fund created and established in the Refunding Bond Resolution and known as the "Pacific Grove Unified School District, 2026 General Obligation Refunding Bonds Debt Service Fund" (the "**Refunding Debt Service Fund**") for the Refunding Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District. All taxes levied by the County for the payment of the principal of and interest on the Refunding Bonds will be deposited in the Refunding Debt Service Fund by the County promptly upon the receipt. The Refunding Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Refunding Bonds when and as the same become due. The County will transfer amounts in the Refunding Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same becomes due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the Refunding Debt Service Fund, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* property tax for the payment of the Bonds, the Bonds are not a debt of the County.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county in which the property is located.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, Senate Bill 813 (enacted by Statutes of 1983, Chapter 498) (**"SB 813"**), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent

taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

The assessed valuation of property in the District is established by the assessor of the County, except for public utility property which is assessed by the SBE, as described above. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed, see APPENDIX A under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Assessed Valuation History. The table below shows a history of the District's assessed valuation.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2015-16 through 2025-26

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2015-16	$4,665,890,432	$585,959	$42,494,107	$4,708,970,498	--%
2016-17	4,965,635,987	1,671,275	43,867,327	5,011,174,589	6.4
2017-18	5,253,431,679	1,671,275	45,495,300	5,300,598,254	5.8
2018-19	5,601,156,073	1,671,275	46,043,385	5,648,870,733	6.6
2019-20	5,934,772,228	1,671,275	48,585,710	5,985,029,213	6.0
2020-21	6,253,108,211	0	49,336,556	6,302,444,767	5.3
2021-22	6,462,599,795	0	46,100,929	6,508,700,724	3.3
2022-23	7,040,506,516	0	48,155,456	7,088,661,972	8.9
2023-24	7,478,839,433	0	50,880,231	7,529,719,664	6.2
2024-25	7,884,755,950	0	53,280,223	7,938,036,173	5.4
2025-26	8,264,468,335	0	52,442,544	8,316,910,879	4.8

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic

conditions, supply and demand for real property in the area, government regulations such as zoning, and disasters such as wildfires, earthquakes, droughts, floods, climate change and pandemics, among others. The District cannot predict or make any representations regarding the effects that natural disasters or other conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Seismic Events. The District is located in a seismically active region. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of March 31, 2026, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly no drought conditions with some abnormally dry conditions in the northwest, northeast and southeast parts of the State, with the County currently experiencing no drought conditions at this time.

During 2021, the Governor of the State proclaimed a drought state of emergency for all counties in the State, culminating with an October 19, 2021, proclamation, urging Californians to step up their water conservation efforts. In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. In January 2023, the State Water Board adopted its first five-year temporary groundwater recharge permit, in addition to adopting new statewide sanitary sewer orders and appointing eleven members to the Advisory Group on Safe Drinking Water Funding. Local agencies can impose and enforce their own drought conservation rules.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is

unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness, that spread across the world and materially impacted the global economy. While the national and global health emergencies have passed, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

Assessed Valuation by Jurisdiction. The table below shows the assessed valuation by jurisdiction of properties within the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2025-26

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Pacific Grove	$5,241,721,189	63.02%	$5,241,721,189	100.00%
Unincorporated Monterey County	3,075,189,690	36.98	$47,583,527,433	6.46%
Total District	$8,316,910,879	100.00%		
Monterey County	$8,316,910,879	100.00%	$96,796,343,653	8.59%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2025-26. As shown, the majority of the District's assessed valuation is represented by single family residence property.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26

Non-Residential:	2025-26 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Commercial	$385,473,809	4.66%	291	3.08%
Vacant Commercial	12,780,844	0.15	11	0.12
Industrial	12,705,895	0.15	6	0.06
Recreational/Golf Resort	384,769,392	4.66	52	0.55
Government/Social/Institutional	40,206,954	0.49	126	1.33
Miscellaneous/Water Company	30,786,720	0.37	71	0.75
Subtotal Non-Residential	$866,723,614	10.49%	557	5.89%
Residential:				
Single Family Residence	$6,117,062,607	74.02%	6,206	65.62%
Condominium/Townhouse	561,887,482	6.80	425	4.49
Mobile Home	5,567,414	0.07	77	0.81
Mobile Home Park	37,970,773	0.46	2	0.02
2-4 Residential Units	335,993,264	4.07	397	4.20
5+ Residential Units/Apartments	295,632,651	3.58	105	1.11
Timeshare	2,495,658	0.03	1,559	16.48
Vacant Residential	41,134,872	0.50	130	1.37
Subtotal Residential	$7,397,744,721	89.51%	8,901	94.11%
Total	$8,264,468,335	100.00%	9,458	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2025-26, including the median and average assessed value of single-family parcels in the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2025-26

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	6,206	$6,117,062,607	$985,669	$796,038

2025-26 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	441	7.106%	7.106%	$29,104,798	0.476%	0.476%
$100,000 - $199,999	473	7.622	14.728	68,180,949	1.115	1.590
$200,000 - $299,999	371	5.978	20.706	93,356,183	1.526	3.117
$300,000 - $399,999	379	6.107	26.813	132,653,887	2.169	5.285
$400,000 - $499,999	390	6.284	33.097	175,388,237	2.867	8.152
$500,000 - $599,999	333	5.366	38.463	182,334,022	2.981	11.133
$600,000 - $699,999	346	5.575	44.038	225,650,100	3.689	14.822
$700,000 - $799,999	385	6.204	50.242	288,418,902	4.715	19.537
$800,000 - $899,999	388	6.252	56.494	330,091,918	5.396	24.933
$900,000 - $999,999	386	6.220	62.714	366,096,426	5.985	30.918
$1,000,000 - $1,099,999	332	5.350	68.063	347,731,350	5.685	36.603
$1,100,000 - $1,199,999	260	4.189	72.253	299,064,077	4.889	41.492
$1,200,000 - $1,299,999	202	3.255	75.508	252,899,562	4.134	45.626
$1,300,000 - $1,399,999	209	3.368	78.875	282,850,701	4.624	50.250
$1,400,000 - $1,499,999	150	2.417	81.292	217,053,474	3.548	53.798
$1,500,000 - $1,599,999	151	2.433	83.725	234,247,935	3.829	57.628
$1,600,000 - $1,699,999	121	1.950	85.675	198,964,434	3.253	60.880
$1,700,000 - $1,799,999	84	1.354	87.029	146,485,089	2.395	63.275
$1,800,000 - $1,899,999	106	1.708	88.737	195,857,467	3.202	66.477
$1,900,000 - $1,999,999	96	1.547	90.284	186,839,033	3.054	69.531
$2,000,000 and greater	603	9.716	100.000	1,863,794,063	30.469	100.000
	6,206	100.000%		$6,117,062,607	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" in APPENDIX A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed

because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Tax Rates

Below are historical typical tax rates in a typical tax rate area within the District for fiscal years 2021-22 through 2025-26.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates per $100 of Assessed Valuation
(TRA 4-000)[1]
Fiscal Years 2021-22 through 2025-26

	2021-22	2022-23	2023-24	2024-25	2025-26
General Tax Rate	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Pacific Grove Unified School District	.062377	.076909	.064692	.041661	.059932
Monterey Peninsula CCD	.030336	.032006	.028869	.021933	.035668
Total Tax Rate	$1.092713	$1.108915	$1.093561	$1.063594	$1.095600

(1) 2025-26 assessed valuation of TRA 4-000 is $3,075,189,690 which is 36.98% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

No Teeter Plan. Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District's receipt of property taxes is therefore subject to delinquencies.

Collections and Delinquencies History. The District's total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District's designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of tax payers within the tax areas of the District. In addition, the District's total secured tax levy does not include special assessments, supplemental taxes or other charges which have been assessed on property within the District or other tax rate areas of the County.

The following table shows the secured tax charges and delinquencies for secured property in the for fiscal years 2015-16 through 2024-25.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2015-16 through 2024-25

Fiscal Year	Secured Tax Charge [1]	Amount Delinquent June 30	% Delinquent June 30
2015-16	$21,218,358	$193,178	0.91%
2016-17	22,626,926	211,919	0.94
2017-18	23,957,770	210,102	0.88
2018-19	25,542,244	340,477	1.33
2019-20	26,698,663	387,671	1.45
2020-21	28,445,218	341,473	1.20
2021-22	29,279,397	343,508	1.17
2022-23	31,852,057	405,833	1.27
2023-24	33,718,446	445,307	1.32
2024-25	35,468,298	473,912	1.34

(1) 1% General fund apportionment.
Source: *California Municipal Statistics, Inc.*

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2025-26. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2025-26

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total [1]
1.	Pebble Beach Company	Hotel & Golf	$344,631,025	4.17%
2.	Monterey Peninsula Country Club	Country Club	51,197,579	0.62
3.	California-American Water Company	Water Company	39,127,640	0.47
4.	Monarch Pines Homeowners Association	Mobile Home Park	37,896,773	0.46
5.	Waterloo Associates LLC	Apartments	31,758,630	0.38
6.	B10 Mountain B SF LP	Shopping Center	28,575,286	0.35
7.	Rutherford 17 Mile LP	Apartments	24,821,691	0.30
8.	Pacific Grove Home Sweet Home LLC	Apartments	23,450,919	0.28
9.	Pacific Grove Senior Living LLC	Assisted Living Facility	20,574,135	0.25
10.	WGA Grove Acres LP	Apartments	17,956,967	0.22
11.	555 Ocean View Blvd. LLC	Hotel	15,833,382	0.19
12.	Foursome Development Company	Commercial Building	13,625,535	0.16
13.	Pacifica Lighthouse LP	Hotel	12,348,258	0.15
14.	Vishnu Hospitality Inc.	Hotel	11,900,698	0.14
15.	Barron Ranches Inc.	Hotel	11,773,204	0.14
16.	2875 David Avenue LLC	Residential	11,236,327	0.14
17.	Ocean Lodging 1 LLC	Hotel	11,075,640	0.13
18.	James R. Parks, Trust	Residential	10,661,955	0.13
19.	Whispering Pines Cottages LLC	Apartments	10,612,079	0.13
20.	Dana L. Dornsife, Trust	Residential	10,396,001	0.13
			$739,453,724	8.95%

(1) 2025-26 local secured assessed valuation: $8,264,468,335.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. for debt issued as of May 1, 2026. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of May 1, 2026)

2025-26 Assessed Valuation: $8,316,910,879

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 5/1/26**	
Monterey Peninsula Community College District	15.278%	$23,979,316	
Monterey County Water Resources Agency Zone 2C	8.592	1,377,727	
Pacific Grove Unified School District	100.000	55,077,000	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$80,434,043	
OVERLAPPING GENERAL FUND DEBT:			
Monterey County General Fund Obligations	8.592%	$7,397,282	
Monterey County Board of Education Certificates of Participation	8.592	3,047,582	
City of Pacific Grove Pension Obligation Bonds	100.000	1,728,815	
TOTAL OVERLAPPING GENERAL FUND DEBT		$12,173,679	
COMBINED TOTAL DEBT		**$92,607,722**	(2)

Ratios to 2025-26 Valuation:

Direct Debt ($55,077,000)	**0.66%**
Total Direct and Overlapping Tax and Assessment Debt	0.97%
Combined Total Debt	1.11%

(1) Excludes the Bonds offered for sale hereunder, but includes the Refunded Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall LLP, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Forms of Opinions. A copy of the proposed forms of opinions of Bond Counsel are attached hereto as Appendix D.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to (a) the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay upon prior redemption, principal, interest and redemption premium requirements of the Refunded Bonds described under the heading "THE FINANCING PLAN–The Refunding Bonds" and (b) the "yields" on the amount of proceeds held and invested prior to redemption of the Refunded Bonds and on the Refunding Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the Refunding Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

CERTAIN LEGAL MATTERS

Absence of Litigation

No Litigation Regarding Bonds or Existence of District. No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, Dale Scott & Company Inc., as Municipal Advisor to the District, and Kutak Rock LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (an **"Annual Report"**) to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website ("**EMMA**") not later than nine months after the end of the District's fiscal year, commencing March 31, 2027, with the report for the 2025-26 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the **"Rule"**).

In the previous five-years, the District [failed to timely file: (i) its audited financial statements for fiscal year 2021-22, as the report was not available, but did file the unaudited financial statements by the applicable deadline, and (ii) notice of the incurrence of a financial obligation]. In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Dale Scott & Company Inc., to serve as its dissemination agent.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") has assigned a rating of "___" to the Bonds. Such rating reflects only the views of S&P and an explanation of the significance of such rating may be obtained only from S&P. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement because it has been considered not material to making an investment decision in the Bonds). There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file on EMMA notices of any ratings changes on the Bonds. See "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to S&P and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Robert W. Baird & Co. Incorporated (the "**Underwriter**").

Series A Bonds. The Underwriter has agreed to purchase the Series A Bonds at a price of $_____ which is equal to the aggregate principal amount of the Series A Bonds of $_____, [plus][less] [net] original issue [premium][discount] of $_____ less an Underwriter's discount of $_____.

Refunding Bonds. The Underwriter has agreed to purchase the Refunding Bonds at a price of $_____ which is equal to the aggregate principal amount of the Refunding Bonds of $_____, [plus][less] [net] original issue [premium][discount] of $_____ less an Underwriter's discount of $_____.

The bond purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolutions and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the District and, following delivery of the Bonds, will be on file at the office of the Paying Agent.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the forepart of the Official Statement.*

GENERAL INFORMATION

The District is comprised of an area of approximately 12 square miles located on the Monterey Peninsula and serves the City of Pacific Grove and an adjoining portion of the unincorporated area of Del Monte Forest in Monterey County (the "**County**"), in the State of California (the "**State**"). The District currently operates two elementary schools, one middle school and one high school. The District also maintains a continuation high school, an adult education center, and three childcare centers. Enrollment in the District for the 2025-26 school year is projected for approximately 1,707 students. For purposes of education funding, the District is a Basic Aid District or Community Supported District, meaning that the District's share of local property taxes exceeds it funding entitlement under the State's education funding formula. For more information on the District's Basic Aid status, see "–Basic Aid Status/Community Supported District" below.

For more information regarding the District and its finances see APPENDIX B attached hereto. See also APPENDIX C hereto for demographic and other statistical information regarding the City of Campell and the County.

Basic Aid Status/Community Supported District

In recent years, the District's local property taxes have exceeded the State's calculated revenue limit for the District, resulting in the District being treated as a **"Basic Aid"** district for purposes of general purpose education funding by the State. As a Basic Aid District, the District did not receive a general purpose revenue limit entitlement from the State, but instead was entitled to keep its share of local property taxes in excess of the revenue limit. With implementation of the new education funding formula known as the Local Control Funding Formula (the **"LCFF"**) commencing in fiscal year 2013-14, a school district, such as the District, which has property tax revenues that exceed its entitlement under the LCFF, continues to be entitled to keep its local property tax revenues which exceed its LCFF funding entitlement, essentially maintaining its status as Basic Aid, also referred to as a "Community Supported District." The District expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future.

District Governance and Administration

The District is governed by a five-member Board of Education (the "**Board"**), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their office and the date their term expires, are listed below.

Name	Office	Term Expires
Jennifer McNary	President	December 2026
Beth Shammas	Clerk	December 2028
Laura Ottmar	Trustee	December 2026
Elliot Hazen	Trustee	December 2026
Mike Wachs	Trustee	December 2028

Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Linda Adamson currently serves as the Superintendent of the District and Joshua Jorn serves as the Assistant Superintendent, Business Services.

Employee Relations

The District has 130 full-time equivalent ("**FTE**") certificated employees, 110 FTE classified employees, and 22 FTE management employees. Two unions represent the District employees as shown in the table below.

Employee Group	Bargaining Group	Contract Expiration Date
Certificated	Pacific Grove Unified Teachers Association	June 30, 2026
Classified	California School Employees' Association	June 30, 2026

Source: *Pacific Grove Unified School District.*

Recent Enrollment Trends

The following table shows a recent history and projected enrollment for the District.

ANNUAL ENROLLMENT
Fiscal Years 2020-21 through 2025-26
Pacific Grove Unified School District

Fiscal Year	Student Enrollment	% Change
2020-21	1,899	--%
2021-22	1,812	(4.6)
2022-23	1,772	(2.2)
2023-24	1,727	(2.5)
2024-25	1,749	1.3
2025-26[(1)]	1,707	(2.4)

(1) Second interim projection.

Source: California Department of Education; Pacific Grove Unified School District.

FINANCIAL INFORMATION

Education Funding Generally

School districts in the State receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly impact a school district's revenues and operations.

The fiscal year 2013-14 State budget package replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, school districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of average daily attendance ("**ADA**"), which varies with respect to different grade spans and are adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

In 2021, legislation was passed that requires school districts operating a kindergarten program to also provide a transitional kindergarten (**"TK"**) program for all 4-year-old children by fiscal year 2025–26.

Funding levels used in the LCFF entitlement calculations for fiscal year 2025-26 are set forth in the following table.

Fiscal Year 2025-26 Base Grant Funding* Under LCFF
by Grade Span

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2024-25 Base Grant per ADA	$10,025	$10,177	$10,478	$12,144
B. 2025-26 COLA for LCFF (A x 2.30%)	$231	$234	$241	$279
C. 2025-26 Base Grant per ADA before Grade Span Adjustments (A+B)	$10,256	$10,411	$10,719	$12,423
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	$1,067	n/a	n/a	$323
E. 2025-26 Base Grant/Adjusted Base Grant per ADA (C + D)	$11,323	$10,411	$10,719	$12,746

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion (of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of $5,545 times the school district's current year TK ADA.
Source: California Department of Education.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system. When a school district's share of local property taxes exceeds its funding entitlement under LCFF, it is deemed a Basic Aid District and is entitled to keep its local property taxes in lieu of lower funding per ADA available under LCFF. The District is not a Basic Aid District.

Community Supported Districts. Community Supported Districts (also known as Basic Aid Districts), are those whose local property tax revenues exceed the funding entitlement under the LCFF. Community Supported Districts do not receive any funds from the State appropriation, however, they do receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment. The current law in California allows these districts to keep the excess property tax revenues

without penalty. The implication for Community Supported Districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. Under Proposition 30, Basic Aid Districts are entitled to the minimum $200 per pupil from the Education Protection Account, and, under the Constitution, Basic Aid Districts receive a minimum of $120 per pupil.

The District's Basic Aid status is a result of reductions to its prior revenue limit (now LCFF allocation), occasioned by reduced levels of State funding of education, declining enrollment, and increasing property tax collections, such that the District's property taxes now represent the bulk of its LCFF allocation revenues. The District expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future.

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2024-25 were prepared by Eide Bailly LLP, Fresno, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the

District and available for public inspection at the Office of the Chief Business Officer. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2020-21 through 2024-25.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2020-21 through 2024-25 (Audited) [1]
Pacific Grove Unified School District

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
Revenues:					
LCFF	$32,234,685	$33,281,976	$35,887,715	$38,000,458	$40,258,708
Federal Revenues	1,932,812	1,359,880	1,645,132	1,047,259	678,228
Other State Revenues	3,081,226	4,418,218	4,531,581	4,243,009	3,423,389
Other Local Revenues	1,799,125	2,713,189	3,091,585	3,687,947	3,137,565
Total Revenues	39,047,848	41,773,263	45,156,013	46,978,673	47,497,890
Expenditures:					
Instruction	22,828,173	24,206,351	26,228,610	27,560,247	28,094,005
Supervision of Instruction	462,501	784,695	1,023,656	1,092,880	568,571
Instructional library, media, technology	362,612	379,200	396,369	449,259	409,852
School site administration	2,696,387	2,908,702	3,193,290	3,473,343	3,528,310
Home-to-school transportation	233,181	367,248	288,959	276,519	404,129
Food services	75,237	36,135	20,114	28,568	82,916
All other pupil services	2,825,570	3,440,392	3,459,186	3,879,614	4,925,217
Data processing	505,416	568,569	639,449	609,736	639,531
All other general administration	3,319,178	3,245,207	3,280,996	3,809,494	3,795,902
Plant services	3,310,142	3,950,868	4,496,374	4,545,328	4,941,373
Facility acquisition and construction	--	--	--	86,654	31,907
Ancillary services	340,061	303,851	423,729	530,697	669,400
Community services	216,645	3,033	171,683	255,462	163,154
Other outgo	128,434	150,310	127,846	165,711	147,512
Enterprise services	(310,914)	(233,975)	--	--	--
Debt service: principal	--	--	--	18,669	19,624
Debt service: interest	--	--	244,180	268,200	144,229
Total Expenditures	36,992,623	40,110,586	43,994,441	47,050,381	48,565,632
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,055,225	1,662,677	1,161,572	(71,708)	(1,067,742)
Other Financing Sources (Uses)					
Operating transfers in	--	--	--	--	--
Other sources	--	--	56,054	--	--
Operating transfers out	(627,721)	(83,193)	(418,286)	(400,000)	(477,354)
Total Other Financing Sources (Uses)	(627,721)	(83,193)	(362,232)	(400,000)	(477,354)
Net change in fund balance	1,427,504	1,579,484	799,340	(471,708)	(1,545,096)
Fund Balances July 1	5,419,004	6,846,508	8,425,992	9,225,332	8,753,624
Fund Balances June 30	$6,846,508	$8,425,992	$9,225,332	$8,753,624	$7,208,528

(1) Totals may not foot due to rounding.
Source: Pacific Grove Unified School District Audit Reports. Because the District is a Basic Aid District, the majority of LCFF funding is derived from local sources.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Monterey County Superintendent of Schools (the **"County Superintendent"**).

The County Superintendent must review and approve or disapprove the budget no later than September 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Governing Board and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (**"A.B. 1200"**) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget and Interim Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports.

District's General Fund. The following table shows the general fund figures for fiscal year 2025-26 (adopted budget and second interim projections).

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Adopted Budget and Second Interim Projections)

Revenues	Adopted Budget 2025-26	Second Interim 2025-26
Total LCFF Sources	$41,148,891	$41,713,695
Federal Revenues	635,343	689,872
Other state revenues	3,289,958	3,882,195
Other local revenues	2,784,611	2,784,353
Total Revenues	47,858,802	49,070,115
Expenditures		
Certificated Salaries	20,188,043	20,368,127
Classified Salaries	9,418,877	9,568,677
Employee Benefits	12,847,719	12,712,886
Books and Supplies	1,356,023	1,937,442
Services and Other Operating Expenditures	4,684,321	5,322,819
Capital Outlay	--	249,363
Other Outgo (excluding transfers of indirect costs)	110,000	115,441
Other Outgo	(48,695)	(85,734)
Total Expenditures	48,556,287	50,189,020
Excess of Revenues Over/(Under) Expenditures	(697,485)	(1,118,905)
Other Financing Sources (Uses)		
Operating transfers in	--	--
Operating transfers out	340,051	468,532
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	(340,051)	(468,532)
Net change in fund balance	(1,037,536)	(1,587,437)
Fund Balance, July 1	5,328,337	7,201,682
Fund Balance, June 30 (1)	$4,290,801	$5,614,245

(1) Fund balances do not reflect all funds included in the District's general fund in the audited financial statements shown above.
Source: Pacific Grove Unified School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2025-26.

Attendance - LCFF Funding

With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. With implementation of the LCFF commencing in fiscal year 2013-14, a school district, such as the District, which has property tax revenues which exceed its entitlement under the LCFF, is entitled to keep its local property tax revenues which exceed its LCFF funding entitlement.

District's Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District's percentage of unduplicated students is approximately 21% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment, including Supplemental and Concentration Grant add-ons for serving a high percentage of English language learner and low income students. If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will

amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

For school districts which were Basic Aid districts prior to implementation of the LCFF, provided that the per pupil funding targets under LCFF, including economic recovery targets, are met or exceeded by local property tax revenues, such districts are entitled to retain their status as Basic Aid districts and keep their full local property tax revenue entitlement. The threshold for Basic Aid status under the LCFF, however, is higher than under the prior funding formula, resulting in some districts falling out of Basic Aid status as the result of the implementation of the LCFF. Accountability measures contained in the LCFF must be implemented by all districts, including Basic Aid districts.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds Act, the Individuals with Disabilities Education Act, and specialized programs such as Drug Free Schools.

Since Donald Trump was sworn in as President in January 2025, the federal government has announced possible cuts to federal funding for educational agencies. In addition, President Trump has signed an executive order aimed at dismantling the federal Department of Education (the "**DOE**"), from which California school districts receive funding aimed at low-income and special needs students.

If reductions in funding, elimination of the DOE, or staff layoffs are upheld in whole or in part, the District cannot anticipate whether the amount of federal revenues in the District's general fund will be reduced, or the extent of any reduction, or whether any reduction would occur in the current or any future fiscal year. If federal revenues are delayed, rescinded, or withheld, the District cannot predict whether such delay, rescission, or withdrawal will have a material effect on the finances or operations of the District.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's LCFF funding entitlement and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the

increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material. For additional discussion of State aid to school districts, see "- Education Funding Generally."

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget (**"AB 1469"**), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014, within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were proposed to steadily increase over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized in the following table:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2021 through July 1, 2025

Effective Date	Employer Contribution Rate
July 1, 2021	16.92%
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10
July 1, 2025	19.10

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate is 8.328% fiscal year 2025-26.

The District's recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

STRS CONTRIBUTIONS
Pacific Grove Unified School District
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Amount
2020-21	$2,909,386
2021-22	3,115,465
2022-23	3,812,819
2023-24	3,839,199
2024-25	3,773,064
2025-26[(1)]	5,645,649

(1) Second interim projection.
Source: Pacific Grove Unified School District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately $88.7 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, PERS has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (**"AB 84"**) of June 2020, directed contributions of $430 million and $330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Employer Contribution Rate[1]
2020-21	20.700%
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050
2025-26	26.810

(1) Expressed as a percentage of covered payroll.
Source: PERS

The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS EMPLOYER CONTRIBUTIONS
Pacific Grove Unified School District
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Amount
2020-21	$1,501,999
2021-22	1,870,037
2022-23	2,290,755
2023-24	2,653,501
2024-25	2,728,859
2025-26[1]	2,503,226

(1) Second interim projection.
Source: Pacific Grove Unified School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately $40.8 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including

employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Note 14 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Post-Employment Retirement Benefits

Plan Description. The District's governing board administers the Postemployment Benefits Plan (the **"Plan"**) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides post-employment benefits other than pensions ("**OPEB**") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Membership of the Plan as of the June 30, 2023 valuation date was 101 retirees and beneficiaries currently receiving benefits and 200 active plan members.

Contributions. The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Pacific Grove Teachers Association ("**PGTA**"), the local California Service Employees Association ("**CSEA**"), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, PGTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2024, the District paid $280,463 in benefits, including $72,678 for an implicit rate subsidy.

Actuarial Assumptions and Other Inputs. The District's total OPEB liability as shown in the District's audited financial statements ending June 30, 2025, was determined by an actuarial valuation as of June 30, 2023. A number of assumptions are used when determining the liability. See Note 11 in the audited financial statements attached as Appendix B.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District for the year ending June 30, 2024, is shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
Pacific Grove Unified School District
Changes for the Year Ended June 30, 2024

Balance at June 30, 2023	$5,594,188
Service Cost	364,796
Interest	207,227
Differences between expected and actual experience	82,201
Changes of assumptions	(152,728)
Benefit payments	(280,463)
Net Change in Total OPEB liability	221,033
Balance at June 30, 2024	$5,815,221

Source: Pacific Grove Unified School District.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the year ended June 30, 2024, the District recognized OPEB expense of $197,771.

For more information regarding the District's OPEB, assumptions used in its most recent actuarial study and investment information, see Note 11 of APPENDIX B to the Official Statement.

Insurance – Joint Powers Agreement

The District is a member of the Monterey County Schools' Insurance Group ("**MCSIG**"), NorCal ReLiEF, and the Monterey Educational Risk Management Authority ("**MERMA**") public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools, and the Joint Powers Authorities are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one member to the governing board of MCSIG. During the year ended June 30, 2025, the District made payment of $2,719,524 to MCSIG for medical, dental, vision, and life insurance.

The District has appointed one member to the governing board of NorCal ReLiEF. During the year ended June 30, 2025, the District made payment of $272,263 to NorCal ReLiEF for liability and property insurance.

The District has appointed one member to the governing board of MERMA. During the year ended June 30, 2025, the District made payment of $790,715 to MERMA for workers' compensation insurance.

For more information regarding the District's risk management and membership in JPA's, see Notes 13 and 16 of APPENDIX B to the Official Statement.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Existing Debt Obligations

General Obligation Bonds. The District received authorization at an election held on June 6, 2006, by a 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $42,000,000 (the "**2006 Authorization**"). The District has issued the entire amount of the 2006 Authorization.

The District received authorization at an election held on November 4, 2014, by a requisite 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $18,000,000 (the "**2014 Authorization**"). There is $7,043,000 unissued authorization remaining under the 2014 Authorization.

The District received authorization at an election held on March 3, 2020, by a requisite 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $30,000,000 (the "**2020 Authorization**"). The District has issued the entire amount of the 2020 Authorization.

The District's general obligation bonds and general obligation refunding bonds outstanding as of _____ 1, 2026 are shown in the following table.

GENERAL OBLIGATION BONDS
Pacific Grove Unified School District

Dated Date	Series	Outstanding as of _____ 1, 2026
	2006 Authorization	
07/12/2011	Taxable General Obligation Bonds, Election of 2006, Series E [1]	
	2014 Authorization	
12/09/2025	General Obligation Bonds, Election of 2014, Series E	
	2020 Authorization	
04/27/2021	General Obligation Bonds, Election of 2020, Series A	
12/05/2023	General Obligation Bonds, Election of 2020, Series B	
11/06/2024	General Obligation Bonds, Election of 2020, Series C	
12/09/2025	General Obligation Bonds, Election of 2020, Series D	
	Refunding Bonds	
07/15/2015	2015 General Obligation Refunding Bonds, Series A[2]	
07/15/2015	2015 General Obligation Refunding Bonds, Series B[2]	
08/04/2016	2016 General Obligation Refunding Bonds[2]	
12/28/2017	2017 General Obligation Refunding Bonds	
	Total	

(1) Private placement.
(2) Expected to be refunded with proceeds of the Refunding Bonds.

Compensated Absences. Compensated absences (unpaid employee vacation) for the District at June 30, 2025, amounted to $5,197,908.

Investment of District Funds

In accordance with California Government Code Sections 53600 *et seq*., the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies which may impose limitations

beyond those required by the California Government Code. See APPENDIX G to the Official Statement for the County's current investment policy and recent investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see "– Education Funding Generally" above). State funds typically make up the majority of a district's LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the **"LAO"**). Neither the District, the Underwriter nor the County is responsible for the information provided in this section.*

State Funding of Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive the majority of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State's general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The State Budget Process

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year. Under State law, the annual proposed State budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the State budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Resources Relating to State Budgets

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to "Bond Finance" and sub-heading "-Public Finance Division", includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.

- www.dof.ca.gov: The California Department of Finance's (the **"DOF"**) internet home page, under the link to "California Budget", includes the text of proposed and adopted State Budgets.

- www.lao.ca.gov: The LAO's internet home page includes a link to "-The Budget" which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Underwriter. Such information is not incorporated herein by reference.

The 2025-26 State Budget

On June 27, 2025, the Governor signed the fiscal year 2025-26 State Budget (the "**2025-26 State Budget**"). Despite continued uncertainty driven by recent federal policy changes, including broad-based tariffs that have slowed economic growth, the 2025-26 State Budget outlines a balanced fiscal plan while maintaining significant reserves.

The 2025-26 State Budget reflects a decrease of $11.0 billion in General Fund revenues from 2024-25 ($215.7 billion in 2025-26 compared to $226.7 billion in 2024-25) primarily due to projected decreases in corporation and personal income tax collections. The 2025-26 State Budget reflects a decrease in General Fund expenditures of $5.2 billion from 2024-25 ($228.366 billion in 2025-26 compared to $233.5 billion in 2024-25) primarily reflecting broad spending decreases for all major spending categories with the exception of expenditures for health and human services, which sees a significant funding increase driven by the expansion of Medi-Cal.

Regarding the State's reserves and fund balances, the 2025-26 State Budget continues the drawing down of the State's Budget Stabilization account that began in fiscal year 2024-25 with a withdrawal of $7.1 billion and completes the drawdown of the Public School System Stabilization Account with a withdrawal of the remaining $0.4 billion.

The 2025-26 State Budget projects an $11.8 billion General Fund shortfall after accounting for reserves drawdowns, driven by rising costs due to growth in Medi-Cal and other core State programs. The 2025-26 State Budget addresses the shortfall primarily through spending reductions and structural reforms, while maintaining support for key programs. The specific solutions used to close the budget gap include the following:

- *Medi-Cal Enrollment Freeze* - $77.9 million reduction in fiscal year 2025-26, increasing to $3.3 billion by fiscal year 2028-29.

- *Medi-Cal Premium Collection For Certain Adults* – Initial cost of $30 million in fiscal year 2026-27, shifting to $675 million in savings in fiscal year 2028-29 due to collection of Medi-Cal premiums from undocumented adults.

- *Medi-Cal Asset Limit Implementation* – $61.3 million in fiscal year 2025-26, rising to $827.4 million by fiscal year 2028-29.

- *Programmatic Reductions* – Reductions in rural health clinics, specialty drug coverage, and pharmacy rebates totaling over $3.5 billion by fiscal year 2028-29.

- *Ongoing Reductions* – $221.7 million annually beginning in fiscal year 2026-27 for Quality Incentive Payment Program changes.

The 2025-26 State Budget raises an estimated $7.8 billion in additional resources, including $1.3 billion from Medi-Cal rate increase in fiscal year 2025-26, $4.4 billion in loans from the Medical Providers Interim Payment Fund, $1.5 billion in loans from additional special funds and interfund borrowing, and a $7.1 billion withdrawal from the Budget Stabilization Account, as authorized by the prior fiscal year.

Additional balancing measures comprise $1.2 billion in funding shifts primarily related to the costs of CalFIRE operations moving from the General Fund to the Greenhouse Reduction Fund for Forestry and Fire Protection. The 2025-26 State Budget also makes two future commitments (subject to appropriation) totaling $457.1 million in fiscal year 2027-28, growing to $163.2 million in fiscal year 2028-29, for California Food Assistance Program expansion and $338.9 million in fiscal year 2027-28, growing to $522.1 million in fiscal year 2028-29, for payment to the State's foster care tiered rate structure.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately $268.7 billion, including revenues and transfers of approximately $226.7 billion and a prior year balance of approximately $42.0 billion, and total expenditures in fiscal year 2024-25 of approximately $233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately $250.9 billion, inclusive of revenues and transfers of approximately $215.7 billion and a prior year balance of approximately $35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately $228.4 billion, inclusive of non-Proposition 98 expenditures of approximately $147.6 billion and Proposition 98 expenditures of approximately $80.7 billion. The 2025-26 State Budget projects total reserve balances of $15.7 billion at the end of fiscal year 2025-26. This includes $11.2 billion in the State Rainy Day Fund, $4.5 billion in the State's SFEU, and $0 in the Proposition 98 Rainy Day Fund. The 2025-26 State Budget includes total funding of $137.6 billion for all K-12 education programs, including $80.5 billion from the State's general fund and $57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget include:

Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects updated estimates of general fund revenues, which result in adjustments to the Proposition 98 minimum guarantee. The revised minimum guarantee for TK-14 schools is estimated at $98.5 billion for 2023-24, $119.9 billion for 2024-25, and $114.6 billion for 2025-26, an increase of approximately $3.9 billion over the three-year period relative to the 2023-24 State Budget. Because the minimum guarantee for 2024-25 will not be finalized until

the fiscal year is certified in calendar year 2026, the 2025-26 State Budget proactively appropriates the 2024-25 minimum guarantee at $118 billion, establishing a $1.9 billion "settle up" to avoid over-appropriation. The 2025-26 State Budget expresses intent to apply any realized settle-up funds toward reducing ongoing TK-14 deferrals and safeguarding core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments.

The minimum guarantee remains in a Test 2 for 2023-24, though suspended at $98.5 billion, and shifts to a Test 1 in both 2024-25 and 2025-26. In Test 1 years, the guarantee equals approximately 40 percent of general fund revenues, in addition to local property tax revenues. Under Proposition 98, this calculation is not adjusted for enrollment, which results in increased per-pupil funding. The guarantee is "rebenched" to reflect both the continued implementation of universal TK and property tax backfills resulting from the January 2025 wildfires in Los Angeles County. As a result, the applicable Test 1 percentage increases from 39.2 percent to 39.6 percent of general fund revenues.

Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the full withdrawal of the $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The May Revision to the 2024-25 State Budget Proposal, released on May 10, 2024, included a mandatory deposit of $540 million into the Rainy Day Fund. However, revised capital gains revenue projections reduce that deposit to $455 million in fiscal year 2024-25. A year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of $455 million in fiscal year 2025-26, fully exhausting the remaining fund balance.

Proposition 98 Funding Split. In prior years, 10.93 percent of the general fund amounts rebenched into the Proposition 98 minimum guarantee for transitional kindergarten expansion were allocated to the community colleges budget, consistent with the statutory Proposition 98 funding split. Over the three-year budget window, this resulted in $492.4 million being directed to community colleges, leaving TK-12 schools without an equivalent amount to support transitional kindergarten expansion. Beginning in fiscal year 2025-26, the 2025-26 State Budget shifts the full amount of transitional kindergarten expansion funding ($232.9 million) to the TK-12 portion of the Proposition 98 budget.

Local Control Funding Formula. The 2025-26 State Budget includes a 2.3 percent cost-of-living adjustment to LCFF. Combined with population growth adjustments, this results in an additional $2.1 billion in discretionary funding for local educational agencies ("**LEAs**") relative to the 2024-25 State Budget. To fully fund LCFF costs in fiscal year 2025-26, the 2025-26 State Budget withdraws approximately $405.3 million from the Proposition 98 Rainy Day Fund.

Deferrals. The 2025-26 State Budget fully repays $246.6 million in TK-12 education deferrals from fiscal year 2024-25. However, in order to maintain principal apportionment levels in 2025-26, the 2025-26 State Budget defers $1.9 billion in LCFF funding from June 2026 to July 2026.

Universal Transitional Kindergarten. To support full implementation of universal transitional kindergarten by September 1, 2025, the 2025-26 State Budget provides $2.1 billion in ongoing Proposition 98 general fund resources, inclusive of all prior years' investments. An additional $1.2 billion in ongoing Proposition 98 general fund resources is included to reduce the average student-to-adult ratio from 12:1 to 10:1.

Before School, After School, and Summer School. To increase access to the Expanded Learning Opportunities Program, the 2025-26 State Budget provides $515.1 million in ongoing funds, broadening eligibility from LEAs with a 75 percent unduplicated pupil rate to those with a 55 percent rate. Additionally, $10.4 million is provided to increase the minimum grant per LEA from $50,000 to $100,000.

Literacy Instruction. The 2025-26 State Budget allocates $480 million to enhance literacy instruction aligned with the English Language Arts/English Language Development Framework for all students.

Teacher Professional Development and Preparation. To support teachers and strengthen the educator pipeline, the 2025-26 State Budget provides $300 million in one-time Proposition 98 general fund resources for a Student Teacher Stipend Program, which will offer grants to teacher candidates completing student teaching between 2026-27 and 2028-29. An additional $70 million of one-time Proposition 98 general fund resources supports teacher residency programs, and $30 million in one-time Proposition 98 general fund resources extends the National Board Certification Incentive Program to encourage placement of certified teachers in high-poverty schools.

Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget provides $1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant to assist LEAs with rising costs and advancing statewide priorities.

State Preschool Program. To enhance early childhood education, the 2025-26 State Budget includes approximately $19.3 million of Proposition 98 general fund resources and $10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program. It further authorizes the Department of Education to expand State Preschool Program provider contracts for three-year-olds by 10 percent, implement prospective pay, and automate contract payments.

Other Significant Budget Adjustments. The 2025-26 State Budget includes $378.6 million in one-time Proposition 98 general fund resources for learning recovery initiatives through 2027-28, $150 million for career technical education and pathways programs pending legislation, and $145 to improve school meal infrastructure. An additional $10 million is allocated for school food service workforce requirement and $5 million for a study of ultra-processed foods offered in State school meals.

Further allocations include $30 million over three years for Special Olympics programs in Northern and Southern California; $30 million for the Mathematics Professional Learning Partnership; $21.9 million in ongoing funding for the SUN Bucks Program, which provides summer nutrition support; and $20 million to implement the Children and Youth Behavioral Health Initiative's all-payer fee schedule.

The 2025-26 State Budget also provides approximately $10 million for a pilot program, administered by the California Collaborative of Educational Excellence, to support middle and high school redesign and peer learning. Another $10 million to the California Department of Education supports the development of a screener to identify multilingual learners in transitional kindergarten and authorizes the State Superintendent of Public Instruction to adopt a screening instrument for children ages 3-4 enrolled in transitional kindergarten classrooms. Finally, $7.5 million is available through the 2026-27 fiscal year

to offset potential LCFF apportionment reductions caused by the recent exemption of transitional kindergarten students from the English language proficiency assessment.

LAO Analysis of the 2025-26 State Budget. The LAO, a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget on October 16, 2025 (the "**2025-26 State Budget Analysis**"). In the 2025-26 State Budget Analysis, the LAO assesses the budget shortfall that was addressed in the 2025-26 State Budget and analyzes the major proposals for K-14 education.

The LAO notes that the State faced a budget shortfall for the third year in a row. The estimated budget shortfall for the fiscal year 2025-26 of $15.0 billion was smaller compared to deficits of $55.0 billion in fiscal year 2024-25 and $27.0 billion in fiscal year 2023-24. Most of the reason that the State faces a budget problem is that the underlying costs of State services continue to outpace the State's revenue collections. In particular, despite higher revenues in major taxes, about $4 billion of the budget problem results from new, discretionary General Fund spending in the budget package, as well as some budget actions adopted in a special session. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the State.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the General Fund). However, the LAO indicates that the 2025-26 State Budget primarily relies on borrowing to close the gap, which accounts for $10.0 billion and approximately two-thirds of the total solutions. This borrowing increases the total outstanding budgetary borrowing from $12.0 billion to $22.0 billion. The LAO notes that this borrowing is similar to the measures used during the Great Recession. After borrowing, spending-related solutions, including both spending reductions and fund shifts, total $5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about $300.0 million, represent the small remainder. The LAO notes that while the State is also making a $7.1 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26, this withdrawal was not reflected in the 2025-26 State Budget Analysis because it was authorized in the 2024-25 State Budget.

The LAO explains that while it had previously categorized the Proposition 98 "Settle Up" as a spending delay, it now views this action as borrowing. While the estimate for the Proposition 98 minimum guarantee is up nearly $4.7 billion from the June 2024 level, the 2025-26 State Budget appropriates just over $2.7 billion in additional funding for that year. Funding schools and community colleges at this level—$1.9 billion below the estimate of minimum requirement—provides temporary savings but requires the State to settle up using future revenues. The State will finalize its calculation of this obligation in May 2026. The LAO notes that while the 2025-26 State Budget partially addresses the State's multi-year deficits, it expects budget deficits to persist. Based on the State's June 2025 projections and assumptions, annual operating deficits are projected to range from roughly $15 billion to $25 billion throughout the outlook period (i.e., 2026-27 through 2028-29), which would need to be addressed by the Legislature. The LAO notes, however, that these multi-year estimates are subject to considerable uncertainty and should be interpreted cautiously.

In summarizing the overall condition of the General Fund budget, the condition of the school and community college budget and State appropriations limits, as estimated by the administration, the LAO notes the following: (1) the State's reserves total nearly $16 billion at the end of fiscal year 2025-26, with the state reserve for schools and community colleges fully

withdrawn by the end of fiscal year 2025-26; (2) the State expects revenues from major tax sources to grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25, however the 2025-26 State Budget also projects revenues from said tax sources to decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26; and (3) federal funding is expected to remain flat between 2024-25 and 2025-26 but the 2025-26 State Budget projections do not include any potential effects of House Resolution 1: One Big Beautiful Bill Act, which was signed by President Trump on July 4, 2025.

The LAO explains that the 2025-26 State Budget provides $2.2 billion to cover 2.30% cost-of-living adjustment for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of $607 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate. For community colleges, the 2025-26 State Budget also provides $140.0 million to cover 2.35% enrollment growth across fiscal years 2024-25 and 2025-26.

The LAO notes that the 2025-26 State Budget provides $1.7 billion for the Student Support and Professional Development Discretionary Block Grant. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about $312.0 per student). For community colleges, the 2025-26 State Budget provides $60.0 million for the Student Support Block Grant. Districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. The State will allocate funds based on student headcount and the share of students qualifying for fee waivers or nonresident tuition exemptions, with a minimum grant of $150,000.00 per college in each district. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education. It also funds several smaller grants for community colleges focusing on other student support initiatives and career technical education.

The LAO indicates that the 2025-26 State Budget reduces spending in fiscal year 2025-26 by deferring $2.3 billion in payments to fiscal year 2026-27. Of this amount, $1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The remaining $408.0 million in deferrals pertains to community colleges. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26.

Additional Information. The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. For the full text of the 2025-26 State Budget, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

The 2026-27 State Budget Proposal

On January 9, 2026, the Governor submitted the fiscal year 2026-27 state budget proposal to the Legislature (the "**2026-27 State Budget Proposal**"). The 2026-27 State Budget Proposal presents a balanced budget, including a discretionary reserve of $4.5 billion, but projects a deficit of approximately $22 billion in fiscal year 2027-28 and additional shortfalls in the two years thereafter. General Fund revenues over the three-year budget window of fiscal years 2024-25 through 2026-27 are projected to be more than $42 billion higher than was assumed in the 2024-25 State Budget, an increase driven by stronger-than-anticipated stock market performance, higher cash receipts, and an improved economic outlook. However, the proposal cautions that much of this revenue growth is attributable to a relatively small number of technology companies and therefore is subject to significant volatility and unlikely to be sustained indefinitely. The proposal also identifies federal policy changes as a material risk to its revenue projections. In particular, House of Representatives Bill 1 of 2025 is projected to increase General Fund costs by approximately $1.4 billion in fiscal year 2026-27, largely related to Medi-Cal and CalFresh programs. The 2026-27 State Budget Proposal further notes uncertainty associated with future federal policies affecting tariffs, immigration, inflation, investment activity, labor markets, and overall economic demand.

The 2026-27 State Budget Proposal provides for $248.3 billion in General Fund expenditures and nearly $23 billion in combined reserves, including approximately $14.4 billion in the State's Proposition 98 Rainy Day Fund, $4.5 billion in the Special Fund for Economic Uncertainties, and $4.1 billion in the Public School System Stabilization Account. While balanced for fiscal year 2026-27, the 2026-27 State Budget Proposal anticipates that expenditures will exceed revenues in future years, requiring additional budget actions at the May Revision to maintain a structural balance in the coming years. Key fiscal risk factors include stock market and asset price volatility and declines, particularly among high-income taxpayers, and continued uncertainty in federal policy.

With respect to K-12 education, the 2026-27 State Budget Proposal sets Proposition 98 funding for K-14 education at $125.5 billion for fiscal year 2026-27, subject to settle-up adjustments. Additionally, the proposal includes an LCFF cost-of-living adjustment of 2.41% and proposes repayment of approximately $1.9 billion in previous funding deferrals to improve school district cash flow. The proposal further reflects continued support for universal transitional kindergarten and ongoing before-, during-, and after-school programming through the Expanded Learning Opportunities Program. The 2026-27 State Budget Proposal also allocates an additional $215 million to expand the Literacy Coaches and Reading Specialists Grant Program.

Significantly, the 2026-27 State Budget Proposal recommends governance changes to strengthen coordination across California's education system. Consistent with recommendations in the Legislature's 2002 report, "California's Master Plan for Education," the proposal would amend the Education Code to move oversight authority of the California Department of Education and support of local educational agencies under the State Board of Education, in addition to enhancing the State Superintendent of Public Instruction's ability to improve alignment and coordination across the bodies setting policy from early childhood through postsecondary education.

The Governor's May Revision, expected in mid-May 2026, will update the proposal to reflect revised economic conditions, revenue estimates, outlooks and other estimates and assumptions, and may modify or eliminate policy initiatives included in the 2026-27 State Budget Proposal.

For the full text of the 2026-27 State Budget Proposal, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

LAO Analysis of the 2026-27 State Budget Proposal. The LAO released its overview and initial analysis of the 2026-27 State Budget Proposal on January 10, 2026 (the "**2026-27 LAO Analysis**"). The 2026-27 LAO Analysis concludes that, under the Governor's assumptions, the budget is roughly balanced, reflecting an estimated deficit of approximately $3 billion. This represents an improvement compared with the LAO's November Fiscal Outlook, which projected a budget deficit of approximately $18 billion. The LAO attributes the State's substantially higher revenue forecast to two factors: first, the proposal does not incorporate the significant risk of a stock market downturn; and second, higher projected revenues are partially offset by increased baseline spending, including constitutionally required expenditures and growing program costs.

The LAO identifies stock market volatility as the most significant risk to the State's revenue outlook. The analysis notes that several historically reliable indicators suggest equity markets are overheated and at elevated risk of a downturn within the next year or two. A market correction would materially reduce personal income tax revenues and could quickly worsen the State's fiscal position. The LAO cautions that failing to incorporate this downside risk into the 2026-27 State Budget Proposal places the State on precarious fiscal footing, particularly given that the proposal is only marginally balanced even under optimistic revenue assumptions.

Both the 2026-27 LAO Analysis and the 2026-27 State Budget Proposal project persistent multiyear operating deficits. The LAO estimates that annual deficits could range between approximately $20 billion to $35 billion, while the 2026-27 State Budget Proposal projects operating deficits of roughly $27 billion in 2027-28, $22 billion in 2028-29, and $23 billion in 2029-30. The LAO characterizes these deficits as structural rather than cyclical, noting that deficits have persisted despite economic growth and rising revenue in addition to the State already addressing a cumulative $125 billion in budget problems over recent years. The LAO expresses concern that the State's fiscal challenges have become chronic and raise significant questions concerning long-term fiscal sustainability.

The LAO acknowledges that the State recognizes the risks associated with revenue volatility and multiyear structural deficits, but concludes that the 2026-27 State Budget Proposal does not materially address either challenge. The LAO recommends that the Legislature explicitly recognize downside revenue risk by adopting the LAO's more conservative revenue forecast, maintain required reserve deposits, set aside funds associated with delayed settle-up obligations into reserves rather than using them for ongoing commitments, and adopt a multiyear plan to reduce at least half of projected structural deficits through ongoing budget solutions. The LAO cautions that delaying corrective action until further budget cycles increases fiscal risk and limits the Legislature's ability to implement deliberate and sustainable solutions.

The 2026-27 LAO Analysis is available on the LAO website at www.lao.ca.gov. *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2025-26 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB ("**Article XIIIB**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from

certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIIIC and XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB

surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the

greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the "**third test**"). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain

conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as **"Proposition 30"**), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013, to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting

perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016, general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax increases of Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act ("**Proposition 2**") was approved by California voters on November 4, 2014. Proposition 2 triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the BSA established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in fiscal year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the BSA in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a fiscal year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the BSA (a "**Supplemental Stabilization Account Transfer**") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the BSA.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the BSA to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold. For the period from fiscal year 2015-16 through fiscal year 2029-30, Proposition 2 requires that half of any such transfer to the BSA (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After fiscal year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities and any amount not so applied shall be transferred to the BSA or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA are impacted by Proposition 2. Unilateral discretion to suspend transfers to the BSA are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the BSA for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIIIB of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the "**Public School System Stabilization Account**") into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to school districts and community college districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a Public School System Stabilization Account transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amended Article XIIIA to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property's tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrow as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocate most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District's assessed values.

Proposition 2 (2024)

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as "Proposition 2 (2024)") is a voter initiative that was approved by voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of $10 billion in general obligation bonds for the repair, upgrade, and construction of facilities at K-12 public schools (including charter schools), community colleges, and career technical education programs, including for the improvement of health and safety conditions and classroom upgrades.

Proposition 2 (2024) includes $3.3 billion for the new construction of K-12 facilities and an additional $4 billion for the modernization of existing K-12 facilities, up to 10% of each allocated amount to be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the $4 billion available in modernization funds, up to $115 million is available to be used for reducing lead levels in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some school districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of $1.2 billion will be available for the modernization and new construction of charter school ($600 million) and technical education ($600 million) facilities. The State will award funds to career technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

The District makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time, other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF PACIFIC GROVE AND MONTEREY COUNTY

*The following information concerning the City of Pacific Grove (the "**City**") and Monterey County (the "**County**") and is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt (or a pledge of the full faith and credit) of the City, the County, the State of California (the "**State**") or any of its political subdivisions, other than the District, and neither the City, the County, the State nor any of its political subdivisions, other than the District, is liable therefor.*

General Information

The City. The City is a small, coastal community surrounded by the Pacific Ocean, the Del Monte forest and the City of Monterey. The City has a warm-summer Mediterranean climate and was incorporated in 1889.

The County. The County covers an area of approximately 3,300 square miles and borders the Pacific Ocean almost at the midpoint of the California coastline, approximately 130 miles south of San Francisco and 240 miles north of Los Angeles. Incorporated in 1850 as one of the State's original 27 counties, the City of Salinas is the County seat. Agriculture, tourism, and government are major contributors to the County's economy. The Salinas Valley, located in the eastern portion of the County, is a rich agricultural center and one of the nation's major vegetable producing areas. The Monterey Peninsula, famed for its scenic beauty, is a year-round tourist attraction. Pebble Beach, Cypress Point, Spyglass Hill, Poppy Hills and The Links at Spanish Bay are well known Monterey Peninsula golf courses. The Monterey Bay Aquarium and the City of Carmel also are attractions that draw tourists to the Monterey Peninsula.

Population

The following table lists population estimates for the City, the cities within the County, and the County for the last five calendar years, as of January 1.

COUNTY OF MONTEREY
Population Estimates
Calendar Years 2021 through 2025 as of January 1

	2021	2022	2023	2024	2025
Carmel-By-The-Sea	3,172	3,070	3,067	3,056	3,049
Del Rey Oaks	1,571	1,554	1,561	1,551	1,546
Gonzales	8,557	8,420	8,452	8,459	8,434
Greenfield	18,908	19,888	20,316	20,543	20,785
King City	13,545	13,426	14,062	14,189	14,344
Marina	21,484	21,825	22,603	22,831	23,086
Monterey	28,630	28,333	27,380	27,148	27,273
Pacific Grove	**15,016**	**14,826**	**14,955**	**14,935**	**14,871**
Salinas	161,830	160,463	161,603	161,039	160,645
Sand City	379	370	376	374	373
Seaside	31,478	32,539	30,524	30,299	32,019
Soledad	26,585	26,681	26,521	26,831	27,310
Balance Of County	106,274	105,189	105,552	105,358	105,096
County Total	**437,429**	**436,584**	**436,972**	**436,613**	**438,831**

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The unemployment rate in the Monterey County was 10.6 percent in January 2026, up from a revised 9.1 percent in December 2025, and above the year-ago estimate of 10.1 percent. This compares with an unadjusted unemployment rate of 5.5 percent for California and 4.7 percent for the nation during the same period.

The table below lists employment by industry group for the County for the past five calendar years.

SALINAS METROPOLITAN STATISTICAL AREA
(MONTEREY COUNTY)
Annual Average Labor Force
Employment by Industry Group
(March 2024 Benchmark)

	2020	2021	2022	2023	2024
Civilian Labor Force [1]	211,900	209,800	215,300	216,600	221,200
Employment	188,100	192,100	202,000	201,400	205,100
Unemployment	23,900	17,600	13,300	15,200	16,100
Unemployment Rate	11.3%	8.4%	6.2%	7.0%	7.3%
Wage and Salary Employment: [2]					
Agriculture	53,800	54,800	58,400	54,400	56,600
Mining, Logging, and Construction	6,500	6,700	7,100	7,400	7,800
Manufacturing	4,600	4,900	5,100	5,000	4,800
Wholesale Trade	5,400	5,300	5,500	5,800	5,800
Retail Trade	15,500	16,000	16,200	16,200	16,200
Trans., Warehousing, Utilities	3,800	3,600	3,600	3,500	3,600
Information	800	800	900	900	900
Financial Activities	4,100	4,200	4,300	4,100	4,200
Professional and Business Services	14,400	15,400	15,500	14,400	13,600
Educational and Health Services	19,800	20,200	21,000	22,000	23,800
Leisure and Hospitality	18,800	20,500	24,200	25,500	25,800
Other Services	4,500	4,900	5,300	5,500	5,500
Federal Government	5,600	5,500	5,300	5,200	5,100
State Government	5,500	5,300	5,300	5,400	5,500
Local Government	22,700	22,800	23,900	24,600	25,700
Total All Industries [3]	185,500	190,800	201,600	199,900	204,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) May not add due to rounding.
Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest manufacturing and non-manufacturing employers within the County as of April 2026, in alphabetical order.

MONTEREY COUNTY
Largest Employers
April 2026

Employer Name	Location	Industry
Al Pak Labor	Soledad	Labor Contractors
Bud of California	Soledad	Fruits & Vegetables-Growers & Shippers
County-Monterey Behavioral	King City	Health Services
Filipino American Cmnty Club	Marina	Clubs
Growers Co	Salinas	Fruits & Vegetables & Produce-Retail
Hilltown Packing Co Inc	Salinas	Harvesting-Contract
Macy's	Monterey	Department Stores
Mann Packing Co Inc	Salinas	Packing & Crating Service
Mee Memorial Healthcare System	King City	Hospitals
Middlebury Institute-Intl Stds	Monterey	Schools-Universities & Colleges Academic
Misionero Vegetables	Gonzales	Fruits & Vegetables-Growers & Shippers
Monterey Bay Aquarium Rstrnt	Monterey	Non-Profit Organizations
Monterey County Public Works	Salinas	Government Offices-County
Monterey County Sheriff Office	Salinas	Non-Profit Organizations
Monterey County Social Svc Dpt	Salinas	Government Offices-County
Monterey Mushrooms	Royal Oaks	Mushrooms
Monterey Peninsula College	Monterey	Junior-Community College-Tech Institutes
Pebble Beach Co	Pebble Beach	Hotel & Motel Management
Pebble Beach Resorts	Pebble Beach	Resorts
Premium Packing	Salinas	Labor Contractors
Quality Farm Labor	Gonzales	Labor Contractors
R C Packing	Gonzales	Packing & Crating Service
Rocha Brothers Farms LLC	Moss Landing	Farms
Salinas Valley Health	Salinas	Health Care Management
Valley Harvesting	Greenfield	Crop Harvesting-Primarily By Machine

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition.

Commercial Activity

Summaries of historic taxable sales within the City and County during the past five years for which data are available are shown in the following tables.

Total taxable sales during the first three quarters of calendar year 2025 in the City were reported to be $121,142,501, a 0.71% increase over the total taxable sales of $120,287,090 reported during the comparable quarters of calendar year 2024.

CITY OF PACIFIC GROVE
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	483	$110,610	746	$123,033
2021	443	135,362	700	148,776
2022	421	148,544	680	165,570
2023	409	142,094	645	159,704
2024	400	140,290	637	159,061

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first three quarters of calendar year 2025 in the County were reported to be $7,182,995,414, a 4.05% increase over the total taxable sales of $6,903,737,083 reported during the comparable quarters of calendar year 2024.

MONTEREY COUNTY
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	8,078	$4,923,657	13,505	$6,953,873
2021	7,363	5,930,462	12,425	8,439,415
2022	7,455	6,384,227	12,783	9,422,999
2023	7,163	6,287,634	12,347	9,291,579
2024	7,022	6,299,417	12,228	9,288,693

Source: State Department of Tax and Fee Administration.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and non-tax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying and median household effective buying income for the City, County, the State of California and the United States for the period 2022 through 2026.

CITY OF PACIFIC GROVE, MONTEREY COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of Pacific Grove	$797,110	$87,739
	Monterey County	13,089,264	74,498
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Pacific Grove	$716,954	$84,173
	Monterey County	12,881,259	74,033
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Pacific Grove	$723,911	$87,085
	Monterey County	13,297,170	78,152
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Pacific Grove	$743,296	$86,863
	Monterey County	13,353,872	80,097
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Pacific Grove	$814,884	$94,182
	Monterey County	14,724,818	85,483
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

Series A Bonds

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Education
Pacific Grove Unified School District
435 Hillcrest Avenue
Pacific Grove, California 93950

OPINION: $_____ Pacific Grove Unified School District
General Obligation Bonds, Election of 2024, Series A

Members of the Board of Education:

We have acted as bond counsel to the Pacific Grove Unified School District (the "District") in connection with the issuance by the District of the bonds captioned above (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Education of the District (the "Board") on May 7, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Monterey is

obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

Refunding Bonds

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Education
Pacific Grove Unified School District
435 Hillcrest Avenue
Pacific Grove, California 93950

OPINION: $_____ Pacific Grove Unified School District
2026 General Obligation Refunding Bonds

Members of the Board of Education:

We have acted as bond counsel to the Pacific Grove Unified School District (the "District") in connection with the issuance by the District of $_____ principal amount of Pacific Grove Unified School District 2026 General Obligation Refunding Bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53550 and 58580 of such Code (the "Act"), and a resolution of the Board of Education of the District (the "Board") adopted on May 7, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications and opinions furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing school district with the power to issue the Bonds pursuant to the Act, and to perform its obligations under the Bond Resolution and the Bonds.

2. The Bond Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of the County of Monterey is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

**$_____*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A**

**$_____*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the Pacific Grove Unified School District (the "**District**") in connection with the execution and delivery of the above-captioned bonds (the "**Bonds**"). The Bonds are being executed and delivered pursuant to resolutions adopted by the Board of Education of the District on May 7, 2026 (the "**Resolutions**"). U.S. Bank Trust Company, National Association, is initially acting as paying agent for the Bonds (the "**Paying Agent**").

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District.

"*Dissemination Agent*" means, initially, Dale Scott & Company Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

**Preliminary; subject to change.*

"*Paying Agent*" means U.S. Bank Trust Company, National Association, or any successor thereto.

"*Participating Underwriter*" means Robert W. Baird & Co. Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year:

(i) assessed valuation of taxable properties in the District for the most recently completed fiscal year or, if available at the time of filing the Annual Report, for the then-current fiscal year;

(ii) assessed valuation of properties of the top twenty taxpayers in the District for the most recently completed fiscal year or, if available at the time of filing the Annual Report, for the then-current fiscal year;

(iii) property tax collection delinquencies for the District for the most recently completed fiscal year, if available from the County at the time of filing the Annual Report, but only if the District's general obligation bond tax levy is not included in the Teeter Plan; and

(iv) the District's most recently adopted Budget or approved interim report with budgeted figures, which is available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Dale Scott & Company Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolutions for amendments to the Resolutions with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any

information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2026

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

MONTEREY COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

ESCROW AGREEMENT

Relating to the refunding of:

Pacific Grove Unified School District
2015 Series A
General Obligation Refunding Bonds

Pacific Grove Unified School District
2015 Series B
General Obligation Refunding Bonds

Pacific Grove Unified School District
2016 General Obligation Refunding Bonds

This ESCROW AGREEMENT (this "Agreement"), dated _____, 2026, is between the PACIFIC GROVE UNIFIED SCHOOL DISTRICT, a school district organized and existing under the Constitution and laws of the State of California (the "District"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as escrow agent for the Refunded Bonds described below (the "Escrow Agent").

B A C K G R O U N D :

1. On July 15, 2015, the District issued its 2015 Series A General Obligation Refunding Bonds, in the aggregate principal amount of $4,925,000, as current interest bonds (the "2015A Bonds"), pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Bond Law") and a resolution of the Board of Education (the "Board") of the District adopted on April 16, 2015 (the "2015A Resolution").

2. On July 15, 2015, the District issued its 2015 Series B General Obligation Refunding Bonds, in the aggregate principal amount of $3,380,000, as current interest bonds (the "2015B Bonds"), pursuant to the provisions of the Bond Law and a resolution of the Board of the District adopted on April 16, 2015 (the "2015B Resolution").

3. On August 4, 2016, the District issued its 2016 General Obligation Refunding Bonds, in the aggregate principal amount of $16,125,000, as current interest bonds (the "2016 Bonds" and, together with the 2015A Bonds and the 2015B Bonds, the "Prior Bonds"), pursuant to the provisions of the Bond Law and a resolution of the Board of the District adopted on June 30, 2016 (the "2016 Resolution" and, together with the 2015A Resolution and the 2015B Resolution, the "Prior Resolutions").

4. In order to provide for the refinancing, on a current basis, of certain maturities of the outstanding Prior Bonds (such maturities, the "Refunded Bonds"), the Board has caused the issuance of its "Pacific Grove Unified School District 2026 General Obligation Refunding Bonds" in the aggregate principal amount of $_____ (the "Refunding Bonds"), under a resolution adopted by the Board of the District on May 7, 2026.

5. The District wishes to appoint the Escrow Agent in order to establish an irrevocable escrow fund to be funded with the proceeds of the Refunding Bonds for the purpose of providing for the payment and redemption of the Refunded Bonds, as more

particularly identified on Exhibit A hereto, through and including the respective redemption dates.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the District and the Escrow Agent hereby agree as follows:

SECTION 1. *Definition of Federal Securities*. As used herein, the term "Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

SECTION 2. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The District hereby appoints the Escrow Agent to act as escrow agent for purposes of administering the funds required to pay and redeem the Refunded Bonds as provided herein.

The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent as an irrevocable escrow securing the payment of the Refunded Bonds in accordance with the provisions of Prior Resolutions, respectively. If at any time the Escrow Agent receives actual knowledge that the cash and securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 in respect of the Refunded Bonds, the Escrow Agent shall notify the District of such fact and the District shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

The District hereby irrevocably elects, and directs the Escrow Agent, to redeem the Refunded Bonds pursuant to the Prior Resolutions, respectively, on the redemption date.

SECTION 3. *Deposit of Amounts in Escrow Fund.* On _____, 2026 (the "Closing Date"), the District shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of $_____ in immediately available funds, to be derived from the proceeds of the Refunding Bonds.

SECTION 4. *Investment of Amounts in Escrow Fund.* On the Closing Date, the Escrow Agent shall invest $_____ of the funds deposited with it pursuant to Section 3 in the Escrow Fund in the Federal Securities identified in Exhibit B hereto, and hold the remaining $____ in cash, uninvested, which shall be sufficient to make the payments required by Section 5 hereof as certified by Causey Public Finance LLC, Denver, Colorado, as verification agent. The Escrow Agent shall have no lien upon or right of set off against the cash at any time on deposit in the Escrow Fund.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of the Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District with respect to funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until

receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the District's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 5. *Application of Funds*. The Escrow Agent, as paying agent for the Prior Bonds, is hereby instructed to withdraw from the Escrow Fund and pay the principal of and interest and redemption premium (if any) on the Refunded Bonds in accordance with the schedule attached as Exhibit C hereto.

SECTION 6. *Defeasance Notice; Notice of Redemption*. The District hereby instructs the Escrow Agent to provide Notices of Defeasance of the Refunded Bonds in accordance with the Prior Resolutions, at the expense of the District, to the owners of the Refunded Bonds, and to file such notices with the Municipal Securities Rulemaking Board Electronic Municipal Market Access ("EMMA"). The sole remedy for the Escrow Agent's failure to file such notice with EMMA shall be an action in mandamus by the holders of the Refunded Bonds for specific performance or similar remedy to compel performance. The forms of such Defeasance Notices are set forth as Exhibit D hereto.

In addition, the Escrow Agent shall provide notice of redemption to the owners of the Refunded Bonds, in accordance with the Prior Resolutions, respectively, not less than 30 nor more than 60 days prior to the redemption date.

SECTION 7. *Compensation to Escrow Agent.* The District shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash and securities at any time on deposit in the Escrow Fund.

The District shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section 7 shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 8. *Immunities and Liability of Escrow Agent*. The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross negligence or willful misconduct. In no event shall the Escrow Agent be

liable for any special, indirect or consequential damages. The Escrow Agent shall not be liable for any loss from any investment made by it in accordance with the terms of this Agreement. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys and securities to pay the principal and interest with respect to the Refunded Bonds.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the District and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein. The Escrow Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, quarantine restrictions, acts of civil or military authority, or other similar occurrences.

The Escrow Agent may at any time resign by giving 30 days written notice of resignation to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the District, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of

the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District periodic transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder; provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that (a) has a balance of $0.00 and (b) has not had any activity since the last reporting date.

SECTION 9. *Termination of Agreement*. Upon payment in full of the Refunded Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 10. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11. *Amendments*. This Agreement may be amended with the consent of the District and the Escrow Agent (i) to correct ambiguities, or (ii) to make any other changes that do not materially adversely affect the holders of the Refunded Bonds. This Agreement shall not be amended unless the District shall deliver an opinion of nationally recognized bond counsel, that such amendments comply with this Section 11, including as to the effect of such amendment on the holders of the Refunded Bonds.

[Signatures on following page.]

SECTION 12. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Assistant Superintendent,
Business Services

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Representative

EXHIBIT A

REFUNDED BONDS

Refunded 2015A Bonds

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2028 T	694393 ND7	$800,000	08/01/2026	100%
2030 T	694393 NE5	615,000	08/01/2026	100
Total	--	$1,415,000		--

Refunded 2015B Bonds

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2029 T	694393 NU9	$680,000	08/01/2026	100%
2031 T	694393 NT2	505,000	08/01/2026	100
Total	--	$1,185,000		--

Refunded 2016 Bonds

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2027	694393 PB9	$740,000	08/01/2026	100%
2028	694393 PC7	790,000	08/01/2026	100
2029	694393 PD5	565,000	08/01/2026	100
2030	694393 PE3	885,000	08/01/2026	100
2031	694393 PF0	390,000	08/01/2026	100
2031	694393 PP8	520,000	08/01/2026	100
2032	694393 PG8	1,230,000	08/01/2026	100
2033	694393 PH6	1,280,000	08/01/2026	100
2034	694393 PJ2	1,340,000	08/01/2026	100
2035	694393 PK9	1,400,000	08/01/2026	100
2036	694393 PL7	1,455,000	08/01/2026	100
2039 T	694393 PM5	2,415,000	08/01/2026	100
Total	--	$13,010,000		--

T Term Bond.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.

EXHIBIT B

FEDERAL SECURITIES

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
Total				

EXHIBIT C

REFUNDED BONDS PAYMENT SCHEDULES

Payment Date	Principal Due	Interest Due	Principal Redeemed	Total Payment
Total				

EXHIBIT D
FORMS OF NOTICE OF DEFEASANCE

$4,925,000
Original Principal Amount
Pacific Grove Unified School District
2015 Series A
General Obligation Refunding Bonds

NOTICE IS HEREBY GIVEN, by the Pacific Grove Unified School District (the "District") with respect to the captioned bonds (the "2015A Bonds") that certain maturities of the outstanding 2015A Bonds (such maturities, the "Refunded Bonds") have been defeased and discharged under and within the meaning of the resolution of the Board of Education of the District authorizing the issuance of the 2015A Bonds, adopted on April 16, 2015 (the "Resolution"). Funds for the payment of the Refunded Bonds have been deposited with U.S. Bank Trust Company, National Association, as escrow agent for the 2015A Bonds (the "Escrow Agent"), and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded Bonds has been verified by Causey Public Finance, LLC, certified public accountants.

As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded Bonds consist of the following:

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2028 T	694393 ND7	$800,000	08/01/2026	100%
2030 T	694393 NE5	615,000	08/01/2026	100
Total	--	$1,415,000		--

T Term Bond.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.

The District has irrevocably elected to redeem the Refunded Bonds on _____ 1, 2026, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

Dated: _____, 2026

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Escrow Agent

FORMS OF NOTICE OF DEFEASANCE

$3,380,000
Original Principal Amount
Pacific Grove Unified School District
2015 Series B
General Obligation Refunding Bonds

NOTICE IS HEREBY GIVEN, by the Pacific Grove Unified School District (the "District") with respect to the captioned bonds (the "2015B Bonds") that certain maturities of the outstanding 2015B Bonds (such maturities, the "Refunded Bonds") have been defeased and discharged under and within the meaning of the resolution of the Board of Education of the District authorizing the issuance of the 2015B Bonds, adopted on April 16, 2015 (the "Resolution"). Funds for the payment of the Refunded Bonds have been deposited with U.S. Bank Trust Company, National Association, as escrow agent for the 2015B Bonds (the "Escrow Agent"), and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded Bonds has been verified by Causey Public Finance LLC, certified public accountants.

As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded Bonds consist of the following:

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2029 T	694393 NU9	$680,000	08/01/2026	100%
2031 T	694393 NT2	505,000	08/01/2026	100
Total	--	$1,185,000		--

T Term Bond.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.

The District has irrevocably elected to redeem the Refunded Bonds on _____, 2026, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

Dated: _____, 2026

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Escrow Agent

$16,125,000
Original Principal Amount
Pacific Grove Unified School District
2016 General Obligation Refunding Bonds

NOTICE IS HEREBY GIVEN, by the Pacific Grove Unified School District (the "District") with respect to the captioned bonds (the "2016 Bonds") that certain maturities of the outstanding 2016 Bonds (such maturities, the "Refunded Bonds") have been defeased and discharged under and within the meaning of the resolution of the Board of Education of the District authorizing the issuance of the 2016 Bonds, adopted on June 30, 2016 (the "Resolution"). Funds for the payment of the Refunded Bonds have been deposited with U.S. Bank Trust Company, National Association, as escrow agent for the 2016 Bonds (the "Escrow Agent"), and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded Bonds has been verified by Causey Public Finance LLC, certified public accountants.

As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded Bonds consist of the following:

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2027	694393 PB9	$740,000	08/01/2026	100%
2028	694393 PC7	790,000	08/01/2026	100
2029	694393 PD5	565,000	08/01/2026	100
2030	694393 PE3	885,000	08/01/2026	100
2031	694393 PF0	390,000	08/01/2026	100
2031	694393 PP8	520,000	08/01/2026	100
2032	694393 PG8	1,230,000	08/01/2026	100
2033	694393 PH6	1,280,000	08/01/2026	100
2034	694393 PJ2	1,340,000	08/01/2026	100
2035	694393 PK9	1,400,000	08/01/2026	100
2036	694393 PL7	1,455,000	08/01/2026	100
2039 T	694393 PM5	2,415,000	08/01/2026	100
Total	--	$13,010,000		--

T Term Bond.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.

The District has irrevocably elected to redeem the Refunded Bonds on _____, 2026, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

Dated: _____, 2026

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Escrow Agent

Board Cover Sheet

Action/Discussion

- [x] Credibility & Communication
- [ ] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Josh Jorn
Assistant Superintendent

Item

Issuance Resolution No. 1189 - 2024 Election Measure B, Series A

Recommendation

The District Administration recommends that the Board review and adopt Resolution Number 1189, which will authorize the issuance and sale of a general obligation bond in aggregate principal amount of not to exceed $26,000,000.

Background

Measure B was approved by District voters on November 5, 2024, authorizing general obligation bonds in an amount up to $78,000,000. The resolution authorizes the issuance of general obligation bonds from a 2024 authorization to be issued as current interest bonds through a negotiated sale, and approved in Election Measure . The Bond Purchase Agreement and Preliminary Official Statement. In addition, this resolution approves a form of Escrow Agreement, which is available for review.

Information

The first issuance of Measure B, Series A will be sold directly to Baird, which will provide maximum flexibility in the debt service structure and timing of the sale. Measure B, Series A bonds will be sold via Direct Placement. This will reduce costs of issuance as well provide maximum flexibility in the debt service structure.

Attached as an appendix to Resolution No. 1189 are certain good faith estimates related to the first issuance of this 2024 General Obligation Bond Authorization which include a Bond Purchase Agreement and the Preliminary Official Statement

Fiscal Impact

None to the general fund. Bonds are payable from ad valorem taxes levied in the District.

BOARD OF EDUCATION
PACIFIC GROVE UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 1189

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 2024, SERIES A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $26,000,000 AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Pacific Grove Unified School District (the "District") is a school district located within the County of Monterey (the "County"), State of California (the "State"), and is organized and operating pursuant to the Constitution and laws of the State; and

WHEREAS, an election was duly and regularly held in the District on November 5, 2024, in accordance with Section 1(b)(3) of Article XIIIA of the California Constitution, for the purpose of submitting Measure B (the "Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of $78,000,000, and more than the requisite 55% of votes cast were in favor of the Bond Measure; and

WHEREAS, the abbreviated form of the Bond Measure is:

> *"With no projected increase to current tax rates, shall Pacific Grove Unified School District's measure to renovate existing classrooms; replace deteriorating electrical wiring; expand Science, Technology, Engineering, Arts and Mathematics facilities at Forest Grove Elementary School, Robert Down Elementary School, Pacific Grove Middle School, Pacific Grove Adult Education Center, Pacific Grove Community High School and Pacific Grove High School be adopted, authorizing $78 million of bonds at legal rates, annual audits, average levies below $32 per $100,000 of assessed valuation (approximately $4,700,000 annually) while outstanding, citizens' oversight, and full disclosure of spending with funds that cannot be spent elsewhere?"*; and

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), general obligation bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to voters in the Bond Measure; and

WHEREAS, the District wishes at this time to initiate proceedings for the issuance of an initial series of bonds pursuant to the authorization of the Bond Measure and the Bond Law, in the aggregate principal amount of not to exceed $26,000,000, issued on a federally tax-exempt or taxable basis, or a combination thereof, to be designated "Pacific Grove Unified School District General Obligation Bonds, Election of 2024, Series A" (the "Series A Bonds"), as provided in this Resolution for the purpose of providing financing for projects which are authorized under the Bond Measure and the Bond Law; and

WHEREAS, in accordance with Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix B hereto; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Pacific Grove Unified School District as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning. Any capitalized terms defined in the recitals or body of this Resolution, and not otherwise defined in this Section, shall have the meaning given such terms in the recitals or body of the Resolution.

"Board" means the Board of Education of the District.

"Bond Counsel" means (a) the firm of Jones Hall LLP, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.

"Bond Law" means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, or such other law pursuant to which the Series A Bonds may be issued, as in effect on the date of adoption hereof and as amended hereafter.

"Bond Measure" means Measure B, submitted to and approved by more than the requisite 55% of the voters on November 5, 2024, under which the issuance of the Series A Bonds has been authorized.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the District and the Underwriter, under which the Underwriter agrees to purchase the Series A Bonds and pay the purchase price therefor.

"Building Fund" means the fund established and maintained by the District and held by the County Treasurer under Section 3.03.

"Closing Date" means the date upon which there is a delivery of the Series A Bonds in exchange for the amount representing the purchase price of the Series A Bonds by the Underwriter.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate to be executed and delivered by a District Representative on the Closing Date.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Series A Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and

charges of the Paying Agent and its counsel, fees and charges of Bond Counsel, fees and charges of the Municipal Advisor, fees and disbursements of consultants and professionals, rating agency fees and any other cost, charge or fee in connection with the original issuance and sale of the Series A Bonds.

"County" means the County of Monterey, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Treasurer" means the County Treasurer-Tax Collector, or any person at any time performing the duties of the treasurer of the County.

"Debt Service Fund" means the account established and maintained by the District and held by the County Treasurer under Section 4.02.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the Pacific Grove Unified School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the President of the Board, the Secretary to the Board, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, including any interim officer, or such officer's written designee, or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Resolution and the Series A Bonds.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Education Code" means the Education Code of the State of California, as in effect on the Closing Date or as thereafter amended from time to time.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

"Government Code" means the Government Code of the State of California, as in effect on the Closing Date or as thereafter amended from time to time.

"Interest Payment Dates" means August 1 and February 1 in each year during the term of such Series A Bond, commencing on the date set forth in the Bond Purchase Agreement, provided, however, that such dates are subject to modification as provided in the Bond Purchase Agreement.

"Municipal Advisor" means Dale Scott & Company Inc., as municipal advisor to the District in connection with the issuance and sale of the Series A Bonds.

"Office" means the office or offices of the Paying Agent for the payment of the Series A Bonds and the administration of its duties hereunder. The Paying Agent may designate and re-designate the Office from time to time by written notice filed with the County and the District.

"Outstanding," when used as of any particular time with reference to Series A Bonds, means all Series A Bonds except: (a) Series A Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Series A Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Series A Bonds in lieu of or in substitution for which other Series A Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

"Owner", whenever used herein with respect to a Series A Bond, means the person in whose name the ownership of such Series A Bond is registered on the Registration Books.

"Paying Agent" means any bank, trust company, national banking association or other entity appointed as paying agent for the Series A Bonds in the manner provided in Article VI of this Resolution, initially U.S. Bank Trust Company, National Association.

"Record Date" means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Series A Bonds under Section 2.08.

"Resolution" means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Series A Bonds" means the not-to-exceed $26,000,000 aggregate principal amount of Pacific Grove Unified School District General Obligation Bonds, Election of 2024, Series A, issued and at any time Outstanding under this Resolution.

"Taxable Series A Bonds" means the Series A Bonds on which the interest is not federally tax-exempt.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Tax-Exempt Series A Bonds" means the Series A Bonds on which the interest is intended to be excluded from gross income for federal income tax purposes under Section 103 of the Tax Code.

"Underwriter" means Robert W. Baird & Co. Incorporated, as original purchaser of the Series A Bonds upon the negotiated sale thereof, as designated pursuant to Section 3.01.

"Written Request" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District as an authorized signer of the District for said purpose.

Section 1.02 Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

(d) Whenever the term "may" is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who "may" take such action shall be under no obligation to do so.

Section 1.03. Authority for this Resolution; Findings . This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series A Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series A Bonds, together with all other indebtedness of the District, will not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE SERIES A BONDS

Section 2.01. Authorization . The Board hereby authorizes the issuance of the Series A Bonds in an aggregate principal amount not to exceed $26,000,000 under and subject to the terms of Article XIIIA, Section 1 paragraph (b) of the California Constitution, the Bond Law and this Resolution, for the purpose of raising funds for the acquisition or improvement of educational facilities in accordance with the Bond Measure, and to pay Costs of Issuance. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Series A Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal thereof and interest and premium, if any, on all Series A Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Series A Bonds will be issued as current interest bonds and shall be designated the "Pacific Grove Unified School District General Obligation Bonds, Election of 2024, Series A" with such additional designations as may be made in the Bond Purchase Agreement.

Section 2.02. Terms of Series A Bonds .

(a) Terms of Series A Bonds. The Series A Bonds will be issued as fully registered bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Series A Bonds maturing in the year of maturity of the Series A Bond for which the denomination is specified. Series A Bonds will be lettered and numbered as the Paying Agent may prescribe. The Series A Bonds will be dated as of the Closing Date.

Interest on the Series A Bonds is payable semi-annually on each Interest Payment Date. Each Series A Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the first Record Date, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Series A Bond is in default at the time of authentication thereof, such Series A Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(b) Maturities; Basis of Interest Calculation. The Series A Bonds will mature on August 1 (unless otherwise provided in the Bond Purchase Agreement) in the years and in the amounts, and will bear interest at the rates, as determined upon the sale thereof as provided in the Bond Purchase Agreement; *provided, however,* the maximum interest rate per annum and the final maturity date shall not extend beyond the legal limits set forth in the Bond Law. Interest on the Series A Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The final maturity of the Series A Bonds shall not exceed the legal limit identified in the Bond Law, and if the final maturity is more than 30 years after the Closing Date, a District Representative is authorized to execute a certification confirming that the useful life of the facilities to be financed with the proceeds of the Series A Bonds which mature more than 30 years after the Closing Date exceeds the final maturity date of said Series A Bonds.

(c) CUSIP Identification Numbers. CUSIP identification numbers will be imprinted on the Series A Bonds, but such numbers do not constitute a part of the contract evidenced by the Series A Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series A Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Series A Bonds will not constitute an event of default or any violation of the District's contract with such Owners and will not impair the effectiveness of any such notice.

(d) Payment. Interest on the Series A Bonds (including the final interest payment upon maturity or redemption) is payable by check, draft or wire of the Paying Agent given to the Owner thereof (which will be DTC so long as the Series A Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the Series A Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series A Bonds will be paid on the succeeding Interest Payment Date, by wire transfer or otherwise, to such account as will be specified in such written request. Principal of and premium (if any) on the Series A Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent. The provisions of this subsection (d) are subject in all respects to the provisions of Section 2.09 relating to Series A Bonds which are held in the book-entry system of DTC.

(e) Issuance in More Than One Series; Federally Taxable Basis. Each District Representative is hereby authorized to designate that the Series A Bonds may be issued in one or more series, and that a portion of the Series A Bonds may be issued as Taxable Series A Bonds.

(f) Bond Insurance. The Board hereby authorizes a District Representative to apply for and, upon the advice of the Municipal Advisor or Underwriter, to sign a commitment to obtain a municipal bond insurance policy with respect to some or all maturities of the Series A Bonds authorized hereunder. Such commitment, and any other documentation relating to Bond insurance, shall be executed in the name and on behalf of the District by a District Representative.

(g) Provisions of Bond Purchase Agreement to Control. Notwithstanding the foregoing provisions of this Section and the following provisions of Section 2.03, but subject to the provisions of Section 3.01 hereof, any of the terms of the Series A Bonds may be established or modified under the Bond Purchase Agreement. In the event of a conflict or inconsistency between this Resolution and the Bond Purchase Agreement relating to the terms of the Series A Bonds, the provisions of the Bond Purchase Agreement will be controlling.

Section 2.03. Redemption of Series A Bonds .

(a) Optional Redemption Dates and Prices. The Series A Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on the dates and at the respective redemption prices as set forth in the Bond Purchase Agreement.

(b) Mandatory Sinking Fund Redemption. If the Bond Purchase Agreement specifies that any one or more maturities of the Series A Bonds are term bonds which are subject to mandatory sinking fund redemption, each such maturity of Series A Bonds shall be subject to such mandatory sinking fund redemption on August 1 (unless otherwise provided in the Bond Purchase Agreement) in each of the years and in the respective principal amounts as set forth in the Bond Purchase Agreement, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such term bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future payments under this subsection (b) with respect to such term bonds shall be reduced by the aggregate principal amount of such term bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

(c) Selection of Series A Bonds for Redemption. Whenever less than all of the Outstanding Series A Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series A Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series A Bond will be deemed to consist of individual bonds of $5,000 principal amount. The Series A Bonds may all be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be given, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Series A Bonds designated for redemption. Such notice may be a conditional notice of redemption and subject to rescission as set forth in (e) below. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Series A Bonds. In addition, the Paying Agent will give notice of redemption to the Municipal Securities Rulemaking Board and each of the Securities Depositories.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series A Bonds are to be called for redemption, shall designate the serial numbers of the Series A Bonds to be redeemed by giving the individual number of each Series A Bond or by indicating those Series A Bonds between two stated numbers, both inclusive, or by stating that all of the Series A Bonds of one or more maturities have been called for redemption, and shall require that such Series A Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series A Bonds will not accrue from and after the redemption date.

Upon surrender of Series A Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Series A Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series A Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and

premium, if any) on the Series A Bonds so called for redemption have been duly provided, the Series A Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Series A Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Series A Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series A Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Series A Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall give notice of such rescission of redemption in the same manner as the original notice of redemption was given under subsection (d) of this Section.

Section 2.04. Form of Series A Bonds . The Series A Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon will be substantially in the forms, respectively, as are set forth in Appendix A attached hereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and the Bond Purchase Agreement.

Section 2.05. Execution of Series A Bonds . The Series A Bonds shall be signed by the manual or facsimile signature of the President, Vice President or Clerk of the Board, and shall be attested by the manual or facsimile signature of a District Representative. Only those Series A Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Series A Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Series A Bonds . Subject to Section 2.10, any Series A Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Series A Bond for cancellation at the Office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Series A Bond issued upon any transfer.

Whenever any Series A Bond or Bonds is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Series A Bond or Bonds, for like aggregate principal amount. No transfers of Series A Bonds shall be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series A Bonds for redemption or (b) with respect to a Series A Bond which has been selected for redemption.

Section 2.07. Exchange of Series A Bonds . Series A Bonds may be exchanged at the principal Office of the Paying Agent for a like aggregate principal amount of Series A Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Series A Bond issued upon any exchange (except in the cases of any exchange of temporary Series A Bonds for definitive Series A Bonds). No exchange of Series A Bonds shall be required to be made (a) during the 15 days before the date established by the Paying Agent for selection of Series A Bonds for redemption, or (b) with respect to a Series A Bond after it has been selected for redemption.

Section 2.08. Registration Books . The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Series A Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Series A Bonds as herein before provided.

Section 2.09. Book-Entry System . Except as provided below, DTC shall be the Owner of all of the Series A Bonds, and the Series A Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Series A Bonds shall be initially executed and delivered in the form of a single fully registered Series A Bond for each maturity date of the Series A Bonds in the full aggregate principal amount of the Series A Bonds maturing on such date; provided, however, more than one Series A Bond for a maturity date may be prepared in the event Series A Bonds with respect to said maturity date bear different rates of interest. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series A Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Series A Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Series A Bonds. The District shall cause to be paid all principal and interest with respect to the Series A Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series A Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series A Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series A Bonds and delivers a written certificate to DTC to that effect, DTC shall notify participants in its book-entry system (the "DTC Participants") of the availability through DTC of Series A Bonds. In such event, the District shall issue, transfer and exchange Series A Bonds as requested by DTC and any other Owners in appropriate amounts.

DTC may determine to discontinue providing its services with respect to the Series A Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Series A Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series A Bonds evidencing the Series A Bonds to any Depository System Participant having Series A Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series A Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Series A Bond and all notices with respect to such Series A Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Series A Bonds.

Section 2.10. Transfer Under Book-Entry System: Discontinuation of Book-Entry System . Registered ownership of the Series A Bonds, or any portion thereof, may not be transferred except as follows:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); *provided that* any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

ARTICLE III

SALE OF SERIES A BONDS; APPLICATION OF PROCEEDS

Section 3.01. Sale of Series A Bonds; Approval of Sale Documents .

(a) Negotiated Sale of Series A Bonds. Pursuant to Section 53508.7 of the Bond Law, the Board hereby authorizes the negotiated sale of the Series A Bonds to the Underwriter. The Series A Bonds shall be sold pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery by a District Representative of the Bond Purchase Agreement, provided that:

(i). the Series A Bonds shall bear a rate of interest and have a final maturity not exceeding the limits contained in the Bond Law;

(ii) the Series A Bonds shall have a ratio of total debt service to principal of not to exceed four to one; and

(iii) the Underwriter's discount shall not exceed ____% of the principal amount of the Series A Bonds.

The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the District.

In accordance with Section 53508.7 of the Bond Law, the Board has determined to sell the Series A Bonds at negotiated sale for the following reasons: (a) a negotiated sale provides more flexibility to choose the time and date of the sale which is often advantageous in the municipal bond market; (b) the involvement of the Underwriter in preparing documents, rating agency presentations and structuring bonds generally enhances the quality and results of the bond offering; (c) a negotiated sale will permit the financing structure to be adjusted, if necessary; and (d) a negotiated sale provides time for underwriters to educate potential investors about the District and the Series A Bonds with the goal of maximizing investor orders and reducing interest cost on the day of bond pricing.

(b) Official Statement. The Board hereby approves, and hereby deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Series A Bonds in substantially the form on file with the Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate stating the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. The Board hereby authorizes the distribution of the Preliminary Official Statement and the Official Statement by the Underwriter. A District Representative is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by a District Representative shall be conclusive evidence of their approval of any such changes and additions. The final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

(c) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds, including but not limited to the execution and delivery of a document with respect to the engagement of the Paying Agent appointed hereby, and an agreement facilitating the payment of Costs of Issuance. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any other District Representative.

Section 3.02. Application of Proceeds of Sale of Series A Bonds . The proceeds of the Series A Bonds shall be paid to the County Treasurer on the Closing Date, and shall be applied as follows:

(a) The portion of the proceeds representing original issue premium (if any) received by the County Treasurer from the sale of the Series A Bonds will be deposited in the Debt Service Fund.

(b) All remaining proceeds received by the County Treasurer from the sale of the Series A Bonds will be deposited in the Building Fund.

At the option of the District, a portion of the proceeds of the Series A Bonds, including any original issue premium generated with respect to the Series A Bonds, may be used to pay Costs of Issuance and may be deposited with a fiscal agent selected by the District, as provided in Section 15146(h) of the Education Code, in order to facilitate the payment of Costs of Issuance. A District Representative is authorized to enter into an agreement with such fiscal agent to facilitate such payment. In addition, the Bond Purchase Agreement may provide that the Underwriter is obligated to pay certain Costs of Issuance from its own funds, and a District Representative is authorized to review and consent to a schedule of such costs.

Section 3.03. Building Fund . The District shall establish and maintain a fund to be known as the "Pacific Grove Unified School District Election of 2024, Series A Building Fund," into which the proceeds from the sale of the Series A Bonds shall be deposited, to the extent required under Section 3.02(b). The County Treasurer shall hold this fund. The District shall maintain separate accounting for the proceeds of the Series A Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the Series A Bonds shall be expended by the District solely for the financing of projects for which the Series A Bond proceeds are authorized to be expended under the Bond Measure (which includes related Costs of Issuance). All interest and other gain arising from the investment of proceeds of the Series A Bonds shall be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Series A Bonds.

If excess amounts remain on deposit in the Debt Service Fund after payment in full of the Series A Bonds, any such excess amounts shall be transferred to the general

fund of the District, to be applied for the purposes for which the Series A Bonds have been authorized or otherwise in accordance with the Bond Law.

Section 3.04. Estimated Financing Costs . The firm of Dale Scott & Company Inc. has been engaged to serve the District as Municipal Advisor, and the firm of Jones Hall LLP, has been engaged to serve the District as bond counsel and disclosure counsel, in connection with the Bond Measure and the issuance and sale of the Series A Bonds. The Underwriter has been engaged, as set forth in Section 3.01, to serve as the underwriter in connection with the issuance and sale of the Series A Bonds. The estimated Costs of Issuance associated with the issuance of the Series A Bonds are set forth in Appendix B.

Section 3.05. Approval of Actions to Close Bond Issuance . Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on their behalf if such officer is absent or unavailable.

ARTICLE IV

SECURITY FOR THE SERIES A BONDS; DEBT SERVICE FUND

Section 4.01. Security for the Series A Bonds . The Series A Bonds are general obligations of the District. The Board has the power to direct the County to levy *ad valorem* taxes upon all property within the District that is subject to taxation by the District, without limitation as to rate or amount, for the payment of the Series A Bonds and the interest and redemption premium (if any) thereon. The District hereby formally directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series A Bonds are Outstanding in an amount not less than sufficient to pay the principal of and interest on the Series A Bonds when due, including the principal of any Series A Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on Series A Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable on the Series A Bonds. In no event are the principal of and interest and redemption premium (if any) on Series A Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District. The Series A Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code. The District acknowledges that pursuant to Government Code Section 53515, the Series A Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the voter-approved *ad valorem* taxes for the Series A Bonds.

The District hereby pledges all revenues from the property taxes collected from the levy by the County for the payment of the Series A Bonds and the amounts in the Debt Service Fund (the "Pledged Revenues") to the payment of the principal of and interest on the Series A Bonds. It is the intention of the District that (i) for purposes of 11 U.S.C. §902(2)(E), the Pledged Revenues constitute "taxes specifically levied to finance one or more projects or systems" of the District and are not "general property, sales or income taxes . . . levied to finance the general purposes of" the District, and (ii) the pledge of the Pledged Revenues constitutes a pledge of "special revenues" for purposes of 11 U.S.C. §§901 et seq., and that a petition filed by the District under 11 U.S.C. §§901 et seq., will not operate as a stay under 11 U.S.C. §362 of the application of such Pledged Revenues to payment when due of principal of and interest on the Series A Bonds. The District will not take any action inconsistent with its agreement and statement of intention hereunder and will not deny that the pledge of the Pledged Revenues constitutes a pledge of special revenues for purposes of 11 U.S.C. §§901 et seq.

Section 4.02. Establishment of Debt Service Fund . The County shall establish and maintain a fund to be known as the "Pacific Grove Unified School District Election of 2024, Series A Debt Service Fund," which the County Treasurer shall hold as a separate account, distinct from all other funds of the County and the District. All taxes levied by

the County, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Series A Bonds shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy.

The Debt Service Fund is hereby pledged for the payment of the principal of and interest on the Series A Bonds when and as the same become due, including the principal of any term Series A Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County Treasurer to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Series A Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

Section 4.03. Disbursements from Debt Service Fund . The County shall hold the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. The County Treasurer shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Series A Bonds when due and payable, to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Series A Bonds. DTC will thereupon make payments of principal and interest on the Series A Bonds to DTC Participants, who will thereupon make payments of principal and interest to the beneficial owners of the Series A Bonds. Any moneys remaining in the Debt Service Fund after the Series A Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund of the District, as provided in Section 15234 of the Education Code. As provided in Section 15232 of the Education Code, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Series A Bonds elsewhere than at the office of the County Treasurer.

Section 4.04. Pledge of Taxes . The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the District's payment of the Series A Bonds and amounts on deposit in the Debt Service Fund to the District's payment of the principal or redemption price of and interest on the Series A Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Series A Bonds and successors thereto. The property taxes and amounts held in the Debt Service Fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund to secure the District's payment of the Series A Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. This pledge constitutes an agreement between the District and owners of the Series A Bonds to provide security for the Series A Bonds in addition to any statutory lien that may exist. The District hereby represents and warrants that proceeds of the Series A Bonds will be expended solely for the purpose of financing the projects specified in the Bond Measure.

Section 4.05 Investments . All moneys held in any of the funds or accounts established with the County Treasurer hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be

deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof.

The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Series A Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment . The Board hereby directs the County to levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Series A Bonds, in conformity with the terms of the Series A Bonds and of this Resolution. In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Series A Bonds out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Section 5.02. Books and Accounts; Financial Statements . The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Series A Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Series A Bonds then Outstanding, or their representatives authorized in writing.

Section 5.03. Protection of Security and Rights of Series A Bond Owners . The District will preserve and protect the security of the Series A Bonds and the rights of the Series A Bond Owners, and will warrant and defend their rights against all claims and

demands of all persons. Following the issuance of the Series A Bonds by the District, the Series A Bonds shall be incontestable by the District.

Section 5.04. Tax Covenants .

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Tax-Exempt Series A Bonds are not so used as to cause the Tax-Exempt Series A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Series A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Tax-Exempt Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Tax-Exempt Series A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt Series A Bonds from the gross income of the Owners of the Tax-Exempt Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Series A Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the Series A Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Series A Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

Section 5.05. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Series A Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series A Bonds may take such actions as may be

necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.06. CDIAC Annual Reporting . The District hereby covenants and agrees that it will comply with the provisions of California Government Code Section 8855 subdivision (k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Resolution, failure of the District to comply with said reporting does not constitute a default by the District hereunder or under the Series A Bonds.

Section 5.07. Further Assurances . The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Series A Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. U.S. Bank Trust Company, National Association, is hereby appointed to act as the initial Paying Agent for the Series A Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Series A Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series A Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the District by executing and delivering to the District an agreement to that effect, which a District Representative is hereby authorized and directed to execute.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor, if not the County Treasurer shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least $100,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Series A Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

Any bank, national association, federal savings association, or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national association, federal savings association, or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible as described in this Section 6.01 shall be the successor to such Paying Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.02. Paying Agent May Hold Series A Bonds . The Paying Agent may become the owner of any of the Series A Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Agents . The recitals of facts, covenants and agreements herein and in the Series A Bonds shall constitute statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Series A Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 6.04 Notice to Paying Agent . The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, which may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed in this Resolution) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. Compensation; Indemnification . The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF SERIES A BOND OWNERS

Section 7.01. Remedies of Series A Bond Owners . Any Series A Bond Owner has the right, for the equal benefit and protection of all Series A Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Series A Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series A Bond Owners' rights; or

(c) upon the happening and continuation of any default by the District hereunder or under the Series A Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

Section 7.02. Remedies Not Exclusive . No remedy herein conferred upon the Owners of Series A Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Series A Bond Owners.

Section 7.03. Non-Waiver . Nothing in this Article VII or in any other provision of this Resolution or in the Series A Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series A Bonds to the respective Owners of the Series A Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series A Bonds.

A waiver of any default by any Series A Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series A Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Series A Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series A Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Series A Bond Owners, the District and the Series A Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

Section 8.01. Amendments Effective Without Consent of the Owners . The Board may amend this Resolution from time to time, without the consent of the Owners of the Series A Bonds, for any one or more of the following purposes:

(a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(c) To cure any ambiguity, supply any omission, substitute any party, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the Series A Bond Owners in the opinion of Bond Counsel filed with the District; or

(d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Tax-Exempt Series A Bonds.

Section 8.02. Amendments Effective With Consent of the Owners. The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Series A Bonds which are Outstanding at the time such consent is given.

Without the written consent of all the Owners of such Series A Bonds, no such modification or amendment shall permit (a) a change in the terms of maturity of the principal of any Outstanding Series A Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of Series A Bonds the consent of the Owners of which is required to effect any such modification or amendment, (c) a change in any of the provisions in Section 7.01 relating to events of default, or (d) a reduction in the amount of moneys pledged for the repayment of the Series A Bonds. No right or obligation of the Paying Agent may be changed or modified without its written consent.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent or the Owners of the Series A Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Series A Bonds.

Section 9.02. Defeasance of Series A Bonds.

(a) Discharge of Resolution. Any or all of the Series A Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Series A Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Series A Bonds; or

(iii) by delivering such Series A Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series A Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series A Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this

Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Series A Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series A Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Series A Bond (whether upon or prior to its maturity or the redemption date of such Series A Bond), provided that, if such Series A Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Series A Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series A Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Series A Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Series A Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent, or an escrow agent selected by the District, money or securities in the necessary amount to pay or redeem any Series A Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Series A Bonds and all unpaid interest thereon to maturity, except that, in the case of Series A Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent or a fiscal agent designated by the District has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series A Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of

and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series A Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Series A Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent or a fiscal agent designated by the District has been made for giving of such notice.

(d) Payment of Series A Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent or other escrow agent in trust for the payment of the principal or redemption price of, or interest on, any Series A Bonds and remaining unclaimed for two years after the principal of all of the Series A Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series A Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series A Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series A Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Thereafter, amounts due the Owners for payment of any amounts due on the Series A Bonds shall be deemed to be paid by the District from moneys remitted to it by the Paying Agent under this subsection (d).

Section 9.03. Execution of Documents and Proof of Ownership by Series A Bond Owners . Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series A Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series A Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series A Bond Owner or their attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to them the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series A Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series A Bond shall bind all future Owners of such Series A Bond in respect of anything done or

suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability . No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Series A Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Limited Duties of County; Indemnification . The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution and in applicable provisions of the Bond Law and the Education Code, and even during the continuance of an event of default with respect to the Series A Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 9.06. Destruction of Canceled Series A Bonds . Whenever in this Resolution provision is made for the surrender to the District of any Series A Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series A Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series A Bonds therein referred to.

Section 9.07. Partial Invalidity . If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series A Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Board, in trust, for the benefit of the Series A Bond Owners.

Section 9.08. Execution of Documents . Each District Representative, and any and all other officers of the District, are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any other District Representative if such officer is absent or unavailable.

Section 9.09. Payment on Business Days . Whenever in this Resolution any amount is required to be paid on a day which is not a business day, such payment shall be required to be made on the business day immediately following such day, provided that interest shall not accrue from and after such day.

Section 9.10. Effective Date of Resolution . This Resolution shall take effect from and after the date of its passage and adoption.

* * * * * * * *

The foregoing Resolution was adopted by the Board of Education of the Pacific Grove Unified School District of Monterey County, being the Board authorized by law to make the designations therein contained by the following vote, on May 7, 2026.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Jennifer McNary, President
Pacific Grove Unified School District

ATTEST:

_____
Dr. Linda Adamson, Secretary
Pacific Grove Unified School District

[*INCLUDED IN FORM ONLY – NOT FOR EXECUTION*]

APPENDIX A

FORM OF SERIES A BOND

REGISTERED BOND NO. _____ *****$_____*****

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

(Monterey County, California)

GENERAL OBLIGATION BONDS, ELECTION OF 2024, SERIES A

INTEREST RATE PER ANNUM:	MATURITY DATE:	DATED DATE:	CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: ***_____DOLLARS***

The Pacific Grove Unified School District (the "District"), located in the County of Monterey (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the principal amount on the Maturity Date, each as stated above, and interest thereon, calculated on the basis of a 360-day year comprised of twelve 30-day months, until the principal amount is paid or provided for, at the interest rate stated above, such interest to be paid on August 1 and February 1 of each year, commencing February 1, 2027 (the "Interest Payment Dates").

This Bond is one of a duly authorized issue of Bonds of the District designated as "Pacific Grove Unified School District General Obligation Bonds, Election of 2024, Series A" (the "Bonds"), in an aggregate principal amount of $_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California (the "Bond Law"), and under and subject to a resolution of the Board of Education of the District adopted on May 7, 2026 (the "Bond Resolution"), authorizing the issuance of the Bonds. The issuance of the Bonds has been authorized by the requisite 55% vote of the electors of the District cast at a bond election held on November 5, 2024, upon the question of issuing bonds in the amount of $26,000,000.

All capitalized terms herein and not otherwise defined have the meaning given them in the Bond Resolution. Reference is hereby made to the Bond Resolution (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description

of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Bond Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date (each, a "Record Date") and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated prior to January 15, 2027, in which event it shall bear interest from the Dated Date referred to above. Principal hereof is payable at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially U.S. Bank Trust Company, National Association. Interest hereon (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of Record Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20__ and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[*If applicable*:] The Bonds maturing on August 1, 20__ (the "Term Bonds") are also subject to mandatory sinking fund redemption on or before August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced on a pro rata basis in integral multiples of $5,000, or on such other basis as designated pursuant to written notice filed by the District with the Paying Agent.

Sinking Fund Redemption Date (August 1)	Principal Amount To Be Redeemed

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be conditional and subject to rescission as described in the Bond Resolution.

Notice of redemption shall be posted to a national information service that disseminates securities redemption notices and to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are

issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest in this Bond.

This Bond shall not be valid or obligatory for any purpose and is not entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Pacific Grove Unified School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Education and attested by the facsimile signature of the Secretary to its Board of Education, all as of the date stated above.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By _____*NOT FOR EXECUTION*_____
President of the Board

Attest:

_____*NOT FOR EXECUTION*_____
Secretary to the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Bond Resolution.

Authentication Date:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent

_____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____ _____, attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

_____
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE*

1. True Interest Cost of the Series A Bonds: ____%

2. Finance charge of the Series A Bonds, being the sum of all fees and charges paid to third parties, consisting of costs of issuing the Series A Bonds in the amount of approximately $_____, plus estimated underwriter's compensation of $_____.

3. Proceeds of the Series A Bonds expected to be received by the District, net of proceeds for Costs of Issuance in (2) above to be paid from principal, capitalized interest and reserves (if any) from the principal amount of the Series A Bonds: $_____.

4. Total Payment Amount for the Series A Bonds, being the sum of all debt service to be paid on the Series A Bonds to final maturity: $_____.

**All amounts and percentages are estimates and are made in good faith by the District based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding interest rates available in the bond market and assume the issuance of Series A Bonds in a principal amount of $26,000,000.*

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

BOND PURCHASE AGREEMENT

_____, 2026

Board of Education
Pacific Grove Unified School District
435 Hillcrest Avenue
Pacific Grove, California 93950

Ladies and Gentlemen:

Robert W. Baird & Co. Incorporated, as underwriter (the "Underwriter"), acting on its own behalf and not as fiduciary or agent for the hereinafter defined District, offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Pacific Grove Unified School District (the "District"), which, upon acceptance hereof by the District, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at its office prior to 11:59 p.m., Pacific Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all of the following bonds (together, the "Bonds") at the following prices:

(a) $_____ aggregate principal amount of the District's Pacific Grove Unified School District General Obligation Bonds, Election of 2024, Series A (the "Series A Bonds"). The Underwriter shall purchase the Series A Bonds at a price of $_____ (which represents the aggregate principal amount of the Series A Bonds, plus original issuance premium of $_____, and less Underwriter's discount in the amount of $_____).

(b) $_____ aggregate principal amount of the District's Pacific Grove Unified School District 2026 General Obligation Refunding Bonds (the "Refunding Bonds"). The Underwriter shall purchase the Refunding Bonds at a price of $_____ (which represents the aggregate principal amount of the Refunding Bonds, plus original issuance premium of $_____, and less Underwriter's discount in the amount of $_____).

The Bonds are issued under the provisions of resolutions adopted by the Board of Education (the "Board") of the District on May 7, 2026 (together, the "Bond Resolutions") and, with respect to the Series A Bonds, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 of said Code (the "New Money

Bond Law"), and with respect to the Refunding Bonds, Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Refunding Bond Law").

The Series A Bonds are being issued for the purpose of providing funding for capital improvement projects in the District. The Refunding Bonds are being issued for the purpose of refinancing certain maturities of the District's outstanding general obligation bonds and general obligation refunding bonds (such maturities, the "Refunded Bonds"), as more particularly described in the Official Statement. A portion of the net proceeds of the Refunding Bonds will be used to defease and refund the Refunded Bonds through a deposit into an escrow fund created under the terms of an Escrow Agreement (the "Escrow Agreement"), dated as of the Closing Date (as defined below), between the District and U.S. Bank Trust Company, National Association, as escrow bank (the "Escrow Bank").

The Bonds shall accrue interest at the rates, and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference.

The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) in connection with this transaction, including the process leading thereto, the Underwriter is acting solely as a principal and is not acting as an agent, a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the District or any other person or entity, (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, has provided other services or is currently providing other services to the District on other matters), (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement, and (v) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District confirms that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

2. **The Bonds**. The Bonds shall be issued and secured pursuant to, the provisions of the respective Bond Resolutions and the New Money Bond Law and Refunding Bond Law, as applicable.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the respective Bond Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form initially, registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC").

3. **Redemption**. The Bonds shall be subject to redemption as provided in the respective Bond Resolutions and as set forth on Appendix A herein.

4. **Use of Documents**. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, a Preliminary Official Statement and an Official Statement (both as defined below), the Escrow Agreement, the Bond Resolutions, the Continuing Disclosure Certificate, and all information contained herein and

therein and all of the documents, certificates, or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

5. **Public Offering of the Bonds**. The Underwriter agrees to make a bona fide public offering of the Bonds initially at the initial public offering prices or yields to be set forth on the inside cover page(s) of the Official Statement and Appendix A hereto. Subsequent to the initial public offering the Underwriter shall offer the Bonds in accordance with the requirements of Section 11. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

6. **Review of Official Statement**. The Underwriter hereby represents that it has received and reviewed a Preliminary Official Statement with respect to the Bonds, dated _____, 2026 (the "Preliminary Official Statement"). The District represents that the Preliminary Official Statement was "deemed final" as of the date thereof, for purposes of complying with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), except for either revisions or additions to the offering price(s), interest rate(s), yield(s), Underwriter's discount, aggregate principal amount, principal amount per maturity, delivery date, rating(s), redemption provisions and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule. The District hereby ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement.

The Underwriter agrees that prior to the time the final Official Statement (as defined herein) relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. The Preliminary Official Statement and the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed to by the District and the Underwriter. The District confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form. A copy of the Preliminary Official Statement shall be sent to a potential purchaser by first-class mail or electronically (or by other equally prompt means) not later than the first business day following the date upon which each such request is received. References herein to the Preliminary Official Statement and the final Official Statement include the cover page, inside cover page(s) and all appendices, exhibits, maps, reports, and statements included therein or attached thereto.

7. **Closing**. At 9:00 a.m., Pacific Time, on _____, 2026, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (such payment and delivery herein called the "Closing," and the date thereof the "Closing Date"), the District will deliver to the Underwriter, through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Jones Hall LLP, in San Mateo, California ("Bond Counsel"), the other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the respective purchase prices thereof set forth in Section 1 in immediately available funds by check, draft or wire transfer to or upon the order of the District.

8. **Representations, Warranties and Agreements of the District**. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is, and will be on the Closing Date, a school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the

New Money Bond Law and Refunding Law, as applicable, to adopt the Bond Resolutions and to enter into this Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Certificate (as defined in paragraph (i) below).

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement and the Continuing Disclosure Certificate and the Escrow Agreement, to adopt the Bond Resolutions, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement and the Bond Resolutions; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Bond Resolutions, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the Bond Resolutions, this Purchase Agreement, the Escrow Agreement and the Official Statement.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, or is required and has not been taken or obtained. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(d) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds, and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income on the Bonds for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Bonds, as applicable.

(e) No Conflicts; No Default. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Bond Resolutions, the Escrow Agreement, the Continuing Disclosure Certificate and the Bonds, and the compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the District a violation of or material default under the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject. The execution and delivery of the Bonds, this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate

and adoption of the Bond Resolutions and compliance with the provisions on the District's part contained herein and therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Resolutions.

(f) Litigation. As of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the title of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds (other than as described in the Preliminary Official Statement and Official Statement), or the collection or the levy of any taxes contemplated by the Bond Resolutions and available to pay debt service on the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Bond Resolutions or contesting the powers of the District or the Bond Resolutions or this Purchase Agreement; (iii) which affects the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement, the Escrow Agreement or the Bond Resolutions, (b) declare this Purchase Agreement, the Bond Resolution or the Escrow Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of interest paid on the Bonds from State personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District nor any person or entity on behalf of the District will have issued or caused to be issued any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Certificates. Except as specifically provided, any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Continuing Disclosure. The District shall undertake, pursuant to the Bond Resolutions, the Continuing Disclosure Certificate with respect to the Bonds in substantially the form attached as Appendix E of the Preliminary Official Statement (the “Continuing Disclosure Certificate”) and the Rule, to provide

certain annual financial information and notices of the occurrence of certain events described therein. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Based on a review of its previous undertakings, except as disclosed in the Preliminary Official Statement and the final Official Statement, the District has not, in the previous five years failed to comply in all material respects with its prior undertakings pursuant to the Rule.

(j) Preliminary Official Statement and Official Statement Accurate and Complete. The Preliminary Official Statement, as of its date, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(k) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District.

(l) No Financial Advisory Relationship. The District has had no financial advisory relationship with the Underwriter with respect to the Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriter.

(m) Underwriter Not Acting as Fiduciary. Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Underwriter, for its own account.

9. **Underwriter Representations, Warranties and Agreements**. The Underwriter represents, warrants to and agrees with the District that, as of the date hereof and as of the Closing Date:

(a) The Underwriter is and will be duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it.

(b) The execution and delivery hereof and the consummation of the transactions contemplated hereby does not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the MSRB;

(c) All reports required to be submitted to the MSRB pursuant to Rule G-37 with respect to the transaction contemplated hereby have been or will be submitted to the MSRB; and

(d) It has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm, or person (including, but not limited to the District's municipal advisor, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter or counsel to the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

10. **Covenants of the District**. The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the 7th business day following the date this Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (the "Official Statement") (i) in "designated electronic format" as defined in Rule G-32 of the Municipal Securities Rulemaking Board, and (ii) in printed format in such reasonable quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(c) Subsequent Events; Amendments to Official Statement. If, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds (determined pursuant to Section 17), an event occurs which would cause the information contained in a final Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will notify the Underwriter, and, if in the opinion of the District or the Underwriter, such event requires

the preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish to the Underwriter (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to said Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the District will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(d) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Monterey County (the "County") or otherwise necessary in order to arrange for the levy and collection of *ad valorem* taxes and payment of the Bonds. In particular, the District hereby agrees to provide to the Treasurer-Tax Collector for the County, which is the county with jurisdiction over the District, copies of the Bond Resolutions, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with California Education Code Sections 15250 et seq., California Government Code Section 53559 and policies and procedures of the County.

(e) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the respective Bond Resolutions and as described in the Official Statement; and

(f) Filings. The District authorizes the Underwriter to file, to the extent required by the applicable rules promulgated by the SEC or the MSRB, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system); or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filing referred to above). If an amended Official Statement is prepared in accordance with Section 10(c) of this Purchase Agreement during the "Primary Offering Disclosure Period" (as defined herein), and if required by an applicable SEC rule or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The "Primary Offering Disclosure Period" is used as defined in MSRB Rule G-32 and shall end on the twenty-fifth day after the Closing Date.

11. **Establishment of Issue Price**.

(a) Actions to Establish Price. The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the District under this Section 11 to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) 10% Test. Except for the maturities (if any) identified in Appendix A for which the Hold-The-Offering-Price Rule described in (c) below shall apply, the District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) Hold-The-Offering-Price Rule. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Appendix A, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity 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:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) Selling Group or Third-Party Distribution Agreements. The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The District acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) Sales to the Public; Definitions. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(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 District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 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 of execution of this Purchase Agreement by all parties.

12. **Conditions to Closing**. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District, of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the Bond Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the New Money Bond Law and the Refunding Bond Law which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Bond Resolutions, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 8(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. The market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering price, shall not have been materially adversely affected, in the judgment of the Underwriter, by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States (by press release, other form of notice or otherwise), or of the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States or of the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) press release, official statement or other form of notice issued or made:

(i) by or on behalf of the United States Treasury Department or by or on behalf of the Internal Revenue Service or other governmental agency, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation or State income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended or that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(2) legislation enacted by the State legislature or a decision rendered by a Court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence or material escalation of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices on any national security exchange, whether by virtue of a determination of that exchange or by order of the SEC or any other governmental authority having jurisdiction or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force including those relating to the extension of credit by or the charge to the net capital requirements of the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or

by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) a decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended;

(8) the withdrawal, suspension or downgrading or negative change in credit status, or notice of potential withdrawal, suspension or downgrading or negative change in credit status, of any underlying rating of the District's outstanding indebtedness by a national rating agency;

(9) any event occurring, or information becoming known which makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(10) any fact or event shall exist or have existed that, in the Underwriter’s judgment, requires or has required an amendment of or supplement to the Official Statement;

(11) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(12) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(13) any proceeding shall have been commenced or be threatened in writing by the SEC against the District;

(14) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the District;

(15) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions

herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(16) marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

(e) Delivery of Documents. At or prior to the Closing Date, the Underwriter shall receive copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion and Reliance Letter An approving opinion of Bond Counsel, as to the validity of the Bonds and, if applicable, the tax-exempt status of the Bonds, dated the Closing Date, addressed to the District and in substantially the form attached as Appendix D to the Official Statement, and one or more reliance letters from Bond Counsel, addressed to the Underwriter, to the effect that the Underwriter may rely upon such approving opinion;

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statements on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “SECURITY FOR THE BONDS”, “TAX MATTERS” and “CONTINUING DISCLOSURE” to the extent they purport to summarize certain provisions of the Bond Resolutions, the Continuing Disclosure Certificate, California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, or information relating to DTC or its book-entry only system, included therein, or with respect to Appendices A, B, C, F, and G to the Official Statement;

(ii) assuming due authorization, execution and delivery by the parties to this Purchase Agreement other than the District, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the approval of the Official Statement have been duly authorized, executed and delivered by the respective parties thereto and constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought

and by the limitations on legal remedies against public agencies in the State of California; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Bond Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(3) Disclosure Counsel Letter. A letter of Jones Hall LLP, Disclosure Counsel, dated the Closing Date and addressed to the District and the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the District, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data, or information concerning DTC and the book-entry only system, contained in the Official Statement);

(4) Certificates of the District. A certificate or certificates signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the approval of the Official Statement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of each Bond Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Preliminary Official Statement and the final Official Statement and on such basis certifies that the Preliminary Official Statement did not as of its date, and the final Official Statement does not as of its date and as of the Closing Date, contain any untrue statement of a material fact, nor omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the respective Bond Resolution, (vi) no further consent is required for inclusion of the audit included as an appendix to the Preliminary Official Statement and the Official Statement, (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the

Bonds by the District or the due adoption of the Bond Resolutions; and (viii) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should have been disclosed in order to make statements in the Official Statement in light of the circumstances under which they were made not misleading, and (ix) the Bond Resolutions were duly adopted and have not been modified, amended, rescinded or revoked and are in full force and effect on the Closing Date;

(5) Tax Certificate. A non-arbitrage certificate of the District with respect to the Bonds, as appropriate, in form satisfactory to Bond Counsel;

(6) Bond Resolutions. Fully executed copies of the Bond Resolutions:

(7) Official Statement. A certificate of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(8) Continuing Disclosure Certificate. The Continuing Disclosure Certificate, duly executed by the District;

(9) Paying Agent Certificate. A written certificate of U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), executed by a duly authorized representative of the Paying Agent, dated the Closing Date, to the effect that the Paying Agent is validly existing under the laws of the State, and has full power to enter into, accept and perform its duties under the respective Bond Resolutions, together with a paying agent agreement entered into between the District and the Paying Agent;

(10) Escrow Agreement. An original executed copy of the Escrow Agreement;

(11) Escrow Bank Certificate. A written certificate of the Escrow Bank, executed by a duly authorized representative of the Escrow Bank, dated the Closing Date, to the effect that:

(i) The Escrow Bank is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and perform its duties under the Escrow Agreement.

(ii) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Bank and constitutes the legal, valid and binding obligation of the Escrow Bank, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(12) Defeasance Opinion. An opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Underwriter, as to the defeasance of the Refunded Bonds.

(13) Verification. A certificate of Causey Public Finance, LLC, certified public accountants, as verification agent, verifying the sufficiency of the amounts deposited and invested under the Escrow Agreement for the purpose of refunding the Refunded Bonds.

(14) Tax Rate and Bonding Capacity Certificates (Series A Bonds only). Certificates signed by a District official confirming that the District is in compliance with applicable tax rate and bonding capacity limitations;

(15) Underwriter Certificates. The following certificates from the Underwriter to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting delivery of the Bonds to the Underwriter and receipt of all documents required by the Underwriter, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by the District,

(ii) the certification of the Underwriter regarding the prices at which the Bonds have been reoffered to the public, in form satisfactory to Bond Counsel, as described in Section 11 of this Purchase Agreement

(16) Undewriter's Counsel Opinion. An opinion of Kutak Rock LLP, as counsel to the Underwriter, in form and substance approved by the Underwriter.

(17) Ratings. Evidence that the Bonds have been assigned the ratings set forth on the cover page of the Official Statement, and that such ratings have not been withdrawn or downgraded;

(18) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, Pacific Time, on the Closing Date, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

13. **Conditions to Obligations of the District**. The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of the opinions and certificates being delivered at the Closing by persons and entities other than the District.

14. **Costs and Expenses**. The District shall pay or cause to be paid the expenses incident to the performance of the obligations of the District hereunder from bond proceeds, which shall be deposited with a costs of issuance custodian identified by the District to the Underwriter, including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of all documentation relating to the issuance of the Bonds and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of any legal counsel, accountants, advisors, rating agencies, (including all necessary travel expenses of any District personnel), paying agents, escrow agents, or other experts or consultants retained by the District, including Bond Counsel and Disclosure Counsel, and (c) the cost of printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing of the Official Statement, including the requisite number of copies thereof for distribution by the Underwriter. In the event that the District's expenses incident to the issuance of the Bonds exceed proceeds available for such purpose, the District shall pay such amount from any other lawfully available source.

On the Closing Date, the Underwriter will wire $_____ of the purchase price of the Series A Bonds and $_____ of the purchase price of the Refunding Bonds directly to a costs of issuance custodian identified by the District. The Underwriter shall pay, and the District shall be under no obligation to pay, all expenses incurred by it in connection with the public offering and distribution of the Bonds, including but not limited to CUSIP fees and California Debt Advisory and Investment Commission fees.

The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

15. **Notices**. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Superintendent (or Superintendent's designee), at the address set forth on page 1 hereof, or if to the Underwriter as follows:

Robert W. Baird & Co. Incorporated
2029 Century Park E., Suite 400
Los Angeles, CA 90067
Attention: John Baracy, Managing Director

16. **Parties in Interest; Survival of Representations and Warranties**. This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

17. **Determination of End of the Underwriting Period**. For purposes of this Purchase Agreement, the "end of the underwriting period" for the Bonds is used as defined in the Rule, and shall occur on the later of (a) the day of the Closing, or (b) the date on which the Underwriter no longer retains an unsold balance of the Bonds. Unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District, the District may assume that the "end of the underwriting period" is the Closing Date.

18. **Severability**. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

19. **Nonassignment**. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

20. **Entire Agreement**. This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

21. **Applicable Law**. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

22. **Execution in Counterparts**. This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED, as Underwriter

By: _____
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

Time of Execution: _____ p.m. Pacific Time

APPENDIX A

Maturity Schedules

Series A Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	Applicable Issue Price Rule

* At least 10% of each maturity sold at the time of pricing.
C: Priced to par call on the first optional redemption date of August 1, 20__.
T: Term Bonds

Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	Applicable Issue Price Rule

* At least 10% of each maturity sold at the time of pricing.
C: Priced to par call on the first optional redemption date of August 1, 20__.
T: Term Bonds

Redemption Provisions

Optional Redemption.

Series A Bonds***.*** The Series A Bonds (the "**Series A Bonds**") maturing on or before August 1, 20__, are not subject to redemption prior to maturity. The Series A Bonds maturing on or after August 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Refunding Bonds***.*** The Refunding Bonds (the "**Refunding Bonds**" and, together with the Series A Bonds, the "**Bonds**") maturing on or before August 1, 20__, are not subject to redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent or as otherwise directed by the District. For the purpose of selection for optional redemption, Bonds will be deemed to consist of $5,000 portions (principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption.

Series A Bonds. The Series A Bonds maturing on August 1, 20__ and August 1, 20__ (together, the **"Series A Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year, in accordance with the schedules set forth below, respectively. The Series A Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Series A Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

Series A Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any Series A Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Series A Term Bonds shall be reduced by the aggregate principal amount of such Series A Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Refunding Bonds. The Refunding Bonds maturing on August 1, 20__ and August 1, 20__ (together, the **"Refunding Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year, in accordance with the schedules set forth below, respectively. The Refunding Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Refunding Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

Refunding Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any Refunding Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Refunding Term Bonds shall be reduced by the aggregate principal amount of such Refunding Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$_____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Robert W. Baird & Co. Incorporated ("Baird"), hereby certifies based upon information available to it as set forth below with respect to the sale and issuance of the above-captioned obligations (collectively, the "Bonds") of the Pacific Grove Unified School District (the "District").

1. ***Sale of the 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 Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) Baird 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 Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement dated _____, 2026, between Pacific Grove Unified School District (the "District") and Baird, Baird has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any Bonds 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 third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party 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 Bonds during the Holding Period.

3. ***Defined Terms***.

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

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds 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 Baird 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) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) "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.

(f) "Related Party" means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 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 profit 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 first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2026.

(h) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Baird'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 District with respect to certain of the representations set forth in the Certificate of Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall LLP in connection with rendering its opinion that the interest on the Bonds 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 District from time to time relating to the Bonds.

ROBERT W. BAIRD & CO. INCORPORATED,
as Underwriter

By: _____
Managing Director

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2026

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE - FULL BOOK-ENTRY

RATING: S&P: "___"
See "RATING" herein.

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$26,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$18,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

Dated: Date of Delivery **Due: August 1, as shown on inside front cover**

Authority and Purpose. The above-captioned General Obligation Bonds, Election of 2024, Series A (the "Series A Bonds") and the 2026 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series A Bonds, the "Bonds") are being issued by the Pacific Grove Unified School District (the "District") pursuant to certain provisions of the California Government Code and resolutions of the Board of Education of the District adopted on May 7, 2026. The Series A Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of $78,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Series A Bonds are the first series of bonds to be issued under the 2024 Authorization (as defined herein). The Refunding Bonds are being issued to refund certain outstanding general obligation refunding bonds of the District. See "THE BONDS – Authority for Issuance" herein.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by Monterey County (the "County"). The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding. See "SECURITY FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and APPENDIX F.

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing February 1, 2027 for the Series A Bonds and August 1, 2026 for the Refunding Bonds. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption.* The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

MATURITY SCHEDULES
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

*The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall LLP, Bond Counsel to the District, and subject to certain other conditions. Jones Hall LLP is also serving as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about June 11, 2026.**



The date of this Official Statement is _____, 2026.

*Preliminary; subject to change.

MATURITY SCHEDULES*

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

Base CUSIP†: 694393

$_____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ ____% Term Bonds maturing August 1, 20__; Yield: ___%; Price: ___; CUSIP†: ___

[Continued on the next page]

**Preliminary; subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP data.

MATURITY SCHEDULES*

[Continued from Previous Page]

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

Base CUSIP†: 694393

$_____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ ____% Term Bonds maturing August 1, 20__; Yield: ___%; Price: ___; CUSIP†: ___

**Preliminary; subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP data.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)

BOARD OF EDUCATION

Jennifer McNary, *President*
Beth Shammas, *Clerk*
Laura Ottmar, *Trustee*
Elliot Hazen, *Trustee*
Mike Wachs, *Trustee*

DISTRICT ADMINISTRATION

Linda Adamson, *Superintendent*
Joshua Jorn, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company Inc.
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Irvine, California

BOND REGISTRAR, TRANSFER AGENT, PAYING AGENT AND ESCROW AGENT

U.S. Bank Trust Company, National Association
San Francisco, California

VERIFICATION AGENT

Causey Public Finance, LLC
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover pages of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolutions or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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$26,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A

$18,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds

The purpose of this Official Statement, which includes the cover page, inside cover pages and attached appendices, is to set forth certain information concerning the sale and delivery of (i) General Obligation Bonds, Election of 2024, Series A (the "**Series A Bonds**") and (ii) 2026 General Obligation Refunding Bonds (the "**Refunding Bonds**" and, together with the Series A Bonds, the "**Bonds**") by Pacific Grove Unified School District (the "**District**").

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District is comprised of an area of approximately 12 square miles located on the Monterey Peninsula and serves the City of Pacific Grove and an adjoining portion of the unincorporated area of Del Monte Forest in Monterey County (the "**County**"), in the State of California (the "**State**"). The District currently operates two elementary schools, one middle school and one high school. The District also maintains a continuation high school, an adult education center, and three childcare centers. Enrollment in the District for the 2025-26 school year is projected for approximately 1,707 students. For purposes of education funding, the District is a **"Basic Aid District"** or "**Community Supported District,"** meaning that the District's share of local property taxes exceeds its funding entitlement under the State's education funding formula.

For more information regarding the District and its finances, see APPENDIX A and APPENDIX B attached hereto. See APPENDIX C hereto for demographic and other statistical information regarding the City of Pacific Grove and the County.

Purpose of Issue. The net proceeds of the Series A Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 5, 2024 (the **"Bond Election"**), which authorized a total of $78,000,000 principal amount of general obligation bonds (the "**2024 Authorization**"), and to pay costs of issuance.

The net proceeds of the Refunding Bonds will be used to refund, on a current basis, all or a portion of the District's outstanding: (i) 2015 Series A General Obligation Refunding Bonds (the "**2015A Bonds**"), (ii) 2015 Series B General Obligation Refunding Bonds (the "**2015B Bonds**"), (iii) 2016 General Obligation Refunding Bonds (the "**2016 Bonds**" and, together with the 2015A Bonds and the 2015B Bonds, the "**Refunded Bonds**"), and to pay costs of issuance. See "THE FINANCING PLAN" herein.

Authority for Issuance of the Bonds. Issuance of the Series A Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize $78,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the

California Government Code and a resolution adopted by the Board of Education of the District on May 7, 2026 (the "**Series A Bond Resolution**"). See "THE BONDS – Authority for Issuance" herein.

The Refunding Bonds will be issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "**Refunding Law**") and under a resolution adopted by the Board of Education of the District on May 7, 2026 (the "**Refunding Bond Resolution**" and, together with the Series A Bond Resolution, the "**Bond Resolutions**"). See "THE BONDS - Authority for Issuance."

Description of the Bonds. The Bonds will be issued as current interest bonds, will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover pages hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027, for the Series A Bonds and August 1, 2026, for the Refunding Bonds. See "THE BONDS – Description of the Bonds" herein.

Payment and Registration of the Bonds. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to actual purchasers of the Bonds (the "**Beneficial Owners**") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through participants in DTC's book-entry only system ("**DTC Participants**") as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F.

If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Bond Resolutions. See "THE BONDS - Registration, Transfer and Exchange of Bonds" herein.

Security and Sources of Payment for the Bonds. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

Following the issuance of the Series A Bonds, there will be $52,000,000* principal amount remaining under the 2024 Authorization. See "FINANCIAL INFORMATION – Existing Debt Obligations" in APPENDIX A.

Redemption*. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

Legal Matters. Issuance of the Bonds is subject to the approving opinions of Jones Hall LLP, Bond Counsel, to be delivered in substantially the forms attached hereto as APPENDIX D. Jones Hall LLP will also serve as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon issuance of the Bonds.

* *Preliminary; subject to change.*

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and APPENDIX D hereto for the forms of Bond Counsel's opinions to be delivered concurrently with the Bonds.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the "**Continuing Disclosure Certificate**"), the form of which is attached as APPENDIX E. See "CONTINUING DISCLOSURE" for additional information.

Cyber Risks. The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings, described in more detail herein. See APPENDIX A "FINANCIAL INFORMATION – Disclaimer Regarding Cyber Risks."

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement are available from the District, which may impose a charge for copying, mailing and handling.

THE FINANCING PLAN

Series A Bonds

The Series A Bonds are the first series of bonds issued pursuant to the 2024 Authorization. Following the issuance of the Series A Bonds, there will be $52,000,000* principal amount remaining under the 2024 Authorization.

Proceeds of the Series A Bonds will be used for the purposes specified in the ballot measure approved by voters in the District on November 5, 2024, the abbreviated text of which appeared on the ballot as follows:

> *"With no projected increase to current tax rates, shall Pacific Grove Unified School District's measure to renovate existing classrooms; replace deteriorating electrical wiring; expand Science, Technology, Engineering, Arts and Mathematics facilities at Forest Grove Elementary School, Robert Down Elementary School, Pacific Grove Middle School, Pacific Grove Adult Education Center, Pacific Grove Community High School and Pacific Grove High School be adopted, authorizing $78 million of bonds at legal rates, annual audits, average levies below $32 per $100,000 of assessed valuation (approximately $4,700,000 annually) while outstanding, citizens' oversight, and full disclosure of spending with funds that cannot be spent elsewhere?*

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the **"Project List"**). The District makes no representation as to the specific application of the proceeds of the Series A Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2024 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

The Refunding Bonds

The proceeds of the Refunding Bonds will be used to refinance the Refunded Bonds, as further identified below, and to pay related costs of issuance.

2015A Bonds. On July 15, 2015, the District issued its 2015 Series A General Obligation Refunding Bonds (the "**2015A Bonds**"), as current interest bonds, in the original principal amount of $4,925,000 for the purpose of refunding outstanding general obligation refunding bonds of the District.

The 2015A Bonds are subject to optional redemption on August 1, 2025, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium. The 2015A Bonds are currently outstanding in the aggregate principal amount of $1,785,000.

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* *Preliminary; subject to change.*

2015A Refunded Bonds*

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2028 T	694393 ND7	$800,000	08/01/2026	100%
2030 T	694393 NE5	615,000	08/01/2026	100
Total	--	$1,415,000		--

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.
T Term Bond.

2015B Bonds. On July 15, 2015, the District issued its 2015 Series B General Obligation Refunding Bonds (the "**2015B Bonds**"), as current interest bonds, in the original principal amount of $3,380,000 for the purpose of refunding outstanding general obligation refunding bonds of the District.

The 2015B Bonds are subject to optional redemption on August 1, 2025, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium. The 2015B Bonds are currently outstanding in the aggregate principal amount of $1,415,000.

2015B Refunded Bonds*

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2029 T	694393 NU9	$680,000	08/01/2026	100%
2031 T	694393 NT2	505,000	08/01/2026	100
Total	--	$1,185,000		--

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.
T Term Bond.

2016 Bonds. On August 4, 2016, the District issued its 2016 General Obligation Refunding Bonds (the "**2016 Bonds**") in the original principal amount of $16,125,000, as current interest bonds, for the purpose of refunding outstanding general obligation bonds of the District.

The 2016 Bonds are subject to optional redemption on August 1, 2026, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium. The 2016 Bonds are currently outstanding in the aggregate principal amount of $13,730,000.

2016 Refunded Bonds*

Maturity Date (August 1)	CUSIP†	Principal Amount Redeemed	Redemption Date	Redemption Price
2027	694393 PB9	$740,000	08/01/2026	100%
2028	694393 PC7	790,000	08/01/2026	100
2029	694393 PD5	565,000	08/01/2026	100
2030	694393 PE3	885,000	08/01/2026	100
2031	694393 PF0	390,000	08/01/2026	100
2031	694393 PP8	520,000	08/01/2026	100
2032	694393 PG8	1,230,000	08/01/2026	100
2033	694393 PH6	1,280,000	08/01/2026	100
2034	694393 PJ2	1,340,000	08/01/2026	100
2035	694393 PK9	1,400,000	08/01/2026	100
2036	694393 PL7	1,455,000	08/01/2026	100
2039 T	694393 PM5	2,415,000	08/01/2026	100
Total	--	$13,010,000		--

**Preliminary; subject to change.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.
T Term Bonds.

The District will deliver the net proceeds of the Refunding Bonds to U.S. Bank Trust Company, National Association, as Escrow Agent (the "**Escrow Agent**"), for deposit in an escrow fund (the "**Escrow Fund**") established under an Escrow Agreement (the "**Escrow Agreement**"), between the District and the Escrow Agent. The Escrow Agent will invest such funds in certain federal securities ("**Escrow Fund Securities**"), and will apply such funds, with cash, together with interest earnings (if any) on the investment of such funds in Escrow Fund Securities, to pay the principal of and interest on the Refunded Bonds on their respective redemption dates.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Public Finance, LLC (the **"Verification Agent"**). See "VERIFICATION OF MATHEMATICAL ACCURACY." As a result of the deposit of funds with the Escrow Agent on the date of issuance of the Refunding Bonds, the Refunded Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

The Escrow Fund Securities and cash held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Bonds, and will not be available for the payment of debt service with respect to the Refunding Bonds.

THE BONDS

Authority for Issuance

The Series A Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Series A Bond Resolution. The Refunding Bonds will be issued pursuant to the Refunding Law and the Refunding Bond Resolution.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover pages hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "Book-Entry Only System" and APPENDIX F.

The Bonds shall be issued in the denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2027, for the Series A Bonds and August 1, 2026, for the Refunding Bonds (each, an **"Interest Payment Date"**). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (each, a **"Record Date"**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2027 for the Series A Bonds or July 15, 2026 for the Refunding Bonds, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers of the Bonds will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or any other action premised on such notice. See APPENDIX F.

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption*

Optional Redemption – Series A Bonds. The Series A Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Series A Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Optional Redemption – Refunding Bonds. The Refunding Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Bonds of any one maturity of a series are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent or as otherwise directed by the District. For the purpose of selection for optional redemption, Bonds will be deemed to consist of $5,000 portions (principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption – Series A Bonds. The Series A Bonds maturing on August 1, 20__ (the **"Series A Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Series A Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Series A Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

* *Preliminary; subject to change.*

Mandatory Sinking Fund Redemption – Refunding Bonds. The Refunding Bonds maturing on August 1, 20__ (the **"Refunding Term Bonds**" and, together with the Series A Term Bonds, the "**Term Bonds**"), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Refunding Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Refunding Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District to be mailed, first class, postage prepaid, at least 20 but not more than 60 days prior to the date fixed for redemption, to the owners of the Bonds designated for redemption. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be

entitled to any benefit under the Bond Resolutions, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the applicable Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book-entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book-entry system is discontinued, the person in whose name a Bond is registered on the Bond registration books shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the applicable Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Bonds of authorized denominations and of the same series and maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book-entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolutions, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance and Discharge of Bonds

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolutions) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolutions it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolutions and will be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the applicable Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the applicable Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

"**Federal Securities**," as defined in the Bond Resolutions, means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

DEBT SERVICE SCHEDULES

Series A Bonds. The following table shows the annual debt service schedule with respect to the Series A Bonds, assuming no optional redemptions.

Pacific Grove Unified School District
General Obligation Bonds, Election of 2024, Series A
Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
TOTAL			

The Refunding Bonds. The following table shows the annual debt service schedule with respect to the Refunding Bonds, assuming no optional redemptions.

Pacific Grove Unified School District
2026 General Obligation Refunding Bonds
Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
TOTAL			

Combined General Obligation Bonds. The following table shows the combined annual debt service schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* property taxes, assuming no optional redemptions. See APPENDIX A – "FINANCIAL INFORMATION – Existing Debt Obligations" for additional information.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Combined General Obligation Bond Debt Service Schedule

Period Ending (Aug.1)	2006 Election Bonds[1][2]	2015A Refunding Bonds[3]	2015B Refunding Bonds[3]	2016 Refunding Bonds[3]	2017 Refunding Bonds	2020 Election Bonds	2014 Series E Bonds	2020 Series D Bonds	Series A Bonds	Refunding Bonds	Total Debt Service
2026	$884,184.20	$445,100.00	$284,300.00	$1,302,550.00	$892,068.76	$1,328,200.00	$72,500.00	$254,861.67			
2027	--	451,600.00	262,400.00	1,286,550.00	887,868.76	1,330,500.00	627,500.00	395,475.00			
2028	--	445,800.00	263,800.00	1,299,550.00	896,668.76	1,209,200.00	551,750.00	395,475.00			
2029	--	424,600.00	269,800.00	1,035,050.00	899,068.76	1,385,100.00	668,500.00	395,475.00			
2030	--	223,600.00	270,200.00	1,326,800.00	900,268.76	1,407,300.00	698,250.00	415,475.00			
2031	--	--	265,200.00	1,316,400.00	905,268.76	1,688,800.00	--	434,475.00			
2032	--	--	--	1,594,800.00	718,868.76	1,734,300.00	--	452,475.00			
2033	--	--	--	1,595,600.00	599,968.76	1,152,200.00	--	469,475.00			
2034	--	--	--	1,604,400.00	604,068.76	1,207,950.00	--	495,475.00			
2035	--	--	--	1,610,800.00	607,568.76	1,264,700.00	--	514,975.00			
2036	--	--	--	1,609,800.00	610,468.76	1,327,200.00	--	538,225.00			
2037	--	--	--	1,296,600.00	67,031.26	1,504,950.00	--	559,975.00			
2038	--	--	--	643,600.00	--	1,676,950.00	--	585,225.00			
2039	--	--	--	644,800.00	--	1,742,950.00	--	613,725.00			
2040	--	--	--	--	--	1,897,700.00	--	630,225.00			
2041	--	--	--	--	--	1,971,450.00	--	670,225.00			
2042	--	--	--	--	--	2,042,250.00	--	702,475.00			
2043	--	--	--	--	--	2,121,600.00	--	732,225.00			
2044	--	--	--	--	--	1,398,800.00	--	764,475.00			
2045	--	--	--	--	--	--	--	798,975.00			
2046	--	--	--	--	--	--	--	835,475.00			
2047	--	--	--	--	--	--	--	874,281.26			
2048	--	--	--	--	--	--	--	910,406.26			
2049	--	--	--	--	--	--	--	953,850.00			
2050	--	--	--	--	--	--	--	999,200.00			
2051	--	--	--	--	--	--	--	1,041,250.00			
TOTAL	$884,184.20	$1,990,700.00	$1,615,700.00	$18,167,300.00	$8,589,187.62	$29,392,100.00	$2,618,500.00	$16,433,849.19			

(1) Private placement.
(2) Debt service shown does not include federal interest subsidy.
(3) Expected to be refunded with the proceeds of the Refunding Bonds. See "THE FINANCING PLAN - The Refunding Bonds."

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds	**Series A Bonds**	**Refunding Bonds**
Principal Amount of Bonds		
[Net] Original Issue [Premium]/[Discount]		
Total Sources		
Uses of Funds		
Building Fund		
Escrow Fund		
Debt Service Fund		
Costs of Issuance [(1)]		
Total Uses		

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, the Escrow Bank, the Verification Agent, and the rating agency.

SECURITY FOR THE BONDS

Ad Valorem Taxes

***Bonds Payable from Ad Valorem Property Taxes*.** The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* property taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds, there is other debt issued by the District and other entities with jurisdiction in the District, which is payable from *ad valorem* property taxes levied on all property in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

Levy, Collection and Pledge of Taxes. The County will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund established for each series of the Bonds, which is held by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. Under California law, voter-approved general obligation bonds which are secured by *ad valorem* property tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* property tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Natural Disasters. Economic and other factors beyond the District's control, such as economic recession, deflation of property values, pandemics, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought, climate change or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value."

Building Fund

Proceeds from the sale of the Series A Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Series A Bond Resolution and known as the "Election of 2024, Series A Building Fund" (the "**Building Fund**"), which will be accounted for as separate and distinct from all other District funds. The proceeds will be used solely for the purposes for which the Series A Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Series A Bonds not needed for the authorized purposes for which the Series A Bonds are being issued shall be transferred to the Series A Debt Service Fund (as defined below) and applied to the payment of principal of and interest on the Series A Bonds. If, after payment in full of the Series A Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Funds

Series A Bonds Debt Service Fund. Amounts to pay debt service on the Series A Bonds will be held in the fund created and established in the Series A Bond Resolution and known as the "Election of 2024, Series A Debt Service Fund" (the "**Series A Debt Service Fund**") for the Series A Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District. All taxes levied by the County for the payment of the principal of and interest on the Series A Bonds will be deposited in the Series A Debt Service Fund by the County promptly upon the receipt. The Series A Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Series A Bonds when and as the same become due. The County will transfer amounts in the Series A Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Series A Bonds as the same becomes due and payable.

If, after payment in full of the Series A Bonds, any amounts remain on deposit in the Series A Debt Service Fund, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Refunding Bonds Debt Service Fund. Amounts to pay debt service on the Refunding Bonds will be held in the fund created and established in the Refunding Bond Resolution and known as the "Pacific Grove Unified School District, 2026 General Obligation Refunding Bonds Debt Service Fund" (the "**Refunding Debt Service Fund**") for the Refunding Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District. All taxes levied by the County for the payment of the principal of and interest on the Refunding Bonds will be deposited in the Refunding Debt Service Fund by the County promptly upon the receipt. The Refunding Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Refunding Bonds when and as the same become due. The County will transfer amounts in the Refunding Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same becomes due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the Refunding Debt Service Fund, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* property tax for the payment of the Bonds, the Bonds are not a debt of the County.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county in which the property is located.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, Senate Bill 813 (enacted by Statutes of 1983, Chapter 498) (**"SB 813"**), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent

taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

The assessed valuation of property in the District is established by the assessor of the County, except for public utility property which is assessed by the SBE, as described above. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed, see APPENDIX A under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Assessed Valuation History. The table below shows a history of the District's assessed valuation.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2015-16 through 2025-26

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2015-16	$4,665,890,432	$585,959	$42,494,107	$4,708,970,498	--%
2016-17	4,965,635,987	1,671,275	43,867,327	5,011,174,589	6.4
2017-18	5,253,431,679	1,671,275	45,495,300	5,300,598,254	5.8
2018-19	5,601,156,073	1,671,275	46,043,385	5,648,870,733	6.6
2019-20	5,934,772,228	1,671,275	48,585,710	5,985,029,213	6.0
2020-21	6,253,108,211	0	49,336,556	6,302,444,767	5.3
2021-22	6,462,599,795	0	46,100,929	6,508,700,724	3.3
2022-23	7,040,506,516	0	48,155,456	7,088,661,972	8.9
2023-24	7,478,839,433	0	50,880,231	7,529,719,664	6.2
2024-25	7,884,755,950	0	53,280,223	7,938,036,173	5.4
2025-26	8,264,468,335	0	52,442,544	8,316,910,879	4.8

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic

conditions, supply and demand for real property in the area, government regulations such as zoning, and disasters such as wildfires, earthquakes, droughts, floods, climate change and pandemics, among others. The District cannot predict or make any representations regarding the effects that natural disasters or other conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Seismic Events. The District is located in a seismically active region. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of March 31, 2026, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly no drought conditions with some abnormally dry conditions in the northwest, northeast and southeast parts of the State, with the County currently experiencing no drought conditions at this time.

During 2021, the Governor of the State proclaimed a drought state of emergency for all counties in the State, culminating with an October 19, 2021, proclamation, urging Californians to step up their water conservation efforts. In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. In January 2023, the State Water Board adopted its first five-year temporary groundwater recharge permit, in addition to adopting new statewide sanitary sewer orders and appointing eleven members to the Advisory Group on Safe Drinking Water Funding. Local agencies can impose and enforce their own drought conservation rules.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is

unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness, that spread across the world and materially impacted the global economy. While the national and global health emergencies have passed, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

Assessed Valuation by Jurisdiction. The table below shows the assessed valuation by jurisdiction of properties within the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2025-26

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Pacific Grove	$5,241,721,189	63.02%	$5,241,721,189	100.00%
Unincorporated Monterey County	3,075,189,690	36.98	$47,583,527,433	6.46%
Total District	$8,316,910,879	100.00%		
Monterey County	$8,316,910,879	100.00%	$96,796,343,653	8.59%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2025-26. As shown, the majority of the District's assessed valuation is represented by single family residence property.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26

Non-Residential:	2025-26 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Commercial	$385,473,809	4.66%	291	3.08%
Vacant Commercial	12,780,844	0.15	11	0.12
Industrial	12,705,895	0.15	6	0.06
Recreational/Golf Resort	384,769,392	4.66	52	0.55
Government/Social/Institutional	40,206,954	0.49	126	1.33
Miscellaneous/Water Company	30,786,720	0.37	71	0.75
Subtotal Non-Residential	$866,723,614	10.49%	557	5.89%
Residential:				
Single Family Residence	$6,117,062,607	74.02%	6,206	65.62%
Condominium/Townhouse	561,887,482	6.80	425	4.49
Mobile Home	5,567,414	0.07	77	0.81
Mobile Home Park	37,970,773	0.46	2	0.02
2-4 Residential Units	335,993,264	4.07	397	4.20
5+ Residential Units/Apartments	295,632,651	3.58	105	1.11
Timeshare	2,495,658	0.03	1,559	16.48
Vacant Residential	41,134,872	0.50	130	1.37
Subtotal Residential	$7,397,744,721	89.51%	8,901	94.11%
Total	$8,264,468,335	100.00%	9,458	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2025-26, including the median and average assessed value of single-family parcels in the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2025-26

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	6,206	$6,117,062,607	$985,669	$796,038

2025-26 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	441	7.106%	7.106%	$29,104,798	0.476%	0.476%
$100,000 - $199,999	473	7.622	14.728	68,180,949	1.115	1.590
$200,000 - $299,999	371	5.978	20.706	93,356,183	1.526	3.117
$300,000 - $399,999	379	6.107	26.813	132,653,887	2.169	5.285
$400,000 - $499,999	390	6.284	33.097	175,388,237	2.867	8.152
$500,000 - $599,999	333	5.366	38.463	182,334,022	2.981	11.133
$600,000 - $699,999	346	5.575	44.038	225,650,100	3.689	14.822
$700,000 - $799,999	385	6.204	50.242	288,418,902	4.715	19.537
$800,000 - $899,999	388	6.252	56.494	330,091,918	5.396	24.933
$900,000 - $999,999	386	6.220	62.714	366,096,426	5.985	30.918
$1,000,000 - $1,099,999	332	5.350	68.063	347,731,350	5.685	36.603
$1,100,000 - $1,199,999	260	4.189	72.253	299,064,077	4.889	41.492
$1,200,000 - $1,299,999	202	3.255	75.508	252,899,562	4.134	45.626
$1,300,000 - $1,399,999	209	3.368	78.875	282,850,701	4.624	50.250
$1,400,000 - $1,499,999	150	2.417	81.292	217,053,474	3.548	53.798
$1,500,000 - $1,599,999	151	2.433	83.725	234,247,935	3.829	57.628
$1,600,000 - $1,699,999	121	1.950	85.675	198,964,434	3.253	60.880
$1,700,000 - $1,799,999	84	1.354	87.029	146,485,089	2.395	63.275
$1,800,000 - $1,899,999	106	1.708	88.737	195,857,467	3.202	66.477
$1,900,000 - $1,999,999	96	1.547	90.284	186,839,033	3.054	69.531
$2,000,000 and greater	603	9.716	100.000	1,863,794,063	30.469	100.000
	6,206	100.000%		$6,117,062,607	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" in APPENDIX A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed

because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Tax Rates

Below are historical typical tax rates in a typical tax rate area within the District for fiscal years 2021-22 through 2025-26.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates per $100 of Assessed Valuation
(TRA 4-000)[(1)]
Fiscal Years 2021-22 through 2025-26

	2021-22	2022-23	2023-24	2024-25	2025-26
General Tax Rate	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Pacific Grove Unified School District	.062377	.076909	.064692	.041661	.059932
Monterey Peninsula CCD	.030336	.032006	.028869	.021933	.035668
Total Tax Rate	$1.092713	$1.108915	$1.093561	$1.063594	$1.095600

(1) 2025-26 assessed valuation of TRA 4-000 is $3,075,189,690 which is 36.98% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

No Teeter Plan. Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District's receipt of property taxes is therefore subject to delinquencies.

Collections and Delinquencies History. The District's total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District's designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of tax payers within the tax areas of the District. In addition, the District's total secured tax levy does not include special assessments, supplemental taxes or other charges which have been assessed on property within the District or other tax rate areas of the County.

The following table shows the secured tax charges and delinquencies for secured property in the for fiscal years 2015-16 through 2024-25.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2015-16 through 2024-25

Fiscal Year	Secured Tax Charge [1]	Amount Delinquent June 30	% Delinquent June 30
2015-16	$21,218,358	$193,178	0.91%
2016-17	22,626,926	211,919	0.94
2017-18	23,957,770	210,102	0.88
2018-19	25,542,244	340,477	1.33
2019-20	26,698,663	387,671	1.45
2020-21	28,445,218	341,473	1.20
2021-22	29,279,397	343,508	1.17
2022-23	31,852,057	405,833	1.27
2023-24	33,718,446	445,307	1.32
2024-25	35,468,298	473,912	1.34

(1) 1% General fund apportionment.
Source: *California Municipal Statistics, Inc.*

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2025-26. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2025-26

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total [1]
1.	Pebble Beach Company	Hotel & Golf	$344,631,025	4.17%
2.	Monterey Peninsula Country Club	Country Club	51,197,579	0.62
3.	California-American Water Company	Water Company	39,127,640	0.47
4.	Monarch Pines Homeowners Association	Mobile Home Park	37,896,773	0.46
5.	Waterloo Associates LLC	Apartments	31,758,630	0.38
6.	B10 Mountain B SF LP	Shopping Center	28,575,286	0.35
7.	Rutherford 17 Mile LP	Apartments	24,821,691	0.30
8.	Pacific Grove Home Sweet Home LLC	Apartments	23,450,919	0.28
9.	Pacific Grove Senior Living LLC	Assisted Living Facility	20,574,135	0.25
10.	WGA Grove Acres LP	Apartments	17,956,967	0.22
11.	555 Ocean View Blvd. LLC	Hotel	15,833,382	0.19
12.	Foursome Development Company	Commercial Building	13,625,535	0.16
13.	Pacifica Lighthouse LP	Hotel	12,348,258	0.15
14.	Vishnu Hospitality Inc.	Hotel	11,900,698	0.14
15.	Barron Ranches Inc.	Hotel	11,773,204	0.14
16.	2875 David Avenue LLC	Residential	11,236,327	0.14
17.	Ocean Lodging 1 LLC	Hotel	11,075,640	0.13
18.	James R. Parks, Trust	Residential	10,661,955	0.13
19.	Whispering Pines Cottages LLC	Apartments	10,612,079	0.13
20.	Dana L. Dornsife, Trust	Residential	10,396,001	0.13
			$739,453,724	8.95%

(1) 2025-26 local secured assessed valuation: $8,264,468,335.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. for debt issued as of May 1, 2026. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of May 1, 2026)

2025-26 Assessed Valuation: $8,316,910,879

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 5/1/26**	
Monterey Peninsula Community College District	15.278%	$23,979,316	
Monterey County Water Resources Agency Zone 2C	8.592	1,377,727	
Pacific Grove Unified School District	100.000	55,077,000	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$80,434,043	
OVERLAPPING GENERAL FUND DEBT:			
Monterey County General Fund Obligations	8.592%	$7,397,282	
Monterey County Board of Education Certificates of Participation	8.592	3,047,582	
City of Pacific Grove Pension Obligation Bonds	100.000	1,728,815	
TOTAL OVERLAPPING GENERAL FUND DEBT		$12,173,679	
COMBINED TOTAL DEBT		**$92,607,722**	(2)

Ratios to 2025-26 Valuation:

Direct Debt ($55,077,000)	**0.66%**
Total Direct and Overlapping Tax and Assessment Debt	0.97%
Combined Total Debt	1.11%

(1) Excludes the Bonds offered for sale hereunder, but includes the Refunded Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall LLP, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Forms of Opinions. A copy of the proposed forms of opinions of Bond Counsel are attached hereto as Appendix D.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to (a) the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay upon prior redemption, principal, interest and redemption premium requirements of the Refunded Bonds described under the heading “THE FINANCING PLAN–The Refunding Bonds” and (b) the “yields” on the amount of proceeds held and invested prior to redemption of the Refunded Bonds and on the Refunding Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the Refunding Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

CERTAIN LEGAL MATTERS

Absence of Litigation

No Litigation Regarding Bonds or Existence of District. No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, Dale Scott & Company Inc., as Municipal Advisor to the District, and Kutak Rock LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (an **"Annual Report"**) to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website ("**EMMA**") not later than nine months after the end of the District's fiscal year, commencing March 31, 2027, with the report for the 2025-26 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the **"Rule"**).

In the previous five-years, the District [failed to timely file: (i) its audited financial statements for fiscal year 2021-22, as the report was not available, but did file the unaudited financial statements by the applicable deadline, and (ii) notice of the incurrence of a financial obligation]. In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Dale Scott & Company Inc., to serve as its dissemination agent.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") has assigned a rating of "___" to the Bonds. Such rating reflects only the views of S&P and an explanation of the significance of such rating may be obtained only from S&P. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement because it has been considered not material to making an investment decision in the Bonds). There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file on EMMA notices of any ratings changes on the Bonds. See "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to S&P and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Robert W. Baird & Co. Incorporated (the "**Underwriter**").

Series A Bonds. The Underwriter has agreed to purchase the Series A Bonds at a price of $_____ which is equal to the aggregate principal amount of the Series A Bonds of $_____, [plus][less] [net] original issue [premium][discount] of $_____ less an Underwriter's discount of $_____.

Refunding Bonds. The Underwriter has agreed to purchase the Refunding Bonds at a price of $_____ which is equal to the aggregate principal amount of the Refunding Bonds of $_____, [plus][less] [net] original issue [premium][discount] of $_____ less an Underwriter's discount of $_____.

The bond purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolutions and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the District and, following delivery of the Bonds, will be on file at the office of the Paying Agent.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the forepart of the Official Statement.*

GENERAL INFORMATION

The District is comprised of an area of approximately 12 square miles located on the Monterey Peninsula and serves the City of Pacific Grove and an adjoining portion of the unincorporated area of Del Monte Forest in Monterey County (the "**County**"), in the State of California (the "**State**"). The District currently operates two elementary schools, one middle school and one high school. The District also maintains a continuation high school, an adult education center, and three childcare centers. Enrollment in the District for the 2025-26 school year is projected for approximately 1,707 students. For purposes of education funding, the District is a Basic Aid District or Community Supported District, meaning that the District's share of local property taxes exceeds it funding entitlement under the State's education funding formula. For more information on the District's Basic Aid status, see "–Basic Aid Status/Community Supported District" below.

For more information regarding the District and its finances see APPENDIX B attached hereto. See also APPENDIX C hereto for demographic and other statistical information regarding the City of Campell and the County.

Basic Aid Status/Community Supported District

In recent years, the District's local property taxes have exceeded the State's calculated revenue limit for the District, resulting in the District being treated as a **"Basic Aid"** district for purposes of general purpose education funding by the State. As a Basic Aid District, the District did not receive a general purpose revenue limit entitlement from the State, but instead was entitled to keep its share of local property taxes in excess of the revenue limit. With implementation of the new education funding formula known as the Local Control Funding Formula (the **"LCFF"**) commencing in fiscal year 2013-14, a school district, such as the District, which has property tax revenues that exceed its entitlement under the LCFF, continues to be entitled to keep its local property tax revenues which exceed its LCFF funding entitlement, essentially maintaining its status as Basic Aid, also referred to as a "Community Supported District." The District expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future.

District Governance and Administration

The District is governed by a five-member Board of Education (the "**Board"**), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their office and the date their term expires, are listed below.

Name	Office	Term Expires
Jennifer McNary	President	December 2026
Beth Shammas	Clerk	December 2028
Laura Ottmar	Trustee	December 2026
Elliot Hazen	Trustee	December 2026
Mike Wachs	Trustee	December 2028

Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Linda Adamson currently serves as the Superintendent of the District and Joshua Jorn serves as the Assistant Superintendent, Business Services.

Employee Relations

The District has 130 full-time equivalent ("**FTE**") certificated employees, 110 FTE classified employees, and 22 FTE management employees. Two unions represent the District employees as shown in the table below.

Employee Group	Bargaining Group	Contract Expiration Date
Certificated	Pacific Grove Unified Teachers Association	June 30, 2026
Classified	California School Employees' Association	June 30, 2026

Source: *Pacific Grove Unified School District.*

Recent Enrollment Trends

The following table shows a recent history and projected enrollment for the District.

ANNUAL ENROLLMENT
Fiscal Years 2020-21 through 2025-26
Pacific Grove Unified School District

Fiscal Year	Student Enrollment	% Change
2020-21	1,899	--%
2021-22	1,812	(4.6)
2022-23	1,772	(2.2)
2023-24	1,727	(2.5)
2024-25	1,749	1.3
2025-26[(1)]	1,707	(2.4)

(1) Second interim projection.

Source: California Department of Education; Pacific Grove Unified School District.

FINANCIAL INFORMATION

Education Funding Generally

School districts in the State receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly impact a school district's revenues and operations.

The fiscal year 2013-14 State budget package replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, school districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of average daily attendance ("**ADA**"), which varies with respect to different grade spans and are adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

In 2021, legislation was passed that requires school districts operating a kindergarten program to also provide a transitional kindergarten (**"TK"**) program for all 4-year-old children by fiscal year 2025–26.

Funding levels used in the LCFF entitlement calculations for fiscal year 2025-26 are set forth in the following table.

Fiscal Year 2025-26 Base Grant Funding* Under LCFF
by Grade Span

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2024-25 Base Grant per ADA	$10,025	$10,177	$10,478	$12,144
B. 2025-26 COLA for LCFF (A x 2.30%)	$231	$234	$241	$279
C. 2025-26 Base Grant per ADA before Grade Span Adjustments (A+B)	$10,256	$10,411	$10,719	$12,423
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	$1,067	n/a	n/a	$323
E. 2025-26 Base Grant/Adjusted Base Grant per ADA (C + D)	$11,323	$10,411	$10,719	$12,746

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion (of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of $5,545 times the school district's current year TK ADA.
Source: California Department of Education.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system. When a school district's share of local property taxes exceeds its funding entitlement under LCFF, it is deemed a Basic Aid District and is entitled to keep its local property taxes in lieu of lower funding per ADA available under LCFF. The District is not a Basic Aid District.

Community Supported Districts. Community Supported Districts (also known as Basic Aid Districts), are those whose local property tax revenues exceed the funding entitlement under the LCFF. Community Supported Districts do not receive any funds from the State appropriation, however, they do receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment. The current law in California allows these districts to keep the excess property tax revenues

without penalty. The implication for Community Supported Districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. Under Proposition 30, Basic Aid Districts are entitled to the minimum $200 per pupil from the Education Protection Account, and, under the Constitution, Basic Aid Districts receive a minimum of $120 per pupil.

The District's Basic Aid status is a result of reductions to its prior revenue limit (now LCFF allocation), occasioned by reduced levels of State funding of education, declining enrollment, and increasing property tax collections, such that the District's property taxes now represent the bulk of its LCFF allocation revenues. The District expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future.

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2024-25 were prepared by Eide Bailly LLP, Fresno, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the

District and available for public inspection at the Office of the Chief Business Officer. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2020-21 through 2024-25.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2020-21 through 2024-25 (Audited) [(1)]
Pacific Grove Unified School District

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
Revenues:					
LCFF	$32,234,685	$33,281,976	$35,887,715	$38,000,458	$40,258,708
Federal Revenues	1,932,812	1,359,880	1,645,132	1,047,259	678,228
Other State Revenues	3,081,226	4,418,218	4,531,581	4,243,009	3,423,389
Other Local Revenues	1,799,125	2,713,189	3,091,585	3,687,947	3,137,565
Total Revenues	39,047,848	41,773,263	45,156,013	46,978,673	47,497,890
Expenditures:					
Instruction	22,828,173	24,206,351	26,228,610	27,560,247	28,094,005
Supervision of Instruction	462,501	784,695	1,023,656	1,092,880	568,571
Instructional library, media, technology	362,612	379,200	396,369	449,259	409,852
School site administration	2,696,387	2,908,702	3,193,290	3,473,343	3,528,310
Home-to-school transportation	233,181	367,248	288,959	276,519	404,129
Food services	75,237	36,135	20,114	28,568	82,916
All other pupil services	2,825,570	3,440,392	3,459,186	3,879,614	4,925,217
Data processing	505,416	568,569	639,449	609,736	639,531
All other general administration	3,319,178	3,245,207	3,280,996	3,809,494	3,795,902
Plant services	3,310,142	3,950,868	4,496,374	4,545,328	4,941,373
Facility acquisition and construction	--	--	--	86,654	31,907
Ancillary services	340,061	303,851	423,729	530,697	669,400
Community services	216,645	3,033	171,683	255,462	163,154
Other outgo	128,434	150,310	127,846	165,711	147,512
Enterprise services	(310,914)	(233,975)	--	--	--
Debt service: principal	--	--	--	18,669	19,624
Debt service: interest	--	--	244,180	268,200	144,229
Total Expenditures	36,992,623	40,110,586	43,994,441	47,050,381	48,565,632
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,055,225	1,662,677	1,161,572	(71,708)	(1,067,742)
Other Financing Sources (Uses)					
Operating transfers in	--	--	--	--	--
Other sources	--	--	56,054	--	--
Operating transfers out	(627,721)	(83,193)	(418,286)	(400,000)	(477,354)
Total Other Financing Sources (Uses)	(627,721)	(83,193)	(362,232)	(400,000)	(477,354)
Net change in fund balance	1,427,504	1,579,484	799,340	(471,708)	(1,545,096)
Fund Balances July 1	5,419,004	6,846,508	8,425,992	9,225,332	8,753,624
Fund Balances June 30	$6,846,508	$8,425,992	$9,225,332	$8,753,624	$7,208,528

(1) Totals may not foot due to rounding.
Source: Pacific Grove Unified School District Audit Reports. Because the District is a Basic Aid District, the majority of LCFF funding is derived from local sources.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Monterey County Superintendent of Schools (the **"County Superintendent"**).

The County Superintendent must review and approve or disapprove the budget no later than September 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Governing Board and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (**"A.B. 1200"**) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget and Interim Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports.

District's General Fund. The following table shows the general fund figures for fiscal year 2025-26 (adopted budget and second interim projections).

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Adopted Budget and Second Interim Projections)

Revenues	Adopted Budget 2025-26	Second Interim 2025-26
Total LCFF Sources	$41,148,891	$41,713,695
Federal Revenues	635,343	689,872
Other state revenues	3,289,958	3,882,195
Other local revenues	2,784,611	2,784,353
Total Revenues	47,858,802	49,070,115
Expenditures		
Certificated Salaries	20,188,043	20,368,127
Classified Salaries	9,418,877	9,568,677
Employee Benefits	12,847,719	12,712,886
Books and Supplies	1,356,023	1,937,442
Services and Other Operating Expenditures	4,684,321	5,322,819
Capital Outlay	--	249,363
Other Outgo (excluding transfers of indirect costs)	110,000	115,441
Other Outgo	(48,695)	(85,734)
Total Expenditures	48,556,287	50,189,020
Excess of Revenues Over/(Under) Expenditures	(697,485)	(1,118,905)
Other Financing Sources (Uses)		
Operating transfers in	--	--
Operating transfers out	340,051	468,532
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	(340,051)	(468,532)
Net change in fund balance	(1,037,536)	(1,587,437)
Fund Balance, July 1	5,328,337	7,201,682
Fund Balance, June 30 [(1)]	$4,290,801	$5,614,245

(1) Fund balances do not reflect all funds included in the District's general fund in the audited financial statements shown above.
Source: Pacific Grove Unified School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2025-26.

Attendance - LCFF Funding

With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. With implementation of the LCFF commencing in fiscal year 2013-14, a school district, such as the District, which has property tax revenues which exceed its entitlement under the LCFF, is entitled to keep its local property tax revenues which exceed its LCFF funding entitlement.

District's Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District's percentage of unduplicated students is approximately 21% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment, including Supplemental and Concentration Grant add-ons for serving a high percentage of English language learner and low income students. If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will

amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

For school districts which were Basic Aid districts prior to implementation of the LCFF, provided that the per pupil funding targets under LCFF, including economic recovery targets, are met or exceeded by local property tax revenues, such districts are entitled to retain their status as Basic Aid districts and keep their full local property tax revenue entitlement. The threshold for Basic Aid status under the LCFF, however, is higher than under the prior funding formula, resulting in some districts falling out of Basic Aid status as the result of the implementation of the LCFF. Accountability measures contained in the LCFF must be implemented by all districts, including Basic Aid districts.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds Act, the Individuals with Disabilities Education Act, and specialized programs such as Drug Free Schools.

Since Donald Trump was sworn in as President in January 2025, the federal government has announced possible cuts to federal funding for educational agencies. In addition, President Trump has signed an executive order aimed at dismantling the federal Department of Education (the "**DOE**"), from which California school districts receive funding aimed at low-income and special needs students.

If reductions in funding, elimination of the DOE, or staff layoffs are upheld in whole or in part, the District cannot anticipate whether the amount of federal revenues in the District's general fund will be reduced, or the extent of any reduction, or whether any reduction would occur in the current or any future fiscal year. If federal revenues are delayed, rescinded, or withheld, the District cannot predict whether such delay, rescission, or withdrawal will have a material effect on the finances or operations of the District.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's LCFF funding entitlement and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the

increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material. For additional discussion of State aid to school districts, see "- Education Funding Generally."

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget (**"AB 1469"**), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014, within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were proposed to steadily increase over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized in the following table:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2021 through July 1, 2025

Effective Date	Employer Contribution Rate
July 1, 2021	16.92%
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10
July 1, 2025	19.10

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate is 8.328% fiscal year 2025-26.

The District's recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

STRS CONTRIBUTIONS
Pacific Grove Unified School District
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Amount
2020-21	$2,909,386
2021-22	3,115,465
2022-23	3,812,819
2023-24	3,839,199
2024-25	3,773,064
2025-26[(1)]	5,645,649

(1) Second interim projection.
Source: Pacific Grove Unified School District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately $88.7 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, PERS has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (**"AB 84"**) of June 2020, directed contributions of $430 million and $330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Employer Contribution Rate[1]
2020-21	20.700%
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050
2025-26	26.810

(1) Expressed as a percentage of covered payroll.
Source: PERS

The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS EMPLOYER CONTRIBUTIONS
Pacific Grove Unified School District
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Amount
2020-21	$1,501,999
2021-22	1,870,037
2022-23	2,290,755
2023-24	2,653,501
2024-25	2,728,859
2025-26[1]	2,503,226

(1) Second interim projection.
Source: Pacific Grove Unified School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately $40.8 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including

employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Note 14 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Post-Employment Retirement Benefits

Plan Description. The District's governing board administers the Postemployment Benefits Plan (the **"Plan"**) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides post-employment benefits other than pensions ("**OPEB**") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Membership of the Plan as of the June 30, 2023 valuation date was 101 retirees and beneficiaries currently receiving benefits and 200 active plan members.

Contributions. The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Pacific Grove Teachers Association ("**PGTA**"), the local California Service Employees Association ("**CSEA**"), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, PGTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2024, the District paid $280,463 in benefits, including $72,678 for an implicit rate subsidy.

Actuarial Assumptions and Other Inputs. The District's total OPEB liability as shown in the District's audited financial statements ending June 30, 2025, was determined by an actuarial valuation as of June 30, 2023. A number of assumptions are used when determining the liability. See Note 11 in the audited financial statements attached as Appendix B.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District for the year ending June 30, 2024, is shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
Pacific Grove Unified School District
Changes for the Year Ended June 30, 2024

Balance at June 30, 2023	$5,594,188
Service Cost	364,796
Interest	207,227
Differences between expected and actual experience	82,201
Changes of assumptions	(152,728)
Benefit payments	(280,463)
Net Change in Total OPEB liability	221,033
Balance at June 30, 2024	$5,815,221

Source: Pacific Grove Unified School District.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the year ended June 30, 2024, the District recognized OPEB expense of $197,771.

For more information regarding the District's OPEB, assumptions used in its most recent actuarial study and investment information, see Note 11 of APPENDIX B to the Official Statement.

Insurance – Joint Powers Agreement

The District is a member of the Monterey County Schools' Insurance Group ("**MCSIG**"), NorCal ReLiEF, and the Monterey Educational Risk Management Authority ("**MERMA**") public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools, and the Joint Powers Authorities are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one member to the governing board of MCSIG. During the year ended June 30, 2025, the District made payment of $2,719,524 to MCSIG for medical, dental, vision, and life insurance.

The District has appointed one member to the governing board of NorCal ReLiEF. During the year ended June 30, 2025, the District made payment of $272,263 to NorCal ReLiEF for liability and property insurance.

The District has appointed one member to the governing board of MERMA. During the year ended June 30, 2025, the District made payment of $790,715 to MERMA for workers' compensation insurance.

For more information regarding the District's risk management and membership in JPA's, see Notes 13 and 16 of APPENDIX B to the Official Statement.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Existing Debt Obligations

General Obligation Bonds. The District received authorization at an election held on June 6, 2006, by a 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $42,000,000 (the "**2006 Authorization**"). The District has issued the entire amount of the 2006 Authorization.

The District received authorization at an election held on November 4, 2014, by a requisite 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $18,000,000 (the "**2014 Authorization**"). There is $7,043,000 unissued authorization remaining under the 2014 Authorization.

The District received authorization at an election held on March 3, 2020, by a requisite 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $30,000,000 (the "**2020 Authorization**"). The District has issued the entire amount of the 2020 Authorization.

The District's general obligation bonds and general obligation refunding bonds outstanding as of _____ 1, 2026 are shown in the following table.

GENERAL OBLIGATION BONDS
Pacific Grove Unified School District

Dated Date	Series	Outstanding as of _____ 1, 2026
	2006 Authorization	
07/12/2011	Taxable General Obligation Bonds, Election of 2006, Series E [1]	
	2014 Authorization	
12/09/2025	General Obligation Bonds, Election of 2014, Series E	
	2020 Authorization	
04/27/2021	General Obligation Bonds, Election of 2020, Series A	
12/05/2023	General Obligation Bonds, Election of 2020, Series B	
11/06/2024	General Obligation Bonds, Election of 2020, Series C	
12/09/2025	General Obligation Bonds, Election of 2020, Series D	
	Refunding Bonds	
07/15/2015	2015 General Obligation Refunding Bonds, Series A[2]	
07/15/2015	2015 General Obligation Refunding Bonds, Series B[2]	
08/04/2016	2016 General Obligation Refunding Bonds[2]	
12/28/2017	2017 General Obligation Refunding Bonds	
	Total	

(1) Private placement.
(2) Expected to be refunded with proceeds of the Refunding Bonds.

Compensated Absences. Compensated absences (unpaid employee vacation) for the District at June 30, 2025, amounted to $5,197,908.

Investment of District Funds

In accordance with California Government Code Sections 53600 *et seq*., the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies which may impose limitations

beyond those required by the California Government Code. See APPENDIX G to the Official Statement for the County's current investment policy and recent investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see "– Education Funding Generally" above). State funds typically make up the majority of a district's LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the **"LAO"**). Neither the District, the Underwriter nor the County is responsible for the information provided in this section.*

State Funding of Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive the majority of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State's general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The State Budget Process

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year. Under State law, the annual proposed State budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the State budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Resources Relating to State Budgets

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to "Bond Finance" and sub-heading "-Public Finance Division", includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.

- www.dof.ca.gov: The California Department of Finance's (the **"DOF"**) internet home page, under the link to "California Budget", includes the text of proposed and adopted State Budgets.

- www.lao.ca.gov: The LAO's internet home page includes a link to "-The Budget" which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Underwriter. Such information is not incorporated herein by reference.

The 2025-26 State Budget

On June 27, 2025, the Governor signed the fiscal year 2025-26 State Budget (the "**2025-26 State Budget**"). Despite continued uncertainty driven by recent federal policy changes, including broad-based tariffs that have slowed economic growth, the 2025-26 State Budget outlines a balanced fiscal plan while maintaining significant reserves.

The 2025-26 State Budget reflects a decrease of $11.0 billion in General Fund revenues from 2024-25 ($215.7 billion in 2025-26 compared to $226.7 billion in 2024-25) primarily due to projected decreases in corporation and personal income tax collections. The 2025-26 State Budget reflects a decrease in General Fund expenditures of $5.2 billion from 2024-25 ($228.366 billion in 2025-26 compared to $233.5 billion in 2024-25) primarily reflecting broad spending decreases for all major spending categories with the exception of expenditures for health and human services, which sees a significant funding increase driven by the expansion of Medi-Cal.

Regarding the State's reserves and fund balances, the 2025-26 State Budget continues the drawing down of the State's Budget Stabilization account that began in fiscal year 2024-25 with a withdrawal of $7.1 billion and completes the drawdown of the Public School System Stabilization Account with a withdrawal of the remaining $0.4 billion.

The 2025-26 State Budget projects an $11.8 billion General Fund shortfall after accounting for reserves drawdowns, driven by rising costs due to growth in Medi-Cal and other core State programs. The 2025-26 State Budget addresses the shortfall primarily through spending reductions and structural reforms, while maintaining support for key programs. The specific solutions used to close the budget gap include the following:

- *Medi-Cal Enrollment Freeze* - $77.9 million reduction in fiscal year 2025-26, increasing to $3.3 billion by fiscal year 2028-29.

- *Medi-Cal Premium Collection For Certain Adults* – Initial cost of $30 million in fiscal year 2026-27, shifting to $675 million in savings in fiscal year 2028-29 due to collection of Medi-Cal premiums from undocumented adults.

- *Medi-Cal Asset Limit Implementation* – $61.3 million in fiscal year 2025-26, rising to $827.4 million by fiscal year 2028-29.

- *Programmatic Reductions* – Reductions in rural health clinics, specialty drug coverage, and pharmacy rebates totaling over $3.5 billion by fiscal year 2028-29.

- *Ongoing Reductions* – $221.7 million annually beginning in fiscal year 2026-27 for Quality Incentive Payment Program changes.

The 2025-26 State Budget raises an estimated $7.8 billion in additional resources, including $1.3 billion from Medi-Cal rate increase in fiscal year 2025-26, $4.4 billion in loans from the Medical Providers Interim Payment Fund, $1.5 billion in loans from additional special funds and interfund borrowing, and a $7.1 billion withdrawal from the Budget Stabilization Account, as authorized by the prior fiscal year.

Additional balancing measures comprise $1.2 billion in funding shifts primarily related to the costs of CalFIRE operations moving from the General Fund to the Greenhouse Reduction Fund for Forestry and Fire Protection. The 2025-26 State Budget also makes two future commitments (subject to appropriation) totaling $457.1 million in fiscal year 2027-28, growing to $163.2 million in fiscal year 2028-29, for California Food Assistance Program expansion and $338.9 million in fiscal year 2027-28, growing to $522.1 million in fiscal year 2028-29, for payment to the State's foster care tiered rate structure.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately $268.7 billion, including revenues and transfers of approximately $226.7 billion and a prior year balance of approximately $42.0 billion, and total expenditures in fiscal year 2024-25 of approximately $233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately $250.9 billion, inclusive of revenues and transfers of approximately $215.7 billion and a prior year balance of approximately $35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately $228.4 billion, inclusive of non-Proposition 98 expenditures of approximately $147.6 billion and Proposition 98 expenditures of approximately $80.7 billion. The 2025-26 State Budget projects total reserve balances of $15.7 billion at the end of fiscal year 2025-26. This includes $11.2 billion in the State Rainy Day Fund, $4.5 billion in the State's SFEU, and $0 in the Proposition 98 Rainy Day Fund. The 2025-26 State Budget includes total funding of $137.6 billion for all K-12 education programs, including $80.5 billion from the State's general fund and $57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget include:

Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects updated estimates of general fund revenues, which result in adjustments to the Proposition 98 minimum guarantee. The revised minimum guarantee for TK-14 schools is estimated at $98.5 billion for 2023-24, $119.9 billion for 2024-25, and $114.6 billion for 2025-26, an increase of approximately $3.9 billion over the three-year period relative to the 2023-24 State Budget. Because the minimum guarantee for 2024-25 will not be finalized until

the fiscal year is certified in calendar year 2026, the 2025-26 State Budget proactively appropriates the 2024-25 minimum guarantee at $118 billion, establishing a $1.9 billion "settle up" to avoid over-appropriation. The 2025-26 State Budget expresses intent to apply any realized settle-up funds toward reducing ongoing TK-14 deferrals and safeguarding core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments.

The minimum guarantee remains in a Test 2 for 2023-24, though suspended at $98.5 billion, and shifts to a Test 1 in both 2024-25 and 2025-26. In Test 1 years, the guarantee equals approximately 40 percent of general fund revenues, in addition to local property tax revenues. Under Proposition 98, this calculation is not adjusted for enrollment, which results in increased per-pupil funding. The guarantee is "rebenched" to reflect both the continued implementation of universal TK and property tax backfills resulting from the January 2025 wildfires in Los Angeles County. As a result, the applicable Test 1 percentage increases from 39.2 percent to 39.6 percent of general fund revenues.

Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the full withdrawal of the $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The May Revision to the 2024-25 State Budget Proposal, released on May 10, 2024, included a mandatory deposit of $540 million into the Rainy Day Fund. However, revised capital gains revenue projections reduce that deposit to $455 million in fiscal year 2024-25. A year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of $455 million in fiscal year 2025-26, fully exhausting the remaining fund balance.

Proposition 98 Funding Split. In prior years, 10.93 percent of the general fund amounts rebenched into the Proposition 98 minimum guarantee for transitional kindergarten expansion were allocated to the community colleges budget, consistent with the statutory Proposition 98 funding split. Over the three-year budget window, this resulted in $492.4 million being directed to community colleges, leaving TK-12 schools without an equivalent amount to support transitional kindergarten expansion. Beginning in fiscal year 2025-26, the 2025-26 State Budget shifts the full amount of transitional kindergarten expansion funding ($232.9 million) to the TK-12 portion of the Proposition 98 budget.

Local Control Funding Formula. The 2025-26 State Budget includes a 2.3 percent cost-of-living adjustment to LCFF. Combined with population growth adjustments, this results in an additional $2.1 billion in discretionary funding for local educational agencies ("**LEAs**") relative to the 2024-25 State Budget. To fully fund LCFF costs in fiscal year 2025-26, the 2025-26 State Budget withdraws approximately $405.3 million from the Proposition 98 Rainy Day Fund.

Deferrals. The 2025-26 State Budget fully repays $246.6 million in TK-12 education deferrals from fiscal year 2024-25. However, in order to maintain principal apportionment levels in 2025-26, the 2025-26 State Budget defers $1.9 billion in LCFF funding from June 2026 to July 2026.

Universal Transitional Kindergarten. To support full implementation of universal transitional kindergarten by September 1, 2025, the 2025-26 State Budget provides $2.1 billion in ongoing Proposition 98 general fund resources, inclusive of all prior years' investments. An additional $1.2 billion in ongoing Proposition 98 general fund resources is included to reduce the average student-to-adult ratio from 12:1 to 10:1.

Before School, After School, and Summer School. To increase access to the Expanded Learning Opportunities Program, the 2025-26 State Budget provides $515.1 million in ongoing funds, broadening eligibility from LEAs with a 75 percent unduplicated pupil rate to those with a 55 percent rate. Additionally, $10.4 million is provided to increase the minimum grant per LEA from $50,000 to $100,000.

Literacy Instruction. The 2025-26 State Budget allocates $480 million to enhance literacy instruction aligned with the English Language Arts/English Language Development Framework for all students.

Teacher Professional Development and Preparation. To support teachers and strengthen the educator pipeline, the 2025-26 State Budget provides $300 million in one-time Proposition 98 general fund resources for a Student Teacher Stipend Program, which will offer grants to teacher candidates completing student teaching between 2026-27 and 2028-29. An additional $70 million of one-time Proposition 98 general fund resources supports teacher residency programs, and $30 million in one-time Proposition 98 general fund resources extends the National Board Certification Incentive Program to encourage placement of certified teachers in high-poverty schools.

Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget provides $1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant to assist LEAs with rising costs and advancing statewide priorities.

State Preschool Program. To enhance early childhood education, the 2025-26 State Budget includes approximately $19.3 million of Proposition 98 general fund resources and $10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program. It further authorizes the Department of Education to expand State Preschool Program provider contracts for three-year-olds by 10 percent, implement prospective pay, and automate contract payments.

Other Significant Budget Adjustments. The 2025-26 State Budget includes $378.6 million in one-time Proposition 98 general fund resources for learning recovery initiatives through 2027-28, $150 million for career technical education and pathways programs pending legislation, and $145 to improve school meal infrastructure. An additional $10 million is allocated for school food service workforce requirement and $5 million for a study of ultra-processed foods offered in State school meals.

Further allocations include $30 million over three years for Special Olympics programs in Northern and Southern California; $30 million for the Mathematics Professional Learning Partnership; $21.9 million in ongoing funding for the SUN Bucks Program, which provides summer nutrition support; and $20 million to implement the Children and Youth Behavioral Health Initiative's all-payer fee schedule.

The 2025-26 State Budget also provides approximately $10 million for a pilot program, administered by the California Collaborative of Educational Excellence, to support middle and high school redesign and peer learning. Another $10 million to the California Department of Education supports the development of a screener to identify multilingual learners in transitional kindergarten and authorizes the State Superintendent of Public Instruction to adopt a screening instrument for children ages 3-4 enrolled in transitional kindergarten classrooms. Finally, $7.5 million is available through the 2026-27 fiscal year

to offset potential LCFF apportionment reductions caused by the recent exemption of transitional kindergarten students from the English language proficiency assessment.

LAO Analysis of the 2025-26 State Budget. The LAO, a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget on October 16, 2025 (the "**2025-26 State Budget Analysis**"). In the 2025-26 State Budget Analysis, the LAO assesses the budget shortfall that was addressed in the 2025-26 State Budget and analyzes the major proposals for K-14 education.

The LAO notes that the State faced a budget shortfall for the third year in a row. The estimated budget shortfall for the fiscal year 2025-26 of $15.0 billion was smaller compared to deficits of $55.0 billion in fiscal year 2024-25 and $27.0 billion in fiscal year 2023-24. Most of the reason that the State faces a budget problem is that the underlying costs of State services continue to outpace the State's revenue collections. In particular, despite higher revenues in major taxes, about $4 billion of the budget problem results from new, discretionary General Fund spending in the budget package, as well as some budget actions adopted in a special session. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the State.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the General Fund). However, the LAO indicates that the 2025-26 State Budget primarily relies on borrowing to close the gap, which accounts for $10.0 billion and approximately two-thirds of the total solutions. This borrowing increases the total outstanding budgetary borrowing from $12.0 billion to $22.0 billion. The LAO notes that this borrowing is similar to the measures used during the Great Recession. After borrowing, spending-related solutions, including both spending reductions and fund shifts, total $5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about $300.0 million, represent the small remainder. The LAO notes that while the State is also making a $7.1 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26, this withdrawal was not reflected in the 2025-26 State Budget Analysis because it was authorized in the 2024-25 State Budget.

The LAO explains that while it had previously categorized the Proposition 98 "Settle Up" as a spending delay, it now views this action as borrowing. While the estimate for the Proposition 98 minimum guarantee is up nearly $4.7 billion from the June 2024 level, the 2025-26 State Budget appropriates just over $2.7 billion in additional funding for that year. Funding schools and community colleges at this level—$1.9 billion below the estimate of minimum requirement—provides temporary savings but requires the State to settle up using future revenues. The State will finalize its calculation of this obligation in May 2026. The LAO notes that while the 2025-26 State Budget partially addresses the State's multi-year deficits, it expects budget deficits to persist. Based on the State's June 2025 projections and assumptions, annual operating deficits are projected to range from roughly $15 billion to $25 billion throughout the outlook period (i.e., 2026-27 through 2028-29), which would need to be addressed by the Legislature. The LAO notes, however, that these multi-year estimates are subject to considerable uncertainty and should be interpreted cautiously.

In summarizing the overall condition of the General Fund budget, the condition of the school and community college budget and State appropriations limits, as estimated by the administration, the LAO notes the following: (1) the State's reserves total nearly $16 billion at the end of fiscal year 2025-26, with the state reserve for schools and community colleges fully

withdrawn by the end of fiscal year 2025-26; (2) the State expects revenues from major tax sources to grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25, however the 2025-26 State Budget also projects revenues from said tax sources to decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26; and (3) federal funding is expected to remain flat between 2024-25 and 2025-26 but the 2025-26 State Budget projections do not include any potential effects of House Resolution 1: One Big Beautiful Bill Act, which was signed by President Trump on July 4, 2025.

The LAO explains that the 2025-26 State Budget provides $2.2 billion to cover 2.30% cost-of-living adjustment for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of $607 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate. For community colleges, the 2025-26 State Budget also provides $140.0 million to cover 2.35% enrollment growth across fiscal years 2024-25 and 2025-26.

The LAO notes that the 2025-26 State Budget provides $1.7 billion for the Student Support and Professional Development Discretionary Block Grant. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about $312.0 per student). For community colleges, the 2025-26 State Budget provides $60.0 million for the Student Support Block Grant. Districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. The State will allocate funds based on student headcount and the share of students qualifying for fee waivers or nonresident tuition exemptions, with a minimum grant of $150,000.00 per college in each district. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education. It also funds several smaller grants for community colleges focusing on other student support initiatives and career technical education.

The LAO indicates that the 2025-26 State Budget reduces spending in fiscal year 2025-26 by deferring $2.3 billion in payments to fiscal year 2026-27. Of this amount, $1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The remaining $408.0 million in deferrals pertains to community colleges. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26.

Additional Information. The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. For the full text of the 2025-26 State Budget, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

The 2026-27 State Budget Proposal

On January 9, 2026, the Governor submitted the fiscal year 2026-27 state budget proposal to the Legislature (the "**2026-27 State Budget Proposal**"). The 2026-27 State Budget Proposal presents a balanced budget, including a discretionary reserve of $4.5 billion, but projects a deficit of approximately $22 billion in fiscal year 2027-28 and additional shortfalls in the two years thereafter. General Fund revenues over the three-year budget window of fiscal years 2024-25 through 2026-27 are projected to be more than $42 billion higher than was assumed in the 2024-25 State Budget, an increase driven by stronger-than-anticipated stock market performance, higher cash receipts, and an improved economic outlook. However, the proposal cautions that much of this revenue growth is attributable to a relatively small number of technology companies and therefore is subject to significant volatility and unlikely to be sustained indefinitely. The proposal also identifies federal policy changes as a material risk to its revenue projections. In particular, House of Representatives Bill 1 of 2025 is projected to increase General Fund costs by approximately $1.4 billion in fiscal year 2026-27, largely related to Medi-Cal and CalFresh programs. The 2026-27 State Budget Proposal further notes uncertainty associated with future federal policies affecting tariffs, immigration, inflation, investment activity, labor markets, and overall economic demand.

The 2026-27 State Budget Proposal provides for $248.3 billion in General Fund expenditures and nearly $23 billion in combined reserves, including approximately $14.4 billion in the State's Proposition 98 Rainy Day Fund, $4.5 billion in the Special Fund for Economic Uncertainties, and $4.1 billion in the Public School System Stabilization Account. While balanced for fiscal year 2026-27, the 2026-27 State Budget Proposal anticipates that expenditures will exceed revenues in future years, requiring additional budget actions at the May Revision to maintain a structural balance in the coming years. Key fiscal risk factors include stock market and asset price volatility and declines, particularly among high-income taxpayers, and continued uncertainty in federal policy.

With respect to K-12 education, the 2026-27 State Budget Proposal sets Proposition 98 funding for K-14 education at $125.5 billion for fiscal year 2026-27, subject to settle-up adjustments. Additionally, the proposal includes an LCFF cost-of-living adjustment of 2.41% and proposes repayment of approximately $1.9 billion in previous funding deferrals to improve school district cash flow. The proposal further reflects continued support for universal transitional kindergarten and ongoing before-, during-, and after-school programming through the Expanded Learning Opportunities Program. The 2026-27 State Budget Proposal also allocates an additional $215 million to expand the Literacy Coaches and Reading Specialists Grant Program.

Significantly, the 2026-27 State Budget Proposal recommends governance changes to strengthen coordination across California's education system. Consistent with recommendations in the Legislature's 2002 report, "California's Master Plan for Education," the proposal would amend the Education Code to move oversight authority of the California Department of Education and support of local educational agencies under the State Board of Education, in addition to enhancing the State Superintendent of Public Instruction's ability to improve alignment and coordination across the bodies setting policy from early childhood through postsecondary education.

The Governor's May Revision, expected in mid-May 2026, will update the proposal to reflect revised economic conditions, revenue estimates, outlooks and other estimates and assumptions, and may modify or eliminate policy initiatives included in the 2026-27 State Budget Proposal.

For the full text of the 2026-27 State Budget Proposal, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

LAO Analysis of the 2026-27 State Budget Proposal. The LAO released its overview and initial analysis of the 2026-27 State Budget Proposal on January 10, 2026 (the "**2026-27 LAO Analysis**"). The 2026-27 LAO Analysis concludes that, under the Governor's assumptions, the budget is roughly balanced, reflecting an estimated deficit of approximately $3 billion. This represents an improvement compared with the LAO's November Fiscal Outlook, which projected a budget deficit of approximately $18 billion. The LAO attributes the State's substantially higher revenue forecast to two factors: first, the proposal does not incorporate the significant risk of a stock market downturn; and second, higher projected revenues are partially offset by increased baseline spending, including constitutionally required expenditures and growing program costs.

The LAO identifies stock market volatility as the most significant risk to the State's revenue outlook. The analysis notes that several historically reliable indicators suggest equity markets are overheated and at elevated risk of a downturn within the next year or two. A market correction would materially reduce personal income tax revenues and could quickly worsen the State's fiscal position. The LAO cautions that failing to incorporate this downside risk into the 2026-27 State Budget Proposal places the State on precarious fiscal footing, particularly given that the proposal is only marginally balanced even under optimistic revenue assumptions.

Both the 2026-27 LAO Analysis and the 2026-27 State Budget Proposal project persistent multiyear operating deficits. The LAO estimates that annual deficits could range between approximately $20 billion to $35 billion, while the 2026-27 State Budget Proposal projects operating deficits of roughly $27 billion in 2027-28, $22 billion in 2028-29, and $23 billion in 2029-30. The LAO characterizes these deficits as structural rather than cyclical, noting that deficits have persisted despite economic growth and rising revenue in addition to the State already addressing a cumulative $125 billion in budget problems over recent years. The LAO expresses concern that the State's fiscal challenges have become chronic and raise significant questions concerning long-term fiscal sustainability.

The LAO acknowledges that the State recognizes the risks associated with revenue volatility and multiyear structural deficits, but concludes that the 2026-27 State Budget Proposal does not materially address either challenge. The LAO recommends that the Legislature explicitly recognize downside revenue risk by adopting the LAO's more conservative revenue forecast, maintain required reserve deposits, set aside funds associated with delayed settle-up obligations into reserves rather than using them for ongoing commitments, and adopt a multiyear plan to reduce at least half of projected structural deficits through ongoing budget solutions. The LAO cautions that delaying corrective action until further budget cycles increases fiscal risk and limits the Legislature's ability to implement deliberate and sustainable solutions.

The 2026-27 LAO Analysis is available on the LAO website at www.lao.ca.gov. *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2025-26 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB ("**Article XIIIB**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from

certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIIIC and XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB

surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the

greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the "**third test**"). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain

conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as **"Proposition 30"**), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013, to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting

perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016, general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax increases of Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act ("**Proposition 2**") was approved by California voters on November 4, 2014. Proposition 2 triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the BSA established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in fiscal year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the BSA in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a fiscal year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the BSA (a "**Supplemental Stabilization Account Transfer**") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the BSA.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the BSA to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold. For the period from fiscal year 2015-16 through fiscal year 2029-30, Proposition 2 requires that half of any such transfer to the BSA (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After fiscal year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities and any amount not so applied shall be transferred to the BSA or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA are impacted by Proposition 2. Unilateral discretion to suspend transfers to the BSA are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the BSA for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIIIB of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the "**Public School System Stabilization Account**") into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to school districts and community college districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a Public School System Stabilization Account transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amended Article XIIIA to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property's tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrow as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocate most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District's assessed values.

Proposition 2 (2024)

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as "Proposition 2 (2024)") is a voter initiative that was approved by voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of $10 billion in general obligation bonds for the repair, upgrade, and construction of facilities at K-12 public schools (including charter schools), community colleges, and career technical education programs, including for the improvement of health and safety conditions and classroom upgrades.

Proposition 2 (2024) includes $3.3 billion for the new construction of K-12 facilities and an additional $4 billion for the modernization of existing K-12 facilities, up to 10% of each allocated amount to be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the $4 billion available in modernization funds, up to $115 million is available to be used for reducing lead levels in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some school districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of $1.2 billion will be available for the modernization and new construction of charter school ($600 million) and technical education ($600 million) facilities. The State will award funds to career technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

The District makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time, other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF PACIFIC GROVE AND MONTEREY COUNTY

*The following information concerning the City of Pacific Grove (the "**City**") and Monterey County (the "**County**") and is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt (or a pledge of the full faith and credit) of the City, the County, the State of California (the "**State**") or any of its political subdivisions, other than the District, and neither the City, the County, the State nor any of its political subdivisions, other than the District, is liable therefor.*

General Information

The City. The City is a small, coastal community surrounded by the Pacific Ocean, the Del Monte forest and the City of Monterey. The City has a warm-summer Mediterranean climate and was incorporated in 1889.

The County. The County covers an area of approximately 3,300 square miles and borders the Pacific Ocean almost at the midpoint of the California coastline, approximately 130 miles south of San Francisco and 240 miles north of Los Angeles. Incorporated in 1850 as one of the State's original 27 counties, the City of Salinas is the County seat. Agriculture, tourism, and government are major contributors to the County's economy. The Salinas Valley, located in the eastern portion of the County, is a rich agricultural center and one of the nation's major vegetable producing areas. The Monterey Peninsula, famed for its scenic beauty, is a year-round tourist attraction. Pebble Beach, Cypress Point, Spyglass Hill, Poppy Hills and The Links at Spanish Bay are well known Monterey Peninsula golf courses. The Monterey Bay Aquarium and the City of Carmel also are attractions that draw tourists to the Monterey Peninsula.

Population

The following table lists population estimates for the City, the cities within the County, and the County for the last five calendar years, as of January 1.

COUNTY OF MONTEREY
Population Estimates
Calendar Years 2021 through 2025 as of January 1

	2021	2022	2023	2024	2025
Carmel-By-The-Sea	3,172	3,070	3,067	3,056	3,049
Del Rey Oaks	1,571	1,554	1,561	1,551	1,546
Gonzales	8,557	8,420	8,452	8,459	8,434
Greenfield	18,908	19,888	20,316	20,543	20,785
King City	13,545	13,426	14,062	14,189	14,344
Marina	21,484	21,825	22,603	22,831	23,086
Monterey	28,630	28,333	27,380	27,148	27,273
Pacific Grove	**15,016**	**14,826**	**14,955**	**14,935**	**14,871**
Salinas	161,830	160,463	161,603	161,039	160,645
Sand City	379	370	376	374	373
Seaside	31,478	32,539	30,524	30,299	32,019
Soledad	26,585	26,681	26,521	26,831	27,310
Balance Of County	106,274	105,189	105,552	105,358	105,096
County Total	**437,429**	**436,584**	**436,972**	**436,613**	**438,831**

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The unemployment rate in the Monterey County was 10.6 percent in January 2026, up from a revised 9.1 percent in December 2025, and above the year-ago estimate of 10.1 percent. This compares with an unadjusted unemployment rate of 5.5 percent for California and 4.7 percent for the nation during the same period.

The table below lists employment by industry group for the County for the past five calendar years.

SALINAS METROPOLITAN STATISTICAL AREA
(MONTEREY COUNTY)
Annual Average Labor Force
Employment by Industry Group
(March 2024 Benchmark)

	2020	2021	2022	2023	2024
Civilian Labor Force [1]	211,900	209,800	215,300	216,600	221,200
Employment	188,100	192,100	202,000	201,400	205,100
Unemployment	23,900	17,600	13,300	15,200	16,100
Unemployment Rate	11.3%	8.4%	6.2%	7.0%	7.3%
Wage and Salary Employment: [2]					
Agriculture	53,800	54,800	58,400	54,400	56,600
Mining, Logging, and Construction	6,500	6,700	7,100	7,400	7,800
Manufacturing	4,600	4,900	5,100	5,000	4,800
Wholesale Trade	5,400	5,300	5,500	5,800	5,800
Retail Trade	15,500	16,000	16,200	16,200	16,200
Trans., Warehousing, Utilities	3,800	3,600	3,600	3,500	3,600
Information	800	800	900	900	900
Financial Activities	4,100	4,200	4,300	4,100	4,200
Professional and Business Services	14,400	15,400	15,500	14,400	13,600
Educational and Health Services	19,800	20,200	21,000	22,000	23,800
Leisure and Hospitality	18,800	20,500	24,200	25,500	25,800
Other Services	4,500	4,900	5,300	5,500	5,500
Federal Government	5,600	5,500	5,300	5,200	5,100
State Government	5,500	5,300	5,300	5,400	5,500
Local Government	22,700	22,800	23,900	24,600	25,700
Total All Industries [3]	185,500	190,800	201,600	199,900	204,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) May not add due to rounding.
Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest manufacturing and non-manufacturing employers within the County as of April 2026, in alphabetical order.

MONTEREY COUNTY
Largest Employers
April 2026

Employer Name	Location	Industry
Al Pak Labor	Soledad	Labor Contractors
Bud of California	Soledad	Fruits & Vegetables-Growers & Shippers
County-Monterey Behavioral	King City	Health Services
Filipino American Cmnty Club	Marina	Clubs
Growers Co	Salinas	Fruits & Vegetables & Produce-Retail
Hilltown Packing Co Inc	Salinas	Harvesting-Contract
Macy's	Monterey	Department Stores
Mann Packing Co Inc	Salinas	Packing & Crating Service
Mee Memorial Healthcare System	King City	Hospitals
Middlebury Institute-Intl Stds	Monterey	Schools-Universities & Colleges Academic
Misionero Vegetables	Gonzales	Fruits & Vegetables-Growers & Shippers
Monterey Bay Aquarium Rstrnt	Monterey	Non-Profit Organizations
Monterey County Public Works	Salinas	Government Offices-County
Monterey County Sheriff Office	Salinas	Non-Profit Organizations
Monterey County Social Svc Dpt	Salinas	Government Offices-County
Monterey Mushrooms	Royal Oaks	Mushrooms
Monterey Peninsula College	Monterey	Junior-Community College-Tech Institutes
Pebble Beach Co	Pebble Beach	Hotel & Motel Management
Pebble Beach Resorts	Pebble Beach	Resorts
Premium Packing	Salinas	Labor Contractors
Quality Farm Labor	Gonzales	Labor Contractors
R C Packing	Gonzales	Packing & Crating Service
Rocha Brothers Farms LLC	Moss Landing	Farms
Salinas Valley Health	Salinas	Health Care Management
Valley Harvesting	Greenfield	Crop Harvesting-Primarily By Machine

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition.

Commercial Activity

Summaries of historic taxable sales within the City and County during the past five years for which data are available are shown in the following tables.

Total taxable sales during the first three quarters of calendar year 2025 in the City were reported to be $121,142,501, a 0.71% increase over the total taxable sales of $120,287,090 reported during the comparable quarters of calendar year 2024.

CITY OF PACIFIC GROVE
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	483	$110,610	746	$123,033
2021	443	135,362	700	148,776
2022	421	148,544	680	165,570
2023	409	142,094	645	159,704
2024	400	140,290	637	159,061

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first three quarters of calendar year 2025 in the County were reported to be $7,182,995,414, a 4.05% increase over the total taxable sales of $6,903,737,083 reported during the comparable quarters of calendar year 2024.

MONTEREY COUNTY
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	8,078	$4,923,657	13,505	$6,953,873
2021	7,363	5,930,462	12,425	8,439,415
2022	7,455	6,384,227	12,783	9,422,999
2023	7,163	6,287,634	12,347	9,291,579
2024	7,022	6,299,417	12,228	9,288,693

Source: State Department of Tax and Fee Administration.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and non-tax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying and median household effective buying income for the City, County, the State of California and the United States for the period 2022 through 2026.

CITY OF PACIFIC GROVE, MONTEREY COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of Pacific Grove	$797,110	$87,739
	Monterey County	13,089,264	74,498
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Pacific Grove	$716,954	$84,173
	Monterey County	12,881,259	74,033
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Pacific Grove	$723,911	$87,085
	Monterey County	13,297,170	78,152
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Pacific Grove	$743,296	$86,863
	Monterey County	13,353,872	80,097
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Pacific Grove	$814,884	$94,182
	Monterey County	14,724,818	85,483
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

Series A Bonds

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Education
Pacific Grove Unified School District
435 Hillcrest Avenue
Pacific Grove, California 93950

OPINION: $_____ Pacific Grove Unified School District
General Obligation Bonds, Election of 2024, Series A

Members of the Board of Education:

We have acted as bond counsel to the Pacific Grove Unified School District (the "District") in connection with the issuance by the District of the bonds captioned above (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Education of the District (the "Board") on May 7, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Monterey is

obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

Refunding Bonds

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Education
Pacific Grove Unified School District
435 Hillcrest Avenue
Pacific Grove, California 93950

OPINION: $_____ Pacific Grove Unified School District
2026 General Obligation Refunding Bonds

Members of the Board of Education:

We have acted as bond counsel to the Pacific Grove Unified School District (the "District") in connection with the issuance by the District of $_____ principal amount of Pacific Grove Unified School District 2026 General Obligation Refunding Bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53550 and 58580 of such Code (the "Act"), and a resolution of the Board of Education of the District (the "Board") adopted on May 7, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications and opinions furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing school district with the power to issue the Bonds pursuant to the Act, and to perform its obligations under the Bond Resolution and the Bonds.

2. The Bond Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of the County of Monterey is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

**$_____*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds, Election of 2024, Series A**

**$_____*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
2026 General Obligation Refunding Bonds**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the Pacific Grove Unified School District (the "**District**") in connection with the execution and delivery of the above-captioned bonds (the "**Bonds**"). The Bonds are being executed and delivered pursuant to resolutions adopted by the Board of Education of the District on May 7, 2026 (the "**Resolutions**"). U.S. Bank Trust Company, National Association, is initially acting as paying agent for the Bonds (the "**Paying Agent**").

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District.

"*Dissemination Agent*" means, initially, Dale Scott & Company Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

**Preliminary; subject to change.*

"*Paying Agent*" means U.S. Bank Trust Company, National Association, or any successor thereto.

"*Participating Underwriter*" means Robert W. Baird & Co. Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year:

(i) assessed valuation of taxable properties in the District for the most recently completed fiscal year or, if available at the time of filing the Annual Report, for the then-current fiscal year;

(ii) assessed valuation of properties of the top twenty taxpayers in the District for the most recently completed fiscal year or, if available at the time of filing the Annual Report, for the then-current fiscal year;

(iii) property tax collection delinquencies for the District for the most recently completed fiscal year, if available from the County at the time of filing the Annual Report, but only if the District's general obligation bond tax levy is not included in the Teeter Plan; and

(iv) the District's most recently adopted Budget or approved interim report with budgeted figures, which is available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Dale Scott & Company Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolutions for amendments to the Resolutions with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any

information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2026

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Name:_____
Title:_____

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

MONTEREY COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

Board Cover Sheet

Action/Discussion

- [x] Credibility & Communication
- [ ] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Buck Roggeman
Chief Human Resources Officer

Item
Final Certificated Layoff Resolution No. 1194

Recommendation
The District Administration recommends that the Board review and approve Final Certificated Layoff Resolution Number 1194.

Background
Education Code section 44955, subdivision (C) requires that formal layoff notices be issued to impacted employees prior to May 15, 2026. This resolution authorizes and directs District administration to give final written notice to the certificated employees listed on Exhibit A that their services will be discontinued.

Information
The Board of Trustees adopted resolutions 1178, 1179, 1180, 1181, and 1182 on February 26, 2026, which ordered the reduction or elimination of particular kinds of certificated services. This resolution authorizes the District to issue formal layoff notices to the affected employees.

Fiscal Impact
Fund 01 ($922,915)
**This does not include the additional FTE authorized for the HS Media Library Tech*

BEFORE THE BOARD OF TRUSTEES OF THE PACIFIC GROVE UNIFIED SCHOOL DISTRICT COUNTY OF MONTEREY, CALIFORNIA

RESOLUTION #1194 FINAL RESOLUTION TO TERMINATE CERTIFICATED EMPLOYEES DUE TO A REDUCTION OF PARTICULAR KINDS OF SERVICES ("FINAL CERTIFICATED LAYOFF RESOLUTION")

WHEREAS, the Governing Board of the Pacific Grove Unified School ("District") adopted Resolutions No. 1178, 1179, 1180, 1181, and 1182 ("Resolutions") on February 26, 2026, which ordered the reduction or elimination of particular kinds of certificated services;

WHEREAS, the Resolutions authorized and directed the Superintendent, or her designee, to implement the certificated layoff resolutions pursuant to California Education Code sections 44949, 44955, and other applicable provisions of law based on the reduction and/or discontinuance of particular kinds of services;

WHEREAS, the Superintendent, or her designee, duly and properly served preliminary layoff notices on impacted certificated employees by March 15, 2026, informing them that they would be laid off at the end of the 2025-2026 school year, as a result of the reduction of particular kinds of services, and affording them the right to request a hearing regarding their proposed layoff;

WHEREAS, on or about March 25, 2026, employees who timely requested a hearing were served with a statement of reduction in force, informing them of their right to file a notice of participation under applicable law;

WHEREAS, since preliminary layoff notices were served in March, the District has been able to rescind several layoff notices to minimize the layoff;

WHEREAS, the remaining two employees who requested a hearing withdrew their request and, therefore, no layoff hearing will take place;

WHEREAS, Education Code section 44955, subdivision (c) requires that final layoff notices be issued to impacted certificated employees prior to May 15, 2026;

WHEREAS, the certificated employees identified in Exhibit A will be laid off at the end of the 2025-2026 school year in accordance with Education Code sections 44949 and 44955, as previously approved by the Governing Board;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Pacific Grove Unified School District as follows:

That the Superintendent or her designee is authorized and directed to give final written notice of layoff to the employees listed on Exhibit A before May 15, 2026, informing them that their services will be discontinued in the amount set forth in Exhibit A. Laid off employees shall be entitled to all applicable reemployment rights.

Approved, Passed, and Adopted at a regular board meeting of the Pacific Grove Unified School District held May 7, 2026 by the following vote:

AYES:
NAYS:
ABSTAIN:
ABSENT:

Attest,

_____
Jennifer McNary, Board President
Pacific Grove Unified School District

_____
Beth Shammas, Board Clerk
Pacific Grove Unified School District

EXHIBIT A

Employee ID Number	Full-Time Equivalent (“FTE”)
• 162047	1.0
• 161118	1.0
• 161182	1.0
Total FTE	**3.0**

Board Cover Sheet

Action/Discussion

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [x] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Buck Roggeman
Chief Human Resources Officer

Item

Adoption – Resolution No. 1197 – Classified School Employee Week

Recommendation

The District Administration recommends the Board review and adopt Resolution Number 1197, proclaiming Classified School Employee Week, May 17-23, 2026.

Background

In 1986, the California School Employees Association sponsored state legislation to create Classified School Employee Week. Since then, California public schools have taken one week each May to recognize the outstanding efforts and contributions of classified school workers.

Information

Classified employees have earned respect as educators and partners in the education community. More importantly, they have become recognized as essential frontline workers who keep our schools up and running while making a difference in the lives of the students they serve.

Classified employees perform a wide range of essential work, including food services, maintenance and operations, transportation, instructional assistance and paraeducator services, office and clerical work, security, library and media assistance, computer services and more. They provide daily care, transportation, and instruction for California's students – guiding them from preschool through community college.

We, therefore, celebrate classified school employees by Board Resolution, proclaiming Classified School Employee Week from May 17-23, 2026, to recognize the many contributions classified professionals make to the education community. This year CSEA is celebrating the theme: Trusted, Inclusive, United.

Fiscal Impact

None

Pacific Grove Unified School District
Board of Education

Resolution Number 1197 Proclaiming

"CLASSIFIED SCHOOL EMPLOYEE WEEK"

WHEREAS, the California School Employees Association and the Legislature of the State of California has declared that May 17-23, 2026, shall be "Classified School Employee Week," a time to recognize the many contributions of classified school employees to public education; and

WHEREAS, classified professionals provide valuable services to the school and students of the Pacific Grove Unified School District; and

WHEREAS, classified employees contribute to the establishment and promotion of a positive instructional environment; and

WHEREAS, classified employees serve a vital role in providing for the welfare and safety of Pacific Grove Unified School District students; and

WHEREAS, classified employees of the Pacific Grove Unified School District strive for excellence in all areas relative to the educational community;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of Pacific Grove Unified School District that **Resolution 1197** be adopted to observe Classified School Employee Week during the time of May 17-23, 2026, as an opportunity to acknowledge the achievements and contributions of classified school employees in our system of public education and the Pacific Grove Unified School District.

Passed and Adopted on the seventh Day of May 2026

Jennifer McNary, President	Beth Shammas, Clerk
Laura Ottmar, Board Member	Dr. Elliott Hazen, Board Member
Mike Wachs, Board Member	Dr. Linda Adamson, Superintendent

Board Cover Sheet

Action/Discussion

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [x] Health & Safety of Students & Schools
- [ ] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Buck Roggeman
Chief Human Resources Officer

Item

Adoption – Resolution No. 1196 – “California Day of the Teacher” & “Teacher Appreciation Week”

Recommendation

The District Administration recommends that the Board adopt Resolution Number 1196 proclaiming May 4-8, 2026, as Teacher Appreciation Week and specifically Wednesday, May 13, 2026, as California Day of the Teacher (EC 37222.10).

Background

Teacher Appreciation Week, celebrated annually during the first full week of May, began as a national recognition of teachers in 1953, thanks to the efforts of First Lady Eleanor Roosevelt. Initially just a single day, the recognition was later expanded into a weeklong celebration by the National Parent-Teacher Association (PTA).

During the early 1970’s, The Association of Mexican-American Educators (AMAE) adopted the Mexican tradition of annually celebrating “El Dia del Maestro” (Day of the Teacher) festivities observed in Mexico and other Latin American countries and began organizing related events throughout the state. In 1982, AMAE sponsored legislation (incorporated in Education Code Section 37222.10) to establish the Day of the Teacher.

Information

Teachers play an important role in our society fulfilling the responsibility to educate all children. The State of California has declared the second Wednesday in May as California Day of the Teacher. Therefore, we recognize our teachers with a resolution proclaiming May 4, 2026, through May 8, 2026, as Teacher Appreciation Week whereby citizens confirm and support parent teacher partnerships and show appreciation for the hard work and dedication of teachers and specifically May 13, 2026, as California Day of the Teacher.

Fiscal Impact

None

Pacific Grove Unified School District
Board of Education

Resolution Number 1196 Proclaiming

"TEACHER APPRECIATION WEEK" and "CALIFORNIA DAY OF THE TEACHER"

WHEREAS, teachers personify our society's belief that universal public education is key to meeting the challenges of a changing world, and the influence of a good teacher continues long after school days are only memories; and

WHEREAS, teachers demonstrate and share their love of learning in the classroom every day and fill many roles: as listeners, explorers, role models, motivators, and mentors; and, by doing so, are partners with parents and the community in inspiring students' dreams and laying the foundation for them to be good citizens; and

WHEREAS, teachers strive to make every classroom an exciting environment where productive and useful learning can take place and each student is encouraged to grow and develop and where teachers reach out to foster the well-being of each student, regardless of ability, social or economic background, race, or ethnic origin or religion; and

WHEREAS, the Board applauds the unique and highly specialized skills and dedication required to meet the varied needs of the young people served by the District's instructional programs and recognizes that the quality of all students' educational experiences depends significantly and vitally upon the quality of their teachers who are entrusted with fulfilling the mission of education to prepare our students for the future; and

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of Pacific Grove Unified School District that **Resolution 1196** be adopted to observe May 4, 2026, through May 8, 2026, as Teacher Appreciation Week and specifically May 13, 2026, as the California Day of the Teacher by taking time to remember and salute the teachers who mold and educate our children, impact and enrich our lives, and thereby, are critical to the constant transformation of our society.

Passed and Adopted on the seventh Day of May 2026

Jennifer McNary, President	Beth Shammas, Clerk
Laura Ottmar, Board Member	Dr. Elliott Hazen, Board Member
Mike Wachs, Board Member	Dr. Linda Adamson, Superintendent

Board Cover Sheet

Action/Discussion

- [x] Credibility & Communication
- [ ] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Jon Anderson
Director of Maintenance, Operations & Transportation

Item

RESOLUTION REGARDING DESIGNATION OF A SPECIFIC BRAND OR TRADE NAME IN INVITATIONS TO BID AND REQUESTS FOR PROPOSAL

(PUBLIC CONTRACT CODE §3400)

Recommendation

The District Administration recommends that the Board review, discuss and approve Resolution No. 1198 designating Weatherweld liquid applied roofing system as the specified brand of roofing to be applied to our District's built-up-roofs.

Background

The previous Director of M.O.T. researched and determined the best possible product for our district roofs to be Weatherweld. We have since coated 24 roofs with weatherweld.

Information

Not only does the roof work well on our built-up-roofs, it has a title 24 compliant white top layer that has the added benefit of reducing bird nesting on our rooftops. The 40 year warranty is also not matched by any comparable roofing product that the District has found.
Uniformity of product is not only for appearance but also for convenience of maintenance and warranty.

Fiscal Impact

Publicly Bid projects will vary by size and scope. All future projects will be brought to the board for approval.

Current and Future Fiscal Years

(21) Bond Measures D & B

BEFORE THE GOVERNING BOARD
OF THE PACIFIC GROVE UNIFIED SCHOOL DISTRICT
MONTEREY COUNTY, CALIFORNIA

RESOLUTION NO. _____
RESOLUTION REGARDING DESIGNATION OF A SPECIFIC BRAND OR TRADE NAME IN INVITATIONS TO BID AND REQUESTS FOR PROPOSAL (PUBLIC CONTRACT CODE §3400)

WHEREAS, the Pacific Grove Unified School District ("District") intends to provide a uniform system for the construction, maintenance and repair of its built-up-roof buildings throughout the District ("New System"); and

WHEREAS, the District currently utilizes multiple roofing systems manufactured by various providers throughout its District school sites and other facilities ("Existing Systems"); and desires to move toward a uniform roofing system for its built-up roof buildings, which is already in use at six (6) different sites; and

WHEREAS, pursuant to Public Contract Code sections 20111(b) and 22032, construction and maintenance projects exceeding applicable statutory limits must generally be put out to public bid;

WHEREAS, Public Contract Code section 3400(c) provides that the District may make a finding that is described in invitations for bids or requests for proposals for a construction project that a particular material, product, thing or service is designated by specific brand or trade name if doing so meets one or more particular purposes;

WHEREAS, the purposes identified in Public Contract Code section 3400(c) include the purpose of matching other products in use on a particular District public improvement either completed or in the course of completion;

WHEREAS, maximizing uniformity among certain products, materials things and services and related use of a particular brand or trade name can result in greater efficiency and cost savings to the District in many ways because the District is able to (1) match and/or integrate with products already in use, reducing the need for replacement of existing products; (2) stock a single model of replacement products or parts; (3) minimize inventory storage of parts; (4) make more cost effective purchases due to larger quantities; (5) standardize and reduce the cost of installation and use; (6) standardize maintenance, repair and cleaning; (7) reduce and make more uniform training for District staff on installation and use; (8) stockpile units for rapid replacement; (9) utilize standardized connections, such as cabling requirements for computers and system peripheral devices; and (10) determine interior finishes at the outset of project design, minimizing architectural design and redesign costs;

WHEREAS, the District wishes to use the Weatherweld Roofing System (see detailed descriptions of exemplar Weatherweld products attached as Exhibit A) for its upcoming Projects ("Project") to match other products already in use on District property, including but not limited to Pacific Grove High School (615 Sunset Ave), Pacific Grove Middle School (835 Forest Ave), Pacific Grove Adult School (1025 Lighthouse Ave), Forest Grove Elementary School (1065

Congress Ave), Robert Down Elementary School (485 Pine Ave) and the David Ave Campus (1004 David Ave), in order to obtain the benefits of product uniformity described above. The Weatherweld roofing system is available from multiple authorized dealers throughout the State of California.

NOW, THEREFORE, BE IT RESOLVED that the Board of Education hereby finds, determines and orders as follows:

1. The foregoing recitals are adopted as true and correct.

2. Use of each item set forth in Exhibit A on the Project is consistent with the purpose set forth in Public Contract Code section 3400(c)(2) and will help the District achieve the above-stated benefits of product uniformity.

3. Each invitation to bid or request for proposal that identifies particular materials, products, things or services by specific or brand name pursuant to the authority of this Resolution shall describe the findings set forth herein applicable to such particular materials, products, things or services.

4. The Superintendent and his designee are hereby authorized to take such other steps as are necessary to carry out the intent of this Resolution.

The foregoing Resolution was adopted at a meeting of the Governing Board of the Pacific Grove Unified School District on _____, 2026, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Jennifer McNary
President, Board of Education
Pacific Grove Unified School District

CERTIFIED TO BE A TRUE
AND CORRECT COPY:

_____
Beth Shamas
Clerk, Board of Education
Pacific Grove Unified School District _____

EXHIBIT A

Detailed Description of Sole Source Item

Board Cover Sheet

Action/Discussion

- ☐ Credibility & Communication
- ☐ Student Learning & Achievement
- ☐ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Jon Anderson
Director of Maintenance, Operations & Transportation

Item

Contract for Services - Fresh Start Painting

Recommendation

The District Administration recommends that the Board review and approve a contract for services with Fresh Start Painting for the exterior painting of the Gymnasium, Performing Arts Center, Music Building and Field Restroom at Pacific Grove Middle School.

Background

A bid package was developed and a call for bid was advertised publicly. This resulted in a responsible bid of $68,300.00.

Information

This exterior painting project is a continuation of critical building envelope work which will help maintain our District buildings and greatly improve their appearance. This project is also on the Board approved Quick Start list.

Fiscal Impact

2025/26

(21) Bond-Measure D

Program/Grant

N/A

CONSTRUCTION CONTRACT
LUMP SUM – FIXED PRICE

THIS CONSTRUCTION CONTRACT (this "Agreement") is entered into on this (Date): April 3, 2026

Between the Owner: **PACIFIC GROVE UNIFIED SCHOOL DISTRICT**
435 Hillcrest Ave
Pacific Grove, CA 93950

And the Contractor: Fresh Start Painting
8 Seville Court
Millbrae, CA 94030

RECITALS

A. Owner desires to contract with Contractor for the PGUSD [Pacific Grove Middle School Exterior Painting of building C, D & Field Restroom] Project FY D-82 (the "Project"), Located:

Pacific Grove Unified School District
Pacific Grove Middle School
835 Forest Ave.
Pacific Grove, CA 93950

B. Contractor desires to construct the Project on the terms and conditions contained herein. NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties agree as following.

Section 1. Definitions.

Work*.** As used herein the "Work" shall mean all labor and materials, or both, necessary to perform the Project, to full completion, and shall consist of the components described in the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents. The Work shall be done and the materials furnished in accordance with the information provided in the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** and as discussed in all correspondence prior to bid time and at the job walk.

Section 2. Obligations of Contractor.

Contractor agrees to furnish and transport all necessary labor, permits, materials, tools, implements, supplies, building materials and component parts, and appliances required to perform and finish the Work to industry standards and all applicable codes, free of

any and all liens and claims of laborers, materialmen, suppliers, and subcontractors, free from any and all defects or deficiencies. Contractor shall further endeavor to use its best faith efforts to complete the Project timely, and continually keep Owner apprised of the status of the Project.

Section 3. The Work.

(a) Contractor has reviewed the Scope of Work (***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents***), and represents that: (i) if the Work is performed in accordance therewith, the Work shall have been constructed in accordance with all applicable state, county, and municipal laws, codes, and regulations, including, but not limited to, all applicable building codes; and (ii) the Plans and Specifications are sufficiently complete and detailed to permit Contractor to perform the entire Work on the basis of the Notice to Bidders and Jobsite Walk for the Fixed Price Cost. No changes in the scope of work or Fixed Price shall be made unless in a change order signed by both parties. (iii) contractor will be responsible for locating all utilities (above and below ground) with a licensed locating service prior to commencing work on the site. The contractor will be provided with information from the owner locating said utilities to the best of the owner's knowledge.

(b) If at any time or times during the process of the Work, Owner desires to add to, alter, deviate from, or make omissions from the Work to be performed under the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents.*** Owner shall be at liberty to do so and the same shall in no way affect or make void this Agreement. Any such alterations to the scope of work, or deviations from ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** shall be made only in a writing signed by both parties. Any verbal changes in the scope of Work defined within the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** shall be of no force nor effect. This Agreement shall be considered completed when: (i) the Work is finished in strict accordance with the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** as amended by any written change order

(ii) the Owner approves of the Work;
(iii) a notice of completion has been recorded; and (iv) the Contractor has received final payment.

Section 4. Contract Time.

Contractor agrees to commence the Work or as mutually agreed after receiving written notification to proceed from Owner, and shall complete the Work in no event later than **August 3, 2026** from the Notice to Proceed (the “Completion Date”). Contractor shall carry out the Work at all times with the greatest possible dispatch and diligence. If Contractor has not completed the Work by the Completion Date, then Owner may terminate this Agreement, Contractor shall immediately terminate its Work, Owner may

withhold payment to the Contractor to complete the Work and the Project with another contractor, and in the event withholding such funds is insufficient to complete the Work and the Project, the Contractor will refund to the Owner such funds necessary to complete the Work and the Project within **60 calendar days** of receipt of written demand.

Section 5. Fixed Price.

1. Owner agrees, in consideration of Contractor's performance of this Agreement, to pay Contractor the **Fixed Price of $68,300.00** (Sixty-Eight Thousand Three Hundred Dollars and no cents).This sum shall constitute payment in full for all costs incurred by Contractor under this Agreement in performing and completing the Work, including, but not limited to, the costs incurred for insurance, overhead, subcontractor's materials, supplies, bonds (if any are required by Owner), permits and compliance with all building codes and laws, and Social Security, unemployment, sales, use, and all other taxes and costs.

A contingency / tracking log to be maintained during the project.

2. Progress payments on account of the Fixed Price cost shall be made as follows. Please note that Contractor must submit an invoice to the PGUSD for all progress payments as listed below:

(a) Applications for payment as set forth according to the schedule below:

1. **$1,000.00 - Upon Execution of Contract.**
   ($1,000 or 10% of the contract, whichever is less)
2. **35% (+/-) - Material Acquisition and Mobilization.**
3. **45% - Progress Payments**
4. **10% - Upon Final Inspection and Sign Off of Punch List.**

(b) The balance of ten percent (10%) of the contract price shall not become due until completion and final acceptance of the Work. As a condition precedent to Owner's obligation to make any progress payment, Contractor shall provide Owner with the following documents upon Owner's written request: (i) a conditional mechanics' lien release from each laborer, material supplier, and other subcontractor who provided labor, materials, or supplies for the component(s) of the Work covered by such progress payment. (c) As an additional condition precedent to Contractor's right to receive final payment, Contractor shall discharge and release the Work from any and all claims or liens that may have accrued from the performance of this Agreement and the final building inspection by Owner and the applicable governmental agency shall have been completed and accepted, and shall provide Owner with the following documents upon Owner's written request: (i) an unconditional mechanics' lien release from each

such claimant who provided a conditional mechanics' lien release for the payment due (if any) to such claimant from the immediately preceding progress payment once the funds clear the contractors account. (ii) a recorded notice of completion; and (iii) “as built” drawings.

3. If at any time during the progress of the Work or before the final payment is made, any lien or claim or lien is filed, or notification to withhold money for labor or material furnished by Contractor under this Agreement is served on Owner, and Owner has performed its obligations under this Agreement, then Owner shall have the right to: (i) withhold from any payment due to Contractor an amount sufficient to discharge any and all such liens or claims; (ii) pay the lien holder directly and offset any such amount against the Fixed Price Cost; and (iii) bond around the lien at Contractor's sole cost and expense.

4. Owner reserves the right to make payments to Contractor in the form of checks payable jointly to Contractor and to any of its subcontractors or suppliers if Owner reasonably suspects that Contractor is not making payment to any such subcontractors or suppliers, or to protect Owner from any liens or encumbrances.

5. Owner may withhold any progress payment or final payment, or nullify any certification for payment previously issued, to the extent necessary to protect Owner from loss due to: (i) claims filed (including litigation, mechanic's liens, stop notices (“Claims”); (ii) reasonable evidence indicating probable filing of Claims: (iii) failure of Contractor to make timely payments to subcontractors or material suppliers; (iv) any material breach of this Agreement; (v) any reasonable doubt that the Agreement can be completed for the balance then unpaid; or (vi) defective or deficient work.

6. Final payment is due within thirty days of satisfaction of all completion conditions referenced above.

Section 6. Warranty.

All Work that is not completed to plans and specifications, applicable codes, and industry standards shall be immediately repaired, removed, and replaced with Work of a quality approved by the Owner, without additional compensation to the Contractor. The Contractor guarantees that the Work done under this Agreement will be free from faulty materials or workmanship and will comply with all applicable laws. Upon receiving notification from Owner, Contractor agrees to remedy, repair, or replace, immediately, without cost to Owner and to Owner's satisfaction, all defects, damages, or imperfections appearing in the Work (including labor and materials) within a period of one (1) year after the date of final completion and acceptance by the applicable

governmental agency and Owner of the Work. Payments to Contractor shall not relieve Contractor of these obligations. Contractor will keep clean on a weekly basis the jobsite and grounds around the jobsite, and keep it in a safe, orderly, and neat condition. At the completion of the Work, the entire jobsite will be left in a broom-clean condition. Contractor shall assign all material and parts warranties to the Owner, and shall deliver to the Owner evidence of any such warranties as well as all product information and specifications. Contractor warrants that it is licensed by the Contractors State Licensing Board, and currently in good standing.

Section 7. Insurance/Bonds/Indemnity

7.0 Before commencement of any Work under this Agreement, Contractor shall obtain and maintain in full force and affect the following:

A **Performance Bond** in the amount of one hundred percent (100%) of the Contract Sum to insure Owner during construction, and for one year after completion and during any warranty or guarantee period, against faulty or improper materials or workmanship and to assure Owner of full and prompt performance of the Contract.

A **Payment Bond (Labor and Material**) in the amount of one hundred percent (100%) of the Contract Sum in accordance with the laws of the State of California to secure payment of any and all claims for labor and materials used or consumed in performance of this Contract.

1. Comprehensive General Liability insurance that names Owner as an additional insured and that protects Contractor and Owner against any liability that Contractor may incur: (a) Because of bodily injuries to or the death of one person other than an employee of Contractor and consequential damages arising therefrom to the extent of not less than *$2,000,000.00* and on account of bodily injuries to or the death of more than one such person, subject to the same limit for each. (b) Because of damage to or destruction of any property, to the extent of not less than *2,000,000.00* for each incident and aggregate.

2. Worker's Compensation insurance in statutory form and amount and employer's liability insurance covering Contractor's liability to the extent of not less than *$2,000,000.00* for damages because of bodily injuries to or death of such person or persons.

3. The insurance described in Paragraph 7.1 above also shall provide contractual liability coverage satisfactory to Owner with respect to liability assumed by Contractor under the indemnity provisions in this Agreement. Written proof of compliance with

these requirements shall be filed with and approved by Owner before commencement of Work. The insurance provided in Section 7.1 shall name Owner, as an additional insured, and Contractor shall cause to be issued certificates and endorsements evidencing such coverage prior to the commencement of construction. The insurance to be maintained by the Contractor shall at all times be primary to the insurance maintained by Owner.

4. To the maximum extent permitted by law, Contractor shall indemnify, defend, and save harmless Owner and hold Owner, harmless from any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action, judgments, and other costs and expenses, including attorneys' fees and court costs (“Claim”), including but not limited to Claims involving personal injuries or property damage, which Owner may suffer or incur as a consequence of (i) Contractor's failure to perform any of Contractor's obligations as and when required hereunder, including any failure of any representation or warranty of Contractor to be true and correct and any errors, omissions or negligent acts committed by Contractor, its agents, subcontractors, or employees, (ii) any Claim or cause of action to the effect that Owner is in any way responsible or liable for any act or omission of Contractor, (iii) any act or omission by Contractor or any person or entity hired or employed by Contractor to perform any services relating to the subject matter of this Agreement; (iv) any Claim in any manner arising out of Contractor's performance of the Work; or (v) any breach of this Agreement by Contractor. Contractor shall pay any indebtedness arising under this indemnity to Owner immediately upon demand by Owner together with interest thereon from the date such indebtedness arises until paid at the rate equal to the greater of ten percent (10%) per annum or the highest lawful rate. Contractor's duty to indemnify Owner shall survive the termination of this Agreement. The foregoing indemnity shall not apply if the Owner's sole gross negligence or willful misconduct is the cause of the Claim.

Section 8. Work Stoppage

If Contractor at any time during the progress of the Work refuses or neglects, without the fault of Owner, to supply sufficient materials or workers to continue or complete the Work for a period of more than ten (7) days, not due to conditions beyond control of the contractor are not the cause, after having been notified in writing by Owner to furnish them, Owner shall have the power to terminate this Agreement and/or furnish and provide such materials and workers as are necessary to finish the Work, and the reasonable expense thereof shall be deducted from the amount of the contract price as determined in this Agreement.

Section 9. Termination.

a. The Owner may terminate the Contract if the Contractor repeatedly refuses or fails to supply enough properly skilled workers or proper materials; fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors; repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of a public authority; or otherwise is guilty of substantial breach of a provision of the Contract Document

b. When any of the above reasons exists, the Owner, may determine that sufficient cause exists to justify such action, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

c. When the Owner terminates the Contract for one of the reasons stated in Section 20.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

d. If the unpaid balance of the Contract Sum exceeds the reasonable costs of finishing the Work. If such reasonable costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner.

9.2 Termination by the Owner for Convenience

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

9.3 Termination by the Contractor

If the Owner fails to make payment as provided in Section 5.2 for a period of 7 days, the Contractor may, upon seven additional days' written notice to the Owner and or the Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

Section 10. Independent Contractor.

Contractor agrees to perform the Work as an independent contractor and not as the agent, employee, or servant of Owner. Contractor has and hereby retains the right to exercise full control and supervision of the Work and full control over the employment, direction, method of performing, compensation, and discharge of all persons assisting in the Work. Contractor agrees to be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other regulations governing such matters. Contractor agrees to be responsible for its own acts and those of its subordinates, employees, and subcontractors during this Agreement.

Section 11. Assignment.

Contractor shall not assign this Agreement or any interest in it or any money due or to become due under it voluntarily, involuntarily, or by operation of law without Owner's prior written consent. In the event of any such purported assignment without Owner's prior written consent,

Owner shall have the right, in addition to all other rights provided by law, to terminate this Agreement by giving written notice to Contractor.

Section 12. Miscellaneous.

Contractor shall at all times operate in good faith to coordinate job site installation and the work of other trades at the Project and to complete the Work in a time efficient manner and in a manner which will minimize disturbance, noise and inconvenience to the surrounding residents. Time is of the essence of this Agreement.

This Agreement shall be governed by the laws of the State of California.

Section 13. Mediation.

Any dispute arising of this Agreement shall first be submitted to mediation in an informal attempt to resolve such dispute. The mediation shall be conducted by a mediator experienced in the area of construction and construction contracts. Any party who first files any claim, including a complaint, without first seeking in good faith to participate in mediation, shall not be entitled to recover its attorney's fees pursuant to Section 14 of this Agreement, regardless of whether such party is the “prevailing party” in any such action.

Section 14. Attorney Fees.

If any suit or action is brought to enforce or construe any provision of this Agreement, the prevailing party shall be entitled to recover its costs and expenses arising out of such litigation, including attorneys' fees and court costs, from the non-prevailing party.

CONTRACTOR: Fresh Start Painting

Signature: _____

Print Name: _____

Title: _____

OWNER(S) / AGENT(S): Pacific Grove Unified School District

Signature: _____

Print Name: Joshua Jorn

Title: Assistant Superintendent of Business Services

Attachments:

Exhibit A: Schedule of Value

Exhibit B: Performance and Material Bonds

Board Cover Sheet

Action/Discussion

- ☐ Credibility & Communication
- ☐ Student Learning & Achievement
- ☐ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Jon Anderson
Director of Maintenance, Operations & Transportation

Item

Contract for Services - CMA Painting Inc.

Recommendation

The District Administration recommends that the Board review and approve a contract for services with CMA Painting Inc. for the exterior painting wood rot repairs and installation of rain gutters on two buildings of our David Ave campus. This is a continuation of last year's work.

Background

A bid package was developed and a call for bid was advertised publicly. This resulted in a bid of $229,000.00.

Information

This exterior painting project is a continuation of critical building envelope work which will help maintain our District buildings and greatly improve their appearance. This project is also on the Board approved Quick Start list.

Fiscal Impact

2025/26

(21) Bond-Measure D

Program/Grant

N/A

CONSTRUCTION CONTRACT
LUMP SUM – FIXED PRICE

THIS CONSTRUCTION CONTRACT (this "Agreement") is entered into on this (Date): April 7, 2026

Between the Owner: **PACIFIC GROVE UNIFIED SCHOOL DISTRICT**
435 Hillcrest Ave
Pacific Grove, CA 93950

And the Contractor: C M A Painting INC.
1510 Virginia St.
Berkeley, CA 94793

RECITALS

A. Owner desires to contract with Contractor for the PGUSD [David Ave. Exterior Painting and Rain Gutters D89]
Monterey Bay Charter School
1004 David Ave.
Pacific Grove, CA 93950

B. Contractor desires to construct the Project on the terms and conditions contained herein. NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties agree as following.

Section 1. Definitions.

Work*.** As used herein the "Work" shall mean all labor and materials, or both, necessary to perform the Project, to full completion, and shall consist of the components described in the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents. The Work shall be done and the materials furnished in accordance with the information provided in the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** and as discussed in all correspondence prior to bid time and at the job walk.

Section 2. Obligations of Contractor.

Contractor agrees to furnish and transport all necessary labor, permits, materials, tools, implements, supplies, building materials and component parts, and appliances required to perform and finish the Work to industry standards and all applicable codes, free of any and all liens and claims of laborers, materialmen, suppliers, and subcontractors, free from any and all defects or deficiencies. Contractor shall further endeavor to use its

best faith efforts to complete the Project timely, and continually keep Owner apprised of the status of the Project.

Section 3. The Work.

(a) Contractor has reviewed the Scope of Work (***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents***), and represents that: (i) if the Work is performed in accordance therewith, the Work shall have been constructed in accordance with all applicable state, county, and municipal laws, codes, and regulations, including, but not limited to, all applicable building codes; and (ii) the Plans and Specifications are sufficiently complete and detailed to permit Contractor to perform the entire Work on the basis of the Notice to Bidders and Jobsite Walk for the Fixed Price Cost. No changes in the scope of work or Fixed Price shall be made unless in a change order signed by both parties. (iii) contractor will be responsible for locating all utilities (above and below ground) with a licensed locating service prior to commencing work on the site. The contractor will be provided with information from the owner locating said utilities to the best of the owner's knowledge.

(b) If at any time or times during the process of the Work, Owner desires to add to, alter, deviate from, or make omissions from the Work to be performed under the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents.*** Owner shall be at liberty to do so and the same shall in no way affect or make void this Agreement. Any such alterations to the scope of work, or deviations from ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** shall be made only in a writing signed by both parties. Any verbal changes in the scope of Work defined within the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** shall be of no force nor effect. This Agreement shall be considered completed when: (i) the Work is finished in strict accordance with the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** as amended by any written change order

(ii) the Owner approves of the Work;
(iii) a notice of completion has been recorded; and (iv) the Contractor has received final payment.

Section 4. Contract Time.

Contractor agrees to commence the Work or as mutually agreed after receiving written notification to proceed from Owner, and shall complete the Work in no event later than **August 3, 2026** from the Notice to Proceed (the “Completion Date”). Contractor shall carry out the Work at all times with the greatest possible dispatch and diligence. If Contractor has not completed the Work by the Completion Date, then Owner may terminate this Agreement, Contractor shall immediately terminate its Work, Owner may withhold payment to the Contractor to complete the Work and the Project with another contractor, and in the event withholding such funds is insufficient to complete the Work

and the Project, the Contractor will refund to the Owner such funds necessary to complete the Work and the Project within **60 calendar days** of receipt of written demand.

Section 5. Fixed Price.

1. Owner agrees, in consideration of Contractor's performance of this Agreement, to pay Contractor the **Fixed Price of $229,000.00** (Two Hundred Twenty-Nine Thousand Dollars and no cents). This sum shall constitute payment in full for all costs incurred by Contractor under this Agreement in performing and completing the Work, including, but not limited to, the costs incurred for insurance, overhead, subcontractor's materials, supplies, bonds (if any are required by Owner), permits and compliance with all building codes and laws, and Social Security, unemployment, sales, use, and all other taxes and costs.

A contingency / tracking log to be maintained during the project.

2. Progress payments on account of the Fixed Price cost shall be made as follows. Please note that Contractor must submit an invoice to the PGUSD for all progress payments as listed below:

(a) Applications for payment as set forth according to the schedule below:

1. **$1,000.00 - Upon Execution of Contract.**
   ($1,000 or 10% of the contract, whichever is less)
2. **35% (+/-) - Material Acquisition and Mobilization.**
3. **45% - Progress Payments**
4. **10% - Upon Final Inspection and Sign Off of Punch List.**

(b) The balance of ten percent (10%) of the contract price shall not become due until completion and final acceptance of the Work. As a condition precedent to Owner's obligation to make any progress payment, Contractor shall provide Owner with the following documents upon Owner's written request: (i) a conditional mechanics' lien release from each laborer, material supplier, and other subcontractor who provided labor, materials, or supplies for the component(s) of the Work covered by such progress payment. (c) As an additional condition precedent to Contractor's right to receive final payment, Contractor shall discharge and release the Work from any and all claims or liens that may have accrued from the performance of this Agreement and the final building inspection by Owner and the applicable governmental agency shall have been completed and accepted, and shall provide Owner with the following documents upon Owner's written request: (i) an unconditional mechanics' lien release from each such claimant who provided a conditional mechanics' lien release for the payment due (if any) to such claimant from the immediately preceding progress payment once the

funds clear the contractors account. (ii) a recorded notice of completion; and (iii) “as built” drawings.

3. If at any time during the progress of the Work or before the final payment is made, any lien or claim or lien is filed, or notification to withhold money for labor or material furnished by Contractor under this Agreement is served on Owner, and Owner has performed its obligations under this Agreement, then Owner shall have the right to: (i) withhold from any payment due to Contractor an amount sufficient to discharge any and all such liens or claims; (ii) pay the lien holder directly and offset any such amount against the Fixed Price Cost; and (iii) bond around the lien at Contractor's sole cost and expense.

4. Owner reserves the right to make payments to Contractor in the form of checks payable jointly to Contractor and to any of its subcontractors or suppliers if Owner reasonably suspects that Contractor is not making payment to any such subcontractors or suppliers, or to protect Owner from any liens or encumbrances.

5. Owner may withhold any progress payment or final payment, or nullify any certification for payment previously issued, to the extent necessary to protect Owner from loss due to: (i) claims filed (including litigation, mechanic's liens, stop notices (“Claims”); (ii) reasonable evidence indicating probable filing of Claims: (iii) failure of Contractor to make timely payments to subcontractors or material suppliers; (iv) any material breach of this Agreement; (v) any reasonable doubt that the Agreement can be completed for the balance then unpaid; or (vi) defective or deficient work.

6. Final payment is due within thirty days of satisfaction of all completion conditions referenced above.

Section 6. Warranty.

All Work that is not completed to plans and specifications, applicable codes, and industry standards shall be immediately repaired, removed, and replaced with Work of a quality approved by the Owner, without additional compensation to the Contractor. The Contractor guarantees that the Work done under this Agreement will be free from faulty materials or workmanship and will comply with all applicable laws. Upon receiving notification from Owner, Contractor agrees to remedy, repair, or replace, immediately, without cost to Owner and to Owner's satisfaction, all defects, damages, or imperfections appearing in the Work (including labor and materials) within a period of one (1) year after the date of final completion and acceptance by the applicable governmental agency and Owner of the Work. Payments to Contractor shall not relieve Contractor of these obligations. Contractor will keep clean on a weekly basis the jobsite

and grounds around the jobsite, and keep it in a safe, orderly, and neat condition. At the completion of the Work, the entire jobsite will be left in a broom-clean condition. Contractor shall assign all material and parts warranties to the Owner, and shall deliver to the Owner evidence of any such warranties as well as all product information and specifications. Contractor warrants that it is licensed by the Contractors State Licensing Board, and currently in good standing.

Section 7. Insurance/Bonds/Indemnity

7.0 Before commencement of any Work under this Agreement, Contractor shall obtain and maintain in full force and affect the following:

A **Performance Bond** in the amount of one hundred percent (100%) of the Contract Sum to insure Owner during construction, and for one year after completion and during any warranty or guarantee period, against faulty or improper materials or workmanship and to assure Owner of full and prompt performance of the Contract.

A **Payment Bond (Labor and Material**) in the amount of one hundred percent (100%) of the Contract Sum in accordance with the laws of the State of California to secure payment of any and all claims for labor and materials used or consumed in performance of this Contract.

1. Comprehensive General Liability insurance that names Owner as an additional insured and that protects Contractor and Owner against any liability that Contractor may incur: (a) Because of bodily injuries to or the death of one person other than an employee of Contractor and consequential damages arising therefrom to the extent of not less than *$2,000,000.00* and on account of bodily injuries to or the death of more than one such person, subject to the same limit for each. (b) Because of damage to or destruction of any property, to the extent of not less than *2,000,000.00* for each incident and aggregate.

2. Worker's Compensation insurance in statutory form and amount and employer's liability insurance covering Contractor's liability to the extent of not less than *$2,000,000.00* for damages because of bodily injuries to or death of such person or persons.

3. The insurance described in Paragraph 7.1 above also shall provide contractual liability coverage satisfactory to Owner with respect to liability assumed by Contractor under the indemnity provisions in this Agreement. Written proof of compliance with these requirements shall be filed with and approved by Owner before commencement of Work. The insurance provided in Section 7.1 shall name Owner, as an additional

insured, and Contractor shall cause to be issued certificates and endorsements evidencing such coverage prior to the commencement of construction. The insurance to be maintained by the Contractor shall at all times be primary to the insurance maintained by Owner.

4. To the maximum extent permitted by law, Contractor shall indemnify, defend, and save harmless Owner and hold Owner, harmless from any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action, judgments, and other costs and expenses, including attorneys' fees and court costs (“Claim”), including but not limited to Claims involving personal injuries or property damage, which Owner may suffer or incur as a consequence of (i) Contractor's failure to perform any of Contractor's obligations as and when required hereunder, including any failure of any representation or warranty of Contractor to be true and correct and any errors, omissions or negligent acts committed by Contractor, its agents, subcontractors, or employees, (ii) any Claim or cause of action to the effect that Owner is in any way responsible or liable for any act or omission of Contractor, (iii) any act or omission by Contractor or any person or entity hired or employed by Contractor to perform any services relating to the subject matter of this Agreement; (iv) any Claim in any manner arising out of Contractor's performance of the Work; or (v) any breach of this Agreement by Contractor. Contractor shall pay any indebtedness arising under this indemnity to Owner immediately upon demand by Owner together with interest thereon from the date such indebtedness arises until paid at the rate equal to the greater of ten percent (10%) per annum or the highest lawful rate. Contractor's duty to indemnify Owner shall survive the termination of this Agreement. The foregoing indemnity shall not apply if the Owner's sole gross negligence or willful misconduct is the cause of the Claim.

Section 8. Work Stoppage

If Contractor at any time during the progress of the Work refuses or neglects, without the fault of Owner, to supply sufficient materials or workers to continue or complete the Work for a period of more than ten (7) days, not due to conditions beyond control of the contractor are not the cause, after having been notified in writing by Owner to furnish them, Owner shall have the power to terminate this Agreement and/or furnish and provide such materials and workers as are necessary to finish the Work, and the reasonable expense thereof shall be deducted from the amount of the contract price as determined in this Agreement.

Section 9. Termination.

1. Termination by the Owner for Cause

a. The Owner may terminate the Contract if the Contractor repeatedly refuses or fails to supply enough properly skilled workers or proper materials; fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors; repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of a public authority; or otherwise is guilty of substantial breach of a provision of the Contract Document

b. When any of the above reasons exists, the Owner, may determine that sufficient cause exists to justify such action, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

c. When the Owner terminates the Contract for one of the reasons stated in Section 20.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

d. If the unpaid balance of the Contract Sum exceeds the reasonable costs of finishing the Work. If such reasonable costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner.

9.2 Termination by the Owner for Convenience

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

9.3 Termination by the Contractor

If the Owner fails to make payment as provided in Section 5.2 for a period of 7 days, the Contractor may, upon seven additional days' written notice to the Owner and or the Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

Section 10. Independent Contractor.

Contractor agrees to perform the Work as an independent contractor and not as the agent, employee, or servant of Owner. Contractor has and hereby retains the right to exercise full control and supervision of the Work and full control over the employment, direction, method of performing, compensation, and discharge of all persons assisting in the Work. Contractor agrees to be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other regulations governing such matters. Contractor agrees to be responsible for its own acts and those of its subordinates, employees, and subcontractors during this Agreement.

Section 11. Assignment.

Contractor shall not assign this Agreement or any interest in it or any money due or to become due under it voluntarily, involuntarily, or by operation of law without Owner's prior written consent. In the event of any such purported assignment without Owner's prior written consent,

Owner shall have the right, in addition to all other rights provided by law, to terminate this Agreement by giving written notice to Contractor.

Section 12. Miscellaneous.

Contractor shall at all times operate in good faith to coordinate job site installation and the work of other trades at the Project and to complete the Work in a time efficient manner and in a manner which will minimize disturbance, noise and inconvenience to the surrounding residents. Time is of the essence of this Agreement.

This Agreement shall be governed by the laws of the State of California.

Section 13. Mediation.

Any dispute arising of this Agreement shall first be submitted to mediation in an informal attempt to resolve such dispute. The mediation shall be conducted by a mediator experienced in the area of construction and construction contracts. Any party who first files any claim, including a complaint, without first seeking in good faith to participate in mediation, shall not be entitled to recover its attorney's fees pursuant to Section 14 of this Agreement, regardless of whether such party is the “prevailing party” in any such action.

Section 14. Attorney Fees.

If any suit or action is brought to enforce or construe any provision of this Agreement, the prevailing party shall be entitled to recover its costs and expenses arising out of such litigation, including attorneys' fees and court costs, from the non-prevailing party.

CONTRACTOR: C M A Painting INC.

Signature: _____

Print Name: _____

Title: _____

OWNER(S) / AGENT(S): Pacific Grove Unified School District

Signature: _____

Print Name: Joshua Jorn

Title: Assistant Superintendent of Business Services

Attachments:

Exhibit A: Schedule of Value

Exhibit B: Performance and Material Bonds

Board Cover Sheet

Action/Discussion

- ☐ Credibility & Communication
- ☐ Student Learning & Achievement
- ☐ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Jon Anderson
Director of Maintenance, Operations & Transportation

Item
Contract for Services - Sentry Alarm

Recommendation
The District Administration recommends that the Board review and approve a contract for services with Sentry Alarm for the upgrade of the Fire Alarm at Robert H. Down Elementary.

Background
This project is over 2 years in the making. A comprehensive upgrade design was submitted to the Division of the Stated Architect and Monterey Fire Marshal for review and approval. After a lengthy approval process the District received approval to proceed. A project manual and Call for Bids was developed and publicly advertised resulting in a responsible bid of $281,671.03

Information
This Fire Alarm Upgrade project is the first of several planned Fire Alarm system upgrades. Bringing our oldest system up to current code compliance is an important step in ensuring the safety of our students, faculty and staff.

Fiscal Impact

2025/26

(21) Bond-Measure D

Program/Grant
N/A

CONSTRUCTION CONTRACT
LUMP SUM – FIXED PRICE

THIS CONSTRUCTION CONTRACT (this "Agreement") is entered into on this (Date): April 17, 2026

Between the Owner: **PACIFIC GROVE UNIFIED SCHOOL DISTRICT**
435 Hillcrest Ave
Pacific Grove, CA 93950

And the Contractor: Sentry Alarm Sysytems
8 Thomas Owens Way
Monterey, CA 93940

RECITALS

A. Owner desires to contract with Contractor for the PGUSD [Robert H. Down Fire Alarm Upgrade MD-041]
Robert H. Down Elementary School
485 Pine Ave.
Pacific Grove, CA 93950

B. Contractor desires to construct the Project on the terms and conditions contained herein. NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties agree as following.

Section 1. Definitions.

Work*.** As used herein the "Work" shall mean all labor and materials, or both, necessary to perform the Project, to full completion, and shall consist of the components described in the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents. The Work shall be done and the materials furnished in accordance with the information provided in the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** and as discussed in all correspondence prior to bid time and at the job walk.

Section 2. Obligations of Contractor.

Contractor agrees to furnish and transport all necessary labor, permits, materials, tools, implements, supplies, building materials and component parts, and appliances required to perform and finish the Work to industry standards and all applicable codes, free of any and all liens and claims of laborers, materialmen, suppliers, and subcontractors, free from any and all defects or deficiencies. Contractor shall further endeavor to use its

best faith efforts to complete the Project timely, and continually keep Owner apprised of the status of the Project.

Section 3. The Work.

(a) Contractor has reviewed the Scope of Work (***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents***), and represents that: (i) if the Work is performed in accordance therewith, the Work shall have been constructed in accordance with all applicable state, county, and municipal laws, codes, and regulations, including, but not limited to, all applicable building codes; and (ii) the Plans and Specifications are sufficiently complete and detailed to permit Contractor to perform the entire Work on the basis of the Notice to Bidders and Jobsite Walk for the Fixed Price Cost. No changes in the scope of work or Fixed Price shall be made unless in a change order signed by both parties. (iii) contractor will be responsible for locating all utilities (above and below ground) with a licensed locating service prior to commencing work on the site. The contractor will be provided with information from the owner locating said utilities to the best of the owner's knowledge.

(b) If at any time or times during the process of the Work, Owner desires to add to, alter, deviate from, or make omissions from the Work to be performed under the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents.*** Owner shall be at liberty to do so and the same shall in no way affect or make void this Agreement. Any such alterations to the scope of work, or deviations from ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** shall be made only in a writing signed by both parties. Any verbal changes in the scope of Work defined within the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** shall be of no force nor effect. This Agreement shall be considered completed when: (i) the Work is finished in strict accordance with the ***Notice to Bidders, Call for Bids, Jobsite Walk & Contract Documents*** as amended by any written change order

(ii) the Owner approves of the Work;
(iii) a notice of completion has been recorded; and (iv) the Contractor has received final payment.

Section 4. Contract Time.

Contractor agrees to commence the Work or as mutually agreed after receiving written notification to proceed from Owner, and shall complete the Work in no event later than **August 3, 2026** from the Notice to Proceed (the “Completion Date”). Contractor shall carry out the Work at all times with the greatest possible dispatch and diligence. If Contractor has not completed the Work by the Completion Date, then Owner may terminate this Agreement, Contractor shall immediately terminate its Work, Owner may withhold payment to the Contractor to complete the Work and the Project with another contractor, and in the event withholding such funds is insufficient to complete the Work

and the Project, the Contractor will refund to the Owner such funds necessary to complete the Work and the Project within **60 calendar days** of receipt of written demand.

Section 5. Fixed Price.

1. Owner agrees, in consideration of Contractor's performance of this Agreement, to pay Contractor the **Fixed Price of $206,671.03** (Two Hundred Six Thousand Six Hundred Seventy-One Dolars and three cents). This sum shall constitute payment in full for all costs incurred by Contractor under this Agreement in performing and completing the Work, including, but not limited to, the costs incurred for insurance, overhead, subcontractor's materials, supplies, bonds (if any are required by Owner), permits and compliance with all building codes and laws, and Social Security, unemployment, sales, use, and all other taxes and costs.

A contingency / tracking log to be maintained during the project.

2. Progress payments on account of the Fixed Price cost shall be made as follows. Please note that Contractor must submit an invoice to the PGUSD for all progress payments as listed below:

(a) Applications for payment as set forth according to the schedule below:

1. **$1,000.00 - Upon Execution of Contract.**
   ($1,000 or 10% of the contract, whichever is less)
2. **35% (+/-) - Material Acquisition and Mobilization.**
3. **45% - Progress Payments**
4. **10% - Upon Final Inspection and Sign Off of Punch List.**

(b) The balance of ten percent (10%) of the contract price shall not become due until completion and final acceptance of the Work. As a condition precedent to Owner's obligation to make any progress payment, Contractor shall provide Owner with the following documents upon Owner's written request: (i) a conditional mechanics' lien release from each laborer, material supplier, and other subcontractor who provided labor, materials, or supplies for the component(s) of the Work covered by such progress payment. (c) As an additional condition precedent to Contractor's right to receive final payment, Contractor shall discharge and release the Work from any and all claims or liens that may have accrued from the performance of this Agreement and the final building inspection by Owner and the applicable governmental agency shall have been completed and accepted, and shall provide Owner with the following documents upon Owner's written request: (i) an unconditional mechanics' lien release from each such claimant who provided a conditional mechanics' lien release for the payment due (if any) to such claimant from the immediately preceding progress payment once the

funds clear the contractors account. (ii) a recorded notice of completion; and (iii) “as built” drawings.

3. If at any time during the progress of the Work or before the final payment is made, any lien or claim or lien is filed, or notification to withhold money for labor or material furnished by Contractor under this Agreement is served on Owner, and Owner has performed its obligations under this Agreement, then Owner shall have the right to: (i) withhold from any payment due to Contractor an amount sufficient to discharge any and all such liens or claims; (ii) pay the lien holder directly and offset any such amount against the Fixed Price Cost; and (iii) bond around the lien at Contractor's sole cost and expense.

4. Owner reserves the right to make payments to Contractor in the form of checks payable jointly to Contractor and to any of its subcontractors or suppliers if Owner reasonably suspects that Contractor is not making payment to any such subcontractors or suppliers, or to protect Owner from any liens or encumbrances.

5. Owner may withhold any progress payment or final payment, or nullify any certification for payment previously issued, to the extent necessary to protect Owner from loss due to: (i) claims filed (including litigation, mechanic's liens, stop notices (“Claims”); (ii) reasonable evidence indicating probable filing of Claims: (iii) failure of Contractor to make timely payments to subcontractors or material suppliers; (iv) any material breach of this Agreement; (v) any reasonable doubt that the Agreement can be completed for the balance then unpaid; or (vi) defective or deficient work.

6. Final payment is due within thirty days of satisfaction of all completion conditions referenced above.

Section 6. Warranty.

All Work that is not completed to plans and specifications, applicable codes, and industry standards shall be immediately repaired, removed, and replaced with Work of a quality approved by the Owner, without additional compensation to the Contractor. The Contractor guarantees that the Work done under this Agreement will be free from faulty materials or workmanship and will comply with all applicable laws. Upon receiving notification from Owner, Contractor agrees to remedy, repair, or replace, immediately, without cost to Owner and to Owner's satisfaction, all defects, damages, or imperfections appearing in the Work (including labor and materials) within a period of one (1) year after the date of final completion and acceptance by the applicable governmental agency and Owner of the Work. Payments to Contractor shall not relieve Contractor of these obligations. Contractor will keep clean on a weekly basis the jobsite

and grounds around the jobsite, and keep it in a safe, orderly, and neat condition. At the completion of the Work, the entire jobsite will be left in a broom-clean condition. Contractor shall assign all material and parts warranties to the Owner, and shall deliver to the Owner evidence of any such warranties as well as all product information and specifications. Contractor warrants that it is licensed by the Contractors State Licensing Board, and currently in good standing.

Section 7. Insurance/Bonds/Indemnity

7.0 Before commencement of any Work under this Agreement, Contractor shall obtain and maintain in full force and affect the following:

A **Performance Bond** in the amount of one hundred percent (100%) of the Contract Sum to insure Owner during construction, and for one year after completion and during any warranty or guarantee period, against faulty or improper materials or workmanship and to assure Owner of full and prompt performance of the Contract.

A **Payment Bond (Labor and Material**) in the amount of one hundred percent (100%) of the Contract Sum in accordance with the laws of the State of California to secure payment of any and all claims for labor and materials used or consumed in performance of this Contract.

1. Comprehensive General Liability insurance that names Owner as an additional insured and that protects Contractor and Owner against any liability that Contractor may incur: (a) Because of bodily injuries to or the death of one person other than an employee of Contractor and consequential damages arising therefrom to the extent of not less than *$2,000,000.00* and on account of bodily injuries to or the death of more than one such person, subject to the same limit for each. (b) Because of damage to or destruction of any property, to the extent of not less than *2,000,000.00* for each incident and aggregate.

2. Worker's Compensation insurance in statutory form and amount and employer's liability insurance covering Contractor's liability to the extent of not less than *$2,000,000.00* for damages because of bodily injuries to or death of such person or persons.

3. The insurance described in Paragraph 7.1 above also shall provide contractual liability coverage satisfactory to Owner with respect to liability assumed by Contractor under the indemnity provisions in this Agreement. Written proof of compliance with these requirements shall be filed with and approved by Owner before commencement of Work. The insurance provided in Section 7.1 shall name Owner, as an additional

insured, and Contractor shall cause to be issued certificates and endorsements evidencing such coverage prior to the commencement of construction. The insurance to be maintained by the Contractor shall at all times be primary to the insurance maintained by Owner.

4. To the maximum extent permitted by law, Contractor shall indemnify, defend, and save harmless Owner and hold Owner, harmless from any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action, judgments, and other costs and expenses, including attorneys' fees and court costs (“Claim”), including but not limited to Claims involving personal injuries or property damage, which Owner may suffer or incur as a consequence of (i) Contractor's failure to perform any of Contractor's obligations as and when required hereunder, including any failure of any representation or warranty of Contractor to be true and correct and any errors, omissions or negligent acts committed by Contractor, its agents, subcontractors, or employees, (ii) any Claim or cause of action to the effect that Owner is in any way responsible or liable for any act or omission of Contractor, (iii) any act or omission by Contractor or any person or entity hired or employed by Contractor to perform any services relating to the subject matter of this Agreement; (iv) any Claim in any manner arising out of Contractor's performance of the Work; or (v) any breach of this Agreement by Contractor. Contractor shall pay any indebtedness arising under this indemnity to Owner immediately upon demand by Owner together with interest thereon from the date such indebtedness arises until paid at the rate equal to the greater of ten percent (10%) per annum or the highest lawful rate. Contractor's duty to indemnify Owner shall survive the termination of this Agreement. The foregoing indemnity shall not apply if the Owner's sole gross negligence or willful misconduct is the cause of the Claim.

Section 8. Work Stoppage

If Contractor at any time during the progress of the Work refuses or neglects, without the fault of Owner, to supply sufficient materials or workers to continue or complete the Work for a period of more than ten (7) days, not due to conditions beyond control of the contractor are not the cause, after having been notified in writing by Owner to furnish them, Owner shall have the power to terminate this Agreement and/or furnish and provide such materials and workers as are necessary to finish the Work, and the reasonable expense thereof shall be deducted from the amount of the contract price as determined in this Agreement.

Section 9. Termination.

1. Termination by the Owner for Cause

b. the Owner may terminate the Contract if the Contractor repeatedly refuses or fails to supply enough properly skilled workers or proper materials; fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors; repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of a public authority; or otherwise is guilty of substantial breach of a provision of the Contract Document

c. When any of the above reasons exists, the Owner, may determine that sufficient cause exists to justify such action, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

c. When the Owner terminates the Contract for one of the reasons stated in Section 20.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

d. If the unpaid balance of the Contract Sum exceeds the reasonable costs of finishing the Work. If such reasonable costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner.

9.2 Termination by the Owner for Convenience

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

9.3 Termination by the Contractor

If the Owner fails to make payment as provided in Section 5.2 for a period of 7 days, the Contractor may, upon seven additional days' written notice to the Owner and or the Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

Section 10. Independent Contractor.

Contractor agrees to perform the Work as an independent contractor and not as the agent, employee, or servant of Owner. Contractor has and hereby retains the right to exercise full control and supervision of the Work and full control over the employment, direction, method of performing, compensation, and discharge of all persons assisting in the Work. Contractor agrees to be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other regulations governing such matters. Contractor agrees to be responsible for its own acts and those of its subordinates, employees, and subcontractors during this Agreement.

Section 11. Assignment.

Contractor shall not assign this Agreement or any interest in it or any money due or to become due under it voluntarily, involuntarily, or by operation of law without Owner's prior written consent. In the event of any such purported assignment without Owner's prior written consent,

Owner shall have the right, in addition to all other rights provided by law, to terminate this Agreement by giving written notice to Contractor.

Section 12. Miscellaneous.

Contractor shall at all times operate in good faith to coordinate job site installation and the work of other trades at the Project and to complete the Work in a time efficient manner and in a manner which will minimize disturbance, noise and inconvenience to the surrounding residents. Time is of the essence of this Agreement.

This Agreement shall be governed by the laws of the State of California.

Section 13. Mediation.

Any dispute arising of this Agreement shall first be submitted to mediation in an informal attempt to resolve such dispute. The mediation shall be conducted by a mediator experienced in the area of construction and construction contracts. Any party who first files any claim, including a complaint, without first seeking in good faith to participate in mediation, shall not be entitled to recover its attorney's fees pursuant to Section 14 of this Agreement, regardless of whether such party is the “prevailing party” in any such action.

Section 14. Attorney Fees.

If any suit or action is brought to enforce or construe any provision of this Agreement, the prevailing party shall be entitled to recover its costs and expenses arising out of such litigation, including attorneys' fees and court costs, from the non-prevailing party.

CONTRACTOR: Sentry

Signature: _____

Print Name: _____

Title: _____

OWNER(S) / AGENT(S): Pacific Grove Unified School District

Signature: _____

Print Name: Joshua Jorn

Title: Assistant Superintendent of Business Services

Attachments:

Exhibit A: Schedule of Value

Exhibit B: Performance and Material Bonds

Board Cover Sheet

Action/Discussion

- ☐ Credibility & Communication
- ☑ Student Learning & Achievement
- ☑ Health & Safety of Students & Schools
- ☐ Fiscal Solvency, Accountability & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Buck Roggeman
Chief Human Resources Officer

Item

Elementary Mental Health Therapist – Itinerant Job Description

Recommendation

The District Administration recommends that the Board review and approve the job description for Elementary Mental Health Therapist – Itinerant.

Background

When the District creates a job description, administration reviews the District needs and adjusts the job description to fit those needs. This is a new job description that is similar to the Licensed Mental Health Therapist job description approved by the Board last year.

Information

Pacific Grove Unified School updated the job description for our Licensed Mental Health Therapist - Itinerant last year. Since that time, the District identified potential funding for the Licensed Mental Health Therapist through the California Healthy Youth Behavioral Health Initiative (CHYBHI). To access those funds, the District needs to document mental health services delivered to students and apply for reimbursement of those services. Because the Licensed Mental Health Therapist serving the elementary schools has the smallest caseload, the District has developed this new job description that includes documenting services and submitting for reimbursement. The position will be named Elementary Mental Health Therapist - Itinerant. The job description for our other Licensed Mental Health Therapists will remain unchanged.

Fiscal Impact

Fund 01, RS 9021 (MediCAL Reimbursement), $174,268 *(inc. statutory benefits)*

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
JOB DESCRIPTION

POSITION TITLE: Elementary Licensed Mental Health Therapist - Itinerant

***DEFINITION*:** Under general direction of the Superintendent, the direction of the Executive Director of Student Services, and in coordination with the site Principal(s), serves as a member of the Special Education and Counseling teams in providing highly skilled therapeutic mental health services to students with disabilities, including assessments, identification of needs, and individual therapy and group therapy. The Elementary Mental Health Therapist will also provide educational based services and goals related to the assessment and delivery of mental health care for eligible pupils; provide consultation to parents, teachers, other special education staff, and administrators, and coordinate services and evaluations with other district classified and certificated staff. This position is itinerant, so the Elementary Mental Health Therapist will serve multiple sites depending on need.

ESSENTIAL FUNCTIONS*: *Duties may include, but are not limited to the following:

- Conduct comprehensive mental health assessments of students with disabilities as part of the Individualized Education Program (IEP) process
- Evaluate students with disabilities' social-emotional needs and develop appropriate intervention strategies
- Contribute to the development of a student with disabilities' Individualized Education Program (IEP) ~~development~~
- Maintain case management records such as intake forms, treatment plans, progress notes, referrals, and any/all other pertinent logs
- ~~Upload service logs into a designated financial reporting system for service reimbursement through third-party billing~~
- Upload and maintain service logs within a designated financial reporting and billing system to facilitate reimbursement through third-party billing platforms.
- Ensure that eligible student services provided by qualified staff are accurately documented and submitted for reimbursement under both Medi-Cal and the California Youth Behavioral Health Initiative (CYBHI).
- Initiate the CYBHI process for billing and reconcile as necessary
- Provide direct mental health services including counseling, consultation, mental health evaluations, treatment, mental health assessments and case management for students, parents, and families
- Provide educational based mental health assessments, diagnosis and propose treatment plans for students with emotional or behavior needs
- Respond to students in crisis, offering immediate emotional support and coordinating with school administration, parents, and outside agencies for appropriate follow-up care
- Counsel students, individually and in group sessions to assist in overcoming dependencies, maladaptive behavior, adjusting to life, and making changes
- Facilitate conflict resolution groups and special topic groups among all students identified as needing support such as social skills, anxiety, depression, substance abuse, anger management, grief/divorce, etc.
- Guide students in developing skills and strategies for dealing with their problems

Elementary Licensed Mental Health Therapist - Itinerant *continued*

- Facilitate parent conferences for the purpose of informing concerned parents about the warning signs of mental illness among youth and assisting in the support of their student's academic, behavioral, and mental health goals
- Maintain data on the efficacy of services
- Act as a resource to teachers, parents and others in the area of expertise
- Communicate and collaborate with other staff and family members as a means of effectively supporting students in home and school as to optimize the overall program and progress of the student
- Maintain a variety of detailed, organized documentation and files such as clinical notes, social/emotional progress, treatment goals progress reports, referral forms and other data
- Attend and participate in meetings, conferences, seminars, and professional development trainings in order to maintain currency in the profession
- Plan and conduct in-service mental health trainings for non-mental health trained staff
- Conduct and facilitate mental health education trainings for students in a classroom setting
- Maintain confidentiality
- Meet deadlines
- Refer students or family members to community resources as needed
- Other duties as assigned

***QUALIFICATIONS*:**

Knowledge of:

- Mental health diagnosis and social emotional needs and treatment procedures designed for school age children to facilitate positive change and support learning
- Child growth and development
- Working with students with disabilities
- Special education laws, regulations, and statutory timelines
- Effective student management techniques
- Strategies and methodologies in the educational setting
- Technology and computer software applications relative to instruction, administration, and education
- Communication skills with parents and staff concerning student needs
- Facilitation techniques related to work with students in individual or group sessions

Ability to:

- Assess individual needs, establish realistic and appropriate goals and objectives, and design and implement a program for each student
- Conduct mental health assessments, communicate assessment results and service recommendations, write measurable goals, and participate in IEP meetings for students with disabilities
- Communicate orally and in writing sufficient to express ideas, thoughts and instructions clearly to special educators, community members, parents and administrators
- Professionally and effectively collaborate with PGUSD staff, parents, members of other agencies and the public
- Plan and conduct a system of continuous evaluation of each student's progress
- Communicate appropriately effectively, verbally and in writing

Elementary Licensed Mental Health Therapist - Itinerant *continued*

- Ability to work effectively and independently with a high degree of self-motivation using analytical and critical thinking and judgment skills
- Develop trainings
- Proficiently use current technology for performance of duties
- Perform clerical duties related to assessment, preparing reports, and maintaining records
- Drive a car

EDUCATION AND EXPERIENCE:

Any combination equivalent to:

- A Master's Degree or higher in counseling, psychology, marriage family therapy, or a closely related field
- A minimum of one year of successful experience in a mental health setting or school setting providing clinical counseling services

***LICENSE OR CERTIFICATE*:**

- A valid California license as a Professional Clinical Counselor (LPCC), or Marriage and Family Therapist (LMFT) or a Clinical Social worker (LCSW)
- Possession of a valid California Driver's license

PHYSICAL REQUIREMENTS*: *of this position are, but not limited to the following:

- Manual dexterity sufficient to write, use telephone, use computers and other business machines
- Physical mobility sufficient to move about the work environment (office, district, school or home visits), drive an automobile, and appropriately respond to emergency situations.
- Physical, mental and emotional stamina to perform the duties and responsibilities of the position
- Mental acuity to collect and interpret data, evaluate, reason, define problems, establish facts, draw valid conclusions, make valid judgments and decisions

Ability to:

- Sit for extended periods of time
- Stand in one area for extended periods of time
- Stand and walk for extended periods of time
- Ascend and descend steps
- See for the purpose of observing accuracy of reports and documents
- The ability to listen to and understand information and ideas presented through spoken words and sentences
- The ability to communicate information and ideas in speaking so others will understand
- Communicate using the telephone and radio
- Push/pull, squat, turn, twist, bend, and stoop Lift and carry 25 lbs.
- Reach in all directions
- Think clearly and rationally to solve problems, make good judgments and decisions
- Perform the essential functions of this position in an accurate, neat, timely fashion
- Ability to meet the travel requirements of this position

Elementary Licensed Mental Health Therapist - Itinerant *continued*

***WORKING CONDITIONS*:**
Office working environment subject to sitting at a desk and/or conference table for long periods of time, using telephone and computer for prolonged periods of time, kneeling, pushing and pulling, and reaching in all directions. School working environment subject to standing/walking for long periods of time both indoor and outdoor. Exposure to students who exhibit extreme emotions and related behaviors.

NOTE: This list of essential functions and physical requirements is not exhaustive and may be supplemented as necessary in accordance with the requirements of the job. Pacific Grove Unified School District adheres to the provisions of the Americans With Disabilities Act regarding reasonable accommodation procedures.

Date of Board Approval:

Board Cover Sheet

Action/Discussion

Credibility & Communication
Student Learning & Achievement
Health & Safety of Students & Schools
Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Dr. Linda Adamson
Superintendent

Item
Proposed Board Meeting(s) Calendar

Recommendation
The District Administration recommends that the Board review and adopt the proposed Board meeting calendar to ensure that all scheduled sessions remain in compliance with the meeting frequency and notification requirements established in Bylaw 9320.

Background
Board Bylaw 9320 governs the scheduling and notification of all Governing Board meetings in accordance with the Brown Act and California Education Code. The policy ensures that district business is conducted in public to encourage community involvement while establishing strict protocols for closed sessions and teleconferencing.

Information
Board Bylaw 9320 mandates specific posting timelines for meeting agendas, including 72 hours for regular meetings and 24 hours for special meetings. The proposed calendar adheres to these mandates and typically schedules regular meetings for the first and third Thursday of each month. Furthermore, the bylaw outlines provisions for remote participation by Board members for just cause or emergency circumstances, provided that a physical quorum is present at the primary location.

Fiscal Impact
N/A

2025/26

(None) No Fiscal Impact

Program/Grant
N/A

BOARD MEETING CALENDAR

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

2025-26 School Year | August-December 2025

Note: Session times vary; consult PGUSD website for details.

DATES	AGENDA ITEMS
Regular Meeting Thursday | Aug 7	Quarterly Facilities Project Updates Student Enrollment Update Property Tax Report Consolidated Application for Federal Funding *TK-12 VAPA, Spanish & Programmatic Overview* *2024-25 Solicitation of Funds* *Resolution Recognizing September 15-October 15 as National Hispanic Heritage Month*
Special Meeting Thursday | Aug 21	*Board Governance & Board Goals Discussion*
Regular Meeting Thursday | Sep 4	Public Hearing & Resolution: Sufficiency of Instructional Materials for Fiscal Year 2024-25 *CSBA Policy Update – First Reading (Part 1) & August 2025 Special Packet* *Facilities Master Plan Update (Committee Development)* *Safety Plan Update* *Budget Committee Update* *Declaration of Need for Fully Qualified Educators* *Resolution for the GANN Limit for 2024-25* *Unaudited Actuals* *Educational Protection Account Actuals Prior Year*
Special Meeting Thursday | Sep 18	*Board Governance & Board Goals Discussion* *CSBA Policy Update – First Reading (Part 2)*
Regular Meeting Thursday | Oct 2	Resolution Proclaiming Week of the School Administrator FY 2024-25 Budget Revision #1 PGTA Sunshine List CSEA Sunshine List *CSBA Policy Update – Approval* *Resolution Recognizing November as National Native American Heritage Month*

KEY
Italicized: Moved/Added/Changed
Asterisk*: Does Not Repeat*
Underlined: Possible

Updated: April 28, 2026

	Annual Review of Legal Services Costs *Measure A – Series E* *Measure D – Series D* *Summer Program Presentation* *Williams Uniform Complaint Report (Quarterly)* *Board Meeting Calendar (August-December 2026)*
Regular Meeting Thursday | Nov 6	CSBA Policy Update – *First Reading* *2024-25 State Testing Data* PGTA Sunshine List CSEA Sunshine List Early Retirement Incentive
Special Meeting *Tuesday | Nov 18*	*Closed Session*
Special Meeting Thursday | Nov 20	*Board Governance & Board Goals Discussion*
Regular Meeting Thursday | Dec 11	Quarterly Facilities Project Updates First Interim Report CSBA Board Comments Election of 2025-26 Board President & Clerk CSBA Policy Update – *Approval* Elected Office Interest Forms Due (Board President/Clerk) Swearing In – New Board Members HS Course Catalog – Information Item MCSBA 2026 Excellence In Education Award *Authorized Agents to Sign School Orders* *Committee Representatives: MCSBA | CHS | City of PG Joint | District (Policy/Facilities/Budget)*

KEY
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Asterisk*: Does Not Repeat*
Underlined: Possible

2025-26 School Year **Continued |** January-July 2026

Regular Meeting Thursday | Jan 15	Preliminary Enrollment Projection for 2026-27 SY Resolution Recognizing February as Black History Month School Accountability Report Cards (SARC) 2025-26 Audit Report *Williams Uniform Complaint Report (Quarterly)* *School Board Member Recognition Month – Proclamation*
Special Meeting Thursday | Jan 22	Board Budget Study Session Board Governance & Self-Evaluation District Goals Update
Regular Meeting Thursday | Feb 5	Budget Development Calendar *Property Tax Update*
Special Meeting *Wednesday | Feb 11*	*CSBA Policy Update – First Reading*
Regular Meeting Thursday | Feb 26	*Resolution Recognizing March as Women's History Month* *CSBA Policy Update – Approval* LCAP 2025-26 Midyear Report
Regular Meeting Thursday | Mar 5	Personnel Action Presented as Information (RIF) Non-reelects Resolution *Second Interim*
Regular Meeting Thursday | Mar 19	*Superintendent Goals – Midyear Check-In* *Curriculum & Textbook Adoption Mapping & Planning*
Special Meeting *Thursday | Mar 26*	*Board Governance* *Board Self-Evaluation* *Board Ethics Training*
Regular Meeting Thursday | Apr 9	Resolution Recognizing May as Asian American Pacific Islander Heritage Month TRAN Resolution Resolution Recognizing May as Mental Health Awareness Month CIF Representatives *National School Principals' Day Resolution (May 1)* *Williams Uniform Complaint Report (Quarterly)*

KEY
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Underlined: Possible

Updated: April 28, 2026

	Parcel Tax information Item
Special Meeting Thursday | Apr 23	Employees of the Year Recognition LCAP Study Session
Regular Meeting Thursday | May 7	● California Day of the Teacher ● Bond Program Update - Schedule and Delivery Methods ● Week of the CSEA Employee ● Retiree Recognition ● Begin Superintendent Evaluation ● CSBA Policy Update – First Reading ● *Board Meeting Calendar (January-June 2027)* ● *Refunding Resolution (2015 Series B and 2016), and Resolution for Measure B, Series A)* ● *FCMAT and SSC Information Item*
Regular Meeting Thursday | May 21	Student Board Representative Recognition Review Governor's Revised Budget 2026-27 Budget Public Hearing LCAP Public Hearing/LCAP Board Presentation Educational Protection Account Resolution Subsequent Year Projections Resolution Recognizing June as LGBTQ+ Month Continue Superintendent Evaluation CSBA Policy Update – Approval School Plans for Student Achievement (SPSA)
Regular Meeting Thursday | Jun 4	2026-27 Budget Public Adoption Approval of Contracts & Purchase Orders for 2026-27 Resolution Recognizing Juneteenth Instructional Material & Curriculum Adoption Plan CA Dashboard Local Indicators Superintendent Evaluation & Contract LCAP Approval 2026-27 Prequalified Vendors List 2025-26 Solicitation of Funds *Williams Uniform Complaint Report (Quarterly)* *Safety Assessment/Audit – Annual Update* *Communications Audit/Plan Update*
Special Meeting Thursday | Jun 18	Board Governance with Lou Lozano

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Asterisk*: Does Not Repeat*
Underlined: Possible

JULY 2026	NO BOARD MEETINGS

KEY
Italicized: Moved/Added/Changed
Asterisk*: Does Not Repeat*
Underlined: Possible

BOARD MEETING CALENDAR

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

2026-27 School Year | August-December 2026

Note: Session times vary; consult agendas for details.

DATES	AGENDA ITEMS
Regular Meeting Thursday | Aug 13	Quarterly Facilities Project Updates Student Enrollment Update Property Tax Report Consolidated Application for Federal Funding TK-12 VAPA, Spanish & Programmatic Overview 2025-26 Solicitation of Funds Resolution Recognizing September 15-October 15 as National Hispanic Heritage Month
Special Meeting Thursday | Aug 27	Board Governance
Regular Meeting Thursday | Sep 10	Public Hearing & Resolution: Sufficiency of Instructional Materials for Fiscal Year 2025-26 CSBA Policy Update – First Reading Facilities Master Plan Update (Committee Development) Safety Plan Update Budget Committee Update Declaration of Need for Fully Qualified Educators Resolution for the GANN Limit for 2025-26 Unaudited Actuals
Special Meeting Thursday | Sep 24	Board Governance
Regular Meeting Thursday | Oct 8	Resolution Proclaiming Week of the School Administrator FY 2025-26 Budget Revision #1 PGTA Sunshine List CSEA Sunshine List CSBA Policy Update – Approval Resolution Recognizing November as National Native American Heritage Month Annual Review of Legal Services Costs

KEY
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Asterisk*: Does Not Repeat*
Underlined: Possible

Updated: April 28, 2026

	Measure A – Series E Measure D – Series D Summer Program Presentation Williams Uniform Complaint Report (Quarterly) Board Meeting Calendar (August-December 2027)
Special Meeting Thursday | Oct 22	Board Governance
Regular Meeting Thursday | Nov 5	CSBA Policy Update – First Reading Educational Protection Account Actuals Review of 2025-26 Data 2026 State Testing Results
Special Meeting Thursday | Nov 19	Board Governance
Regular Meeting Thursday | Dec 3	Quarterly Facilities Project Updates First Interim Report CSBA Board Comments Election of 2025-26 Board President & Clerk CSBA Policy Update – *Approval* Elected Office Interest Forms Due (Board President/Clerk) Swearing In – New Board Members HS Course Catalog – Information Item MCSBA 2026 Excellence In Education Award Authorized Agents to Sign School Orders Committee Representatives: MCSBA | CHS | City of PG Joint | District (Policy/Facilities/Budget)
Special Meeting Thursday | Dec 17	Board Governance

KEY
Italicized: Moved/Added/Changed
Asterisk*: Does Not Repeat*
Underlined: Possible

BOARD MEETING CALENDAR

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

2026-27 School Year | January-July 2027

Note: Session times vary; consult agendas for details.

Regular Meeting Thursday | Jan 14, 2027	Preliminary Enrollment Projection for 2027-28 SY Resolution Recognizing February as Black History Month School Accountability Report Cards (SARC) 2026-27 Audit Report *Williams Uniform Complaint Report (Quarterly)* *School Board Member Recognition Month – Proclamation*
Special Meeting Thursday | Jan 21, 2027	Board Budget Study Session Board Governance & Self-Evaluation District Goals Update
Regular Meeting Thursday | Feb 4, 2027	Budget Development Calendar *Property Tax Update*
Regular Meeting Thursday | Feb 25, 2027	*Resolution Recognizing March as Women's History Month* *CSBA Policy Update – Approval* LCAP 2026-27 Midyear Report
Regular Meeting Thursday | Mar 4, 2027	Personnel Action Presented as Information (RIF) Non-reelects Resolution *Second Interim*
Regular Meeting Thursday | Mar 18, 2027	*Superintendent Goals – Midyear Check-In* *Curriculum & Textbook Adoption Mapping & Planning*
Special Meeting *Thursday | Mar 25, 2027*	*Board Governance* *Board Self-Evaluation* *Board Ethics Training*

KEY
Italicized: Moved/Added/Changed
Asterisk*: Does Not Repeat*
Underlined: Possible

Updated: April 28, 2026

Regular Meeting Thursday | Apr 8, 2027	Resolution Recognizing May as Asian American Pacific Islander Heritage Month TRAN Resolution Resolution Recognizing May as Mental Health Awareness Month CIF Representatives *National School Principals' Day Resolution (May 1)* *Williams Uniform Complaint Report (Quarterly)* *Parcel Tax information Item*
Special Meeting Thursday | Apr 22, 2027	Employees of the Year Recognition LCAP Study Session
Regular Meeting Thursday | May 6, 2027	● California Day of the Teacher ● Bond Program Update - Schedule and Delivery Methods ● Week of the CSEA Employee ● Retiree Recognition ● Begin Superintendent Evaluation ● CSBA Policy Update – First Reading ● *Board Meeting Calendar (January-June 2027)* ● *Refunding Resolution (2015 Series B and 2016), and Resolution for Measure B, Series A)* ● *FCMAT and SSC Information Item*
Regular Meeting Thursday | May 20, 2027	Student Board Representative Recognition Review Governor's Revised Budget 2026-27 Budget Public Hearing LCAP Public Hearing/LCAP Board Presentation Educational Protection Account Resolution Subsequent Year Projections Resolution Recognizing June as LGBTQ+ Month Continue Superintendent Evaluation CSBA Policy Update – Approval School Plans for Student Achievement (SPSA)

KEY
Italicized: Moved/Added/Changed
Asterisk*: Does Not Repeat*
Underlined: Possible

Regular Meeting Thursday | Jun 3, 2027	2026-27 Budget Public Adoption Approval of Contracts & Purchase Orders for 2026-27 Resolution Recognizing Juneteenth Instructional Material & Curriculum Adoption Plan CA Dashboard Local Indicators Superintendent Evaluation & Contract LCAP Approval 2026-27 Prequalified Vendors List 2025-26 Solicitation of Funds *Williams Uniform Complaint Report (Quarterly)* *Safety Assessment/Audit – Annual Update* *Communications Audit/Plan Update*
Special Meeting Thursday | Jun 17, 2027	Board Governance with Lou Lozano
JULY 2027	**NO BOARD MEETINGS**

KEY
Italicized: Moved/Added/Changed
Asterisk*: Does Not Repeat*
Underlined: Possible

Board Cover Sheet

Information/Discussion

- ☑ Credibility & Communication
- ☑ Student Learning & Achievement
- ☑ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability, & Integrity

Meeting Date

May 7, 2026

Presenter(s)

Matthew Binder & Louis Algaze
Director of Educational Technology &
Director of Technology Services

Item

PGUSD Draft Educational Technology Plan for 2026-29

Recommendation

The District Administration recommends that the Board review and discuss the **PGUSD 2026-29 Draft Ed Tech Plan**

Background

The Pacific Grove Unified School District's 2026–2029 Draft Educational Technology Plan serves as a strategic roadmap for integrating digital tools and infrastructure funded by the Measure A/Ed Tech Bond. Approved by voters in 2014, Measure A/Ed Tech Bond was intended to fund technology-related projects and improvements, including, but not limited to, increasing student access to updated computer technology, purchasing instructional hardware and software, and improving classroom and campus security systems. As a key requirement of the Bond, the district must maintain an updated educational technology plan.

Information

Outlining a strategic framework for managing Measure A-funded digital resources, infrastructure, and classroom technology, this plan:

- Prioritizes intentional classroom technology use, establishing specific guidelines for student screen time based on grade level and developmental stages using research-backed pedagogical models.
- Addresses cybersecurity and data protection, implementing strict network monitoring and authentication protocols to ensure a safe learning environment.
- Articulates the ethical integration of Artificial Intelligence (AI) and necessitates human oversight and rigorous privacy audits for all AI tools used.
- Details a three-year rollout of signature projects, which includes refreshing student and staff device fleets and modernizing campus security video and audio-visual systems.
- Seeks to implement balanced technological innovation with practical management and professional development to improve student learning outcomes.

Fiscal Impact

None

Pacific Grove Unified School District

Educational Technology Plan

Plan Duration: **2026-2029**
Committee Development and Review Dates: ***10/28/26 , 1/27/26, 2/24/26, 3/31/26, 4/28/26***
Public Presentation Date: **5/7/26**
Board Approval Date:

Matthew Binder, Director of Educational Technology
Louis Algaze, Director of Technology Systems
Andrew Bradley, Digital Learning Teacher

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Draft

d. RD Otter-Torium - A/V Upgrade
e. PGHS Gym - A/V Upgrade
f. Security Cameras, NVR Installation
g. Asset Management and Inventory Control

Draft

I. Executive Summary

The **PGUSD Educational Technology Plan (2026-2029)** outlines a strategic framework for managing digital resources, infrastructure, and instructional technology funded by the Measure A/Ed Tech Bond.

This plan:

- Prioritizes intentional classroom technology use, establishing specific guidelines for student screen time based on grade level and developmental stages using research-backed pedagogical models.
- Addresses cybersecurity and data protection, implementing strict monitoring and authentication protocols to ensure a safe learning environment.
- Articulates the ethical integration of Artificial Intelligence (AI) and necessitates human oversight and rigorous privacy audits for all AI tools used.
- Details a three-year rollout of signature projects, which includes refreshing student and staff device fleets and modernizing campus security video and audio-visual systems.
- Seeks to implement balanced technological innovation with practical management and professional development to improve student learning outcomes.

II. Purpose of This Plan

The goals outlined in this plan will guide the implementation and management of the district's EdTech Bond/Measure A-purchased technology over the next three years, 2026-29. Measure A, an $18 million general obligation bond with funds scheduled for release in six separate series at approximately $3 million every three years, was approved by voters in 2014. This bond is intended to fund technology-related projects and improvements, including, but not limited to, increasing student access to updated computer technology, purchasing instructional hardware and software, and improving classroom and campus security systems. The overarching purpose of this plan is to articulate the vision, priorities, integration, support, and management of technology in PGUSD. Furthermore, this plan aligns with the district's Local Control and Accountability Plan (LCAP) and will serve to advance PGUSD's strategic goals and mission over the next three years.

Draft

III. Technology Leadership and Planning Structure

PGUSD Tech Committee

The district's tech committee meets monthly during the school year and is comprised of school site and district-level personnel, including teachers, classified staff, administrators, and parents.

The Tech Committee serves to:

1. Provide input, guidance, and recommendations on technology projects, initiatives, and priorities outlined in this plan.
2. Review, evaluate, and endorse Measure-A technology purchase proposals, ensuring alignment with the initiatives contained in this plan, adherence to budget priorities, and compliance with the provisions and ballot language of Measure A/Ed Tech Bond.
3. Communicate initiatives and general technology-related updates to the broader school community.

PGTech - *PGUSD's Tech Team*

The district's core tech team, *PGTech*, consists of district-level administration and site IT technicians. The team meets weekly to identify and resolve current and emerging challenges, share best practices, and improve management procedures and protocols. PGTech members serve on the district's technology committee and, along with other committee members, provide a crucial perspective in all aspects of technology management and budget development.

IV. Areas of Focus

1. Classroom Technology

Student use of screen-based digital classroom technology, specifically the use of Chromebooks and iPads, must be predicated on a *clear educational rationale* and rooted in four critical conditions for use:

1. **Intentionality:** The use of screen technology in the classroom must be intentional and based on *instructional necessity*, rather than fulfilling device-use quotas.
2. **Engagement:** Active (as opposed to passive) use of technology must be the predominant justification and driving force for implementation in all classrooms.

Draft

3. **Developmental Level:** The duration (i.e., time spent on a device) and the nature of the task must always be age-appropriate and account for students' cognitive developmental level.
4. **Digital Homework:** Assignments to be completed outside of class must strike a healthy balance between digital and traditional formats. Homework serves as an opportunity for *practice/reinforcement* of knowledge and skills, and the quantity assigned must reflect students' grade level/developmental stage.

To support student health and well-being, digital instruction and device use must be accompanied by a set of essential physical and social-emotionally supporting routines, such as:

- **The 20/20/20 Standard:** Safeguarding vision through 20-second breaks every 20 minutes to focus on an object approximately 20 feet away (American Optometric Association, n.d.).
- **Strategic Movement:** Utilizing frequent "brain breaks" and light stretching to counteract sedentary phases and to sustain cognitive focus.
- **Ergonomic Integrity:** Prioritizing neutral posture and optimal screen placement to prevent orthopedic strain and long-term discomfort (Princeton University, n.d.).

Draft

a. **Screen Technology Use Framework:** Grounded in current educational research, this guiding framework serves as a strategic bridge between lesson planning and intentional use of screen devices in the classroom.

Grade Span	Guidelines/Acceptable Use
K-2 **(Early Elementary)** *Foundational skills and interactive learning.*	**Active Engagement:** Prioritize hands-on, physical, and face-to-face activities. Use screens only when they uniquely enhance a lesson (e.g., short, engaging educational videos, interactive phonics games). **Short, Focused, Relevant** **Sessions:** Keep screen sessions brief with frequent "unplugged" breaks for physical activity, movement, and social interaction. **Co-viewing/Guided Use:** Teacher supervision is crucial for modeling use, reinforcing learning, introducing foundational responsible, safe use, and ensuring comprehension. **Recommendations:** **In class**: *10-20 minutes per session, with a maximum of 3 sessions per day*. **Note:** *This recommendation includes minimizing passive exposure to the classroom's interactive display panel. When the panel is not in use, it should be turned off or put in stand-by mode.* ***Homework:*** *No screen-based homework.*

Draft

3-5 **(Upper Elementary)** *Research, collaboration, skill practice, and reinforcement.*	**Purposeful Integration:** Screens should be used as *a tool to complete specific academic tasks* (research, writing, adaptive math practice), not as a constant presence. **Active Creation:** Devices used for creative purposes (e.g., digital stories, presentations, coding basics), not for passively consuming content. **Digital Literacy Basics:** Expand on responsible use, basic online safety, and how to find and cite trustworthy online information. **Set Boundaries:** Establish clear, consistent timelines when student devices must be put away (e.g., during whole-group instruction, partner work, or small-group instruction). **Recommendations:** **In class**: *15-25 minutes per session, with a maximum of 3 sessions per day*. **Note:** *This recommendation includes minimizing passive exposure to the classroom's interactive display panel. When the panel is not in use, it should be turned off or put in stand-by mode.* **Homework:** *Screen-based homework comprises no more than 10% to 15% of all assigned homework.*

Draft

6-8 **(Middle School):** *Advanced research, digital collaboration, citizenship, awareness, and self-regulation.*	**Promote Agency and Self-Regulation:** Students increasingly manage their device use for schoolwork, guided by teachers' clear expectations. **Digital Safety/Citizenship Focus:** Intensify instruction on online safety, cyberbullying prevention, digital footprints, and respectful online communication. **Collaborative Tools:** Leverage cloud-based applications for complex interactive group projects, peer feedback, and shared document creation. **Screen-Free Space:** Emphasize the importance of screen-free time during class or on specific days of the week. **Recommendations:** **In class**: *20-30 minutes per session, with a maximum of 4 sessions per day*. ***Homework:*** *Screen-based homework comprises no more than 40% to 50% of all assigned homework.*
9-12 **(High School)** *Critical thinking, career/college readiness, and content creation.*	**Authentic Productivity:** Technology use mirrors real-world professional and academic environments (e.g., advanced research, data analysis, specialized software, portfolio creation). **Media and Information Literacy:** Focus on critically evaluating news, sources, and social media content; discussing the impact of technology on society. **Personalized Learning:** Students use adaptive platforms to manage their own pace, take online courses and assessments, or receive differentiated support. **Responsible Use:** Devices are treated as essential tools, with clear policies prohibiting non-educational use (e.g., social

Draft

	media, gaming) during instructional time, while promoting focus and self-management. **Recommendations:** **In class**: *30-40 minutes per session, with a maximum of 4 sessions per day*. ***Homework:*** *Screen-based homework makes up no more than 60-70% of all assigned homework.*

The Framework in Action

1. Identify Learning Objectives: Before deciding to use devices or selecting a digital tool, clearly define the primary learning outcome. *Does the proposed use of technology enhance or accelerate students' understanding of the core concept, or is it merely a substitute for equally effective traditional/non-digital instruction?*

2. Determine the Level of Integration: Use this framework to categorize your planned activity. Not every lesson requires digital immersion/use of technology.

- **Supportive Use:** Technology is used briefly for research or data entry.
- **Core Use:** Technology is the primary medium for creation or collaboration.
- **Extended Use:** Technology facilitates long-term project-based learning.

3. Calculate Intentional Screen Time: Employ the framework's recommendations for student device use frequency and duration for your grade level based on the integration model.

> **The Goal:** *Ensure that the time spent on a screen device is proportional to the cognitive value it adds to the lesson*. If screentime exceeds the learning value, the teacher must consider a hybrid approach, significantly scaling down its use, or eliminating the technology from the lesson entirely.

4. Monitor and Iterate: Carefully observe students' active learning/engagement levels during the lesson. If students appear fatigued or distracted/off-task, pivot back to analog/non-digital instruction, which may consist of peer-to-peer interactions, small

group, hands-on collaborative physical tasks, or tech-free independent practice (e.g., close reading, paper/pencil-based reinforcement activities).

Meaningful learning occurs when instruction is purposefully built upon defined objectives and executed through evidence-based pedagogy (Hattie, 2009). Building on this foundation, Consoli et al. (2024) argue that targeted and strategic integration of technology can amplify these efforts, supporting essential educational outcomes in the modern classroom:

Differentiation - *Individualized Learning*

- **Personalization:** Tailor instruction to meet each student's specific pace and needs (remediation or acceleration), a level of differentiation that is typically more difficult to achieve with traditional methods.
- **Engagement:** Interactive tools, virtual simulations, and multimedia resources can transform passive learning into **active, hands-on experiences** (e.g., running a virtual science experiment, exploring historical sites with VR/AR).
- **Access:** Facilitate access to up-to-date information, primary sources, digital libraries, and global experts, moving beyond the limits of a single textbook.
- **Creation:** Facilitate students' ability to create digital content (videos, coding projects, 3D-design, podcasts), thus promoting creativity, critical thinking, and application of knowledge.

Readiness - *Preparation for the Future Workforce*

- **Digital Literacy:** Technology proficiency is considered a foundational skill for success in college and careers. Students can develop competency in word processing, data analysis, digital communication, and troubleshooting.
- **Future-Ready Skills:** Facilitates the development of essential collaboration skills (e.g., through shared digital content development), communication, critical thinking (e.g., evaluating online media sources), analysis, and creativity.

Access - *Equity and Inclusion*

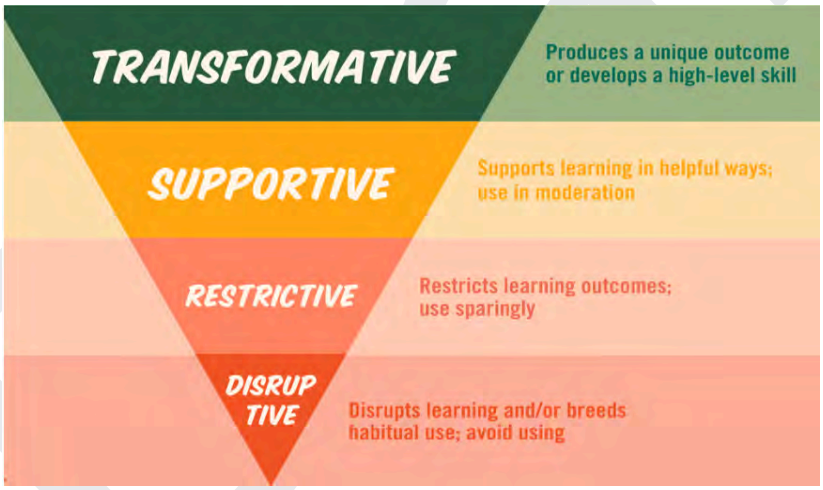
- **Accessibility:** Assistive technologies (e.g., text-to-speech, screen readers, magnifiers, language translators, alternative input methods) can improve equitable access to the curriculum for English Language Learners and students with special needs.

Draft

- **Reducing the Divide:** Access to devices and connectivity can help close the *digital divide* for students who lack reliable technology at home, improving access to learning tools and resources.
- **Flexible Learning:** Online instructional modules and educational videos allow students to pause, rewatch, and review lessons at their own pace, benefiting English Language Learners, students with auditory processing challenges, and students who miss class.

The EdTech Triangle

Ensuring instructional integrity in the modern classroom, lesson design must be driven by research-based frameworks such as the **SAMR Model** and the **EdTech Triangle** to guide sound technology integration. These models offer a strategic roadmap, moving beyond superficial tool usage toward purposeful applications to advance student learning outcomes.



Source: EverySchool.org, https://www.everyschool.org/the-edtech-triangle, retrieved October 7, 2025

- **Transformative:** Tech facilitates a unique outcome or the development of a high-level skill (e.g., communication, design, peer-to-peer editing, programming, coding, etc.). *The district's goal is that teachers deliver instruction that provides students with opportunities throughout the year to use technology in this manner.*
- **Supportive:** Tech strengthens learning activities (e.g., providing access to specific research, facilitating controlled drill-and-practice). *Technology is integrated selectively at this stage.*
- **Restrictive:** Tech restricts or inhibits learning outcomes, often by unnecessarily

digitizing tasks that could be accomplished more effectively without it. *Technology used in this manner is minimized or avoided altogether.*

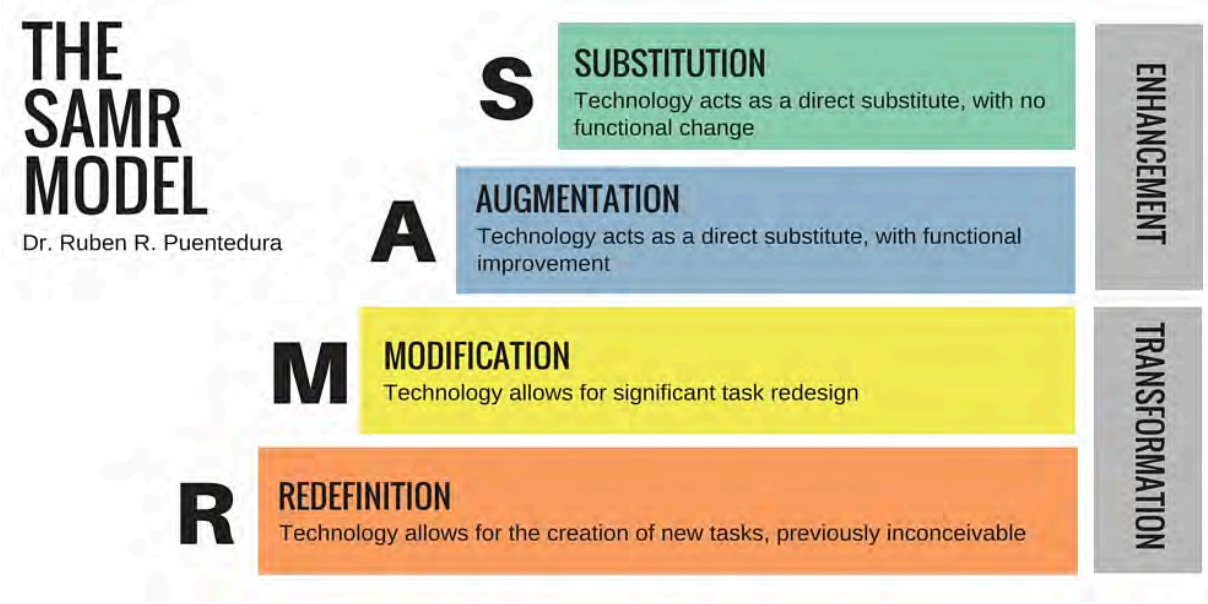
- **Disruptive:** Tech disrupts the learning process or contributes to habitual, non-educational use (e.g., social media, online gaming/gambling). *Use of technology in this manner must be avoided entirely.*

The SAMR Model

Dr. Ruben Puentedura's **SAMR Model** is the benchmark for measuring the impact of technology on learning. It distinguishes between superficial technology use and deep pedagogical integration. Educators apply this framework in selecting and implementing technology during the planning and instructional design process.

At the most basic level, technology serves as a simple substitution, offering no clear benefit. At the opposite end of the scale, technology is used to redefine the learning outcome entirely, enabling students to complete new processes or tasks that would not otherwise be possible.

Teachers are strongly advised to consult this framework during instructional design and lesson planning to ensure that technology integration transcends mere functional enhancement and achieves substantive pedagogical value.



Source:
Adapted from Dr. Ruben Puentedura https://www.edutopia.org/article/powerful-model-understanding-good-tech-integration, retrieved November 09, 2025

The ISTE Standards

The **International Society for Technology in Education (ISTE)** standards serve as a roadmap for teachers to create meaningful learning experiences for their students. These standards, which contain purposeful and effective technology-enhanced learning outcomes, should be referenced when planning lessons that include students' use of technology. These standards should be frequently referenced by teachers, guiding their lesson design from traditional, teacher-centered methods to authentic, learner-driven instructional routines. The ISTE standards promote a mindset of continuous improvement and collaborative practice among educators, where performance data and feedback are central in the planning of instruction.

b. Student Devices

Grades K-1: Students use iPads on a limited basis to access carefully selected interactive learning applications that have been fully vetted and verified to directly support foundational learning, early literacy, and creative expression. Lesson integration should favor the use of iPads as a "center-based" and collaborative tool. On a more limited basis, iPads can be used strategically to facilitate personalized learning and to capture audio-visual evidence of student comprehension (e.g., recording students reading aloud or explaining math solutions).

Grades 2-12: Students use Chromebooks with intentionality and specificity to develop transferable productivity skills and to promote digital citizenship and safety. Chromebook integration focuses on content creation, research, and collaboration as students use the Google Education suite to prepare for text-intensive academic tasks and career readiness. Technology deployment directly supports curriculum goals at every grade level, moving students from interactive content consumption to actively creating complex digital artifacts as evidence of their deeper learning.

Evaluating The Impact of Technology in the Classroom

Technology implementation in the classroom, regardless of device, grade level, or subject area, must be evaluated against specific, observable metrics that directly correlate with desired learning outcomes. Ultimately, the application of digital resources in the classroom must be strictly governed by pedagogical necessity. The following examples are common performance indicators where the use of technology can produce improved academic achievement (Pellegrino, Quellmalz, 2010).

- **Core Subject Area Mastery:** Increases in class or standardized test scores (e.g., unit tests, benchmark assessments, end-of-year state tests).
- **Critical Thinking and Content Creation:** Improved accuracy and decreased errors in complex problem-solving tasks and efficient production of personalized content.
- **Engagement, Motivation, and Effort:** Improved completion rates with a verified increase in participation and performance outcomes on individualized assignments and group projects.
- **Personalized Achievement Gap Reduction:** Higher rates of overall growth and a narrowing of the achievement gap among student groups.
- **Transferable Digital Literacy Skills:** Greater proficiency in identifying credible vs. non-credible digital sources in research-based class assignments.

These outcomes ensure student devices serve as an accelerator, not merely a substitute for traditional learning activities. *When technology is not clearly aiding in or facilitating these defined areas of achievement, screen-free alternatives and conventional instructional methods and materials must be used instead*.

c. Training and Support

PGUSD is committed to high-quality instruction in every classroom. Through research-backed professional development (PD), the district will equip teachers with a common framework to critically evaluate and maximize the effectiveness of digital tools on student learning.

- **Triple E-Framework**: Guiding lesson design by ensuring technology is used to **Engage** in learning goals, **Enhance** the understanding of concepts, and **Extend** learning into real-world applications (Kolb, 2017).
- **SAMR Model** and **Ed Tech Triangle**: Frequently referenced and applied as practical benchmarks for moving instruction from mere substitution to transformative redefinition.
- **ISTE Standards:** Serving as the basis of foundational competency targets for both students and educators, and to guide when technology should and should not be used to produce measurable growth in academic success.

Implementation:

Shifting to a multi-tiered instructional support/PD model, the district will ensure professional learning opportunities remain highly relevant, impactful, and tailored to the evolving needs of the modern classroom:

- **Tech Integration Clinics:** Quarterly, job-embedded sessions allow teachers to co-plan lessons with grade-level, department, or course-alike colleagues. The focus is on integrating technology into specific, upcoming curriculum units only when it is instructionally justified.

- **Consultative Support:** Educators will have access to ongoing, personalized instructional coaching through direct collaboration with PGTech and the school-site Teacher Tech Leads (TTLs).

- **PGTech Learning Series:** The district will provide a continuous schedule of virtual and in-person webinars from leading professional learning organizations (e.g., ISTE, SolutionTree, Edutopia). These sessions will focus on high-leverage, research-backed instructional design strategies and modern teaching methodologies.

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2. Digital Safety, Data Protection, and Security

PGUSD is fully committed to promoting a safer, more secure, and ethical use of digital resources for all users: students, faculty, staff, and administration.

a. Robust Cybersecurity Infrastructure

To ensure a secure network, the district will deploy **Next Generation Antivirus** software across all district-owned Windows, Mac, and Linux devices, with potential implementation on Chrome OS devices as deemed necessary.

A critical component of this security framework is email filtering, which involves defining specific email properties (keywords, phrases, sender, recipient, etc.) that will trigger a quarantine for evaluation and subsequent release or blocking.

Two-Factor Authentication (2FA) will be mandatory for all staff on their @pgusd.org accounts and any systems containing Personally Identifiable Information (PII) or those classified as sensitive.

b. Proactive Monitoring and Advanced Alerts

The district will continue to perform more rigorous monitoring of students' online activity to ensure a safe and secure learning environment. To date, PGUSD has established a comprehensive, multi-tiered monitoring framework designed to provide staff with instantaneous notifications when student online activity aligns with established safety

indicators, including specific search queries, phrases, or high-risk recipients. Additionally, all devices on the PGUSD network will continue to have stringent content filtering enabled through our LAN and WiFI configurations, Google Admin Console settings, and county-wide firewall protocols. Beyond this, network monitoring will be conducted continuously to detect and report traffic anomalies. To support rapid response and forensic capability, the district will prioritize data logging from various systems and establish rules with integrated alerts to flag potential issues in real time.

c. Operational Preparedness and Efficiency

The district will remain focused on optimizing operational efficiency and preparedness. This involves creating smooth, well-defined processes for the entire employee lifecycle, ensuring efficient onboarding of new employees and robust, security-focused procedures for suspending employee access, permissions, and system services. This strategic vision emphasizes a proactive approach to risk management, requiring the creation of a list of potential issues and corresponding ideas/plans for effective mitigation and response to prepare for various challenges that could compromise system integrity.

d. Digital Safety and Citizenship

Students at targeted grade levels - grades 5, 7, and 9 - will gain digital safety skills, awareness, and citizenship through a tiered, integrated curriculum and instruction that strategically embeds resources from leading organizations, including Common Sense Media, SmartSocial, and iKeepSafe, with priority given to topics such as media balance, online privacy, cyberbullying, and digital footprint awareness.

The district's approach to protecting student data and complying with federal requirements such as FERPA and COPPA is supported by the annual compliance standards covered in the district's mandated training for all employees. The goal is to ensure a safe and responsible digital learning environment across all grade levels by educating students, staff, and parents on best practices and emerging online challenges.

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3. Artificial Intelligence (AI)

PGUSD is undergoing a highly disciplined and strategic adoption of Generative Artificial Intelligence (AI), ensuring every implementation is rigorously vetted for safety and used only where it demonstrably elevates student learning and operational integrity. AI will be subjected to continuous and stringent human oversight and ethical review to validate its outputs, mitigate inherent biases, ensure data protection, and guarantee the products align with the district's values and vision. To ensure these standards are met, the district will implement the following pre-approval verification/vetting process.

Privacy and Security Compliance Audit

Before any tool is sanctioned for use in PGUSD, PGTech will perform a mandatory technical audit to include:

- **Data Sovereignty:** Verifying that student and staff data is encrypted and remains within secure, district-approved jurisdictions.
- **Legal Alignment:** Ensuring the tool is fully compliant with **FERPA**, **COPPA**, and state-specific data privacy laws.
- **Opt-Out and Deletion:** Confirming the vendor provides clear mechanisms for total data deletion upon request.

Continuous Monitoring and Recertification

Approval is not permanent. All AI tools will be subject to an annual recertification process. If the AI vendor updates their language model or changes their data privacy policy, the tool will be re-evaluated to ensure it still satisfies the district's rigorous safety standards.

As AI models evolve and the regulatory landscape changes, the district's AI governing guidelines will be examined and updated. PGUSD's standing Board Policy (BP 0441) and Administrative Regulation (AR 0441) on AI use provide the basis of how it is to be implemented, managed, and supported in PGUSD.

a. Staff Use

The district views AI as a powerful tool with the potential to improve internal operations. Staff may elect to use only vetted and district-sanctioned AI platforms to streamline workflows and enhance overall efficiency. AI integration will favor automating routine administrative tasks, optimizing resource allocation, and providing rapid access to relevant information, thus allowing personnel to dedicate more time to critical, student-focused tasks and activities.

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b. Teacher Use

For instructional staff, AI may be leveraged specifically to save valuable time and potentially enhance the quality of educational delivery. Teachers will be guided on the appropriate use of AI to expedite complex, time-consuming processes such as curating subject matter, designing learning activities, planning highly differentiated instruction, or creating rubrics and assessments. The goal is for AI to serve as a powerful assistant, freeing up teachers to focus more on *direct student interaction*, *mentorship*, and *personalized educational support*.

c. Student Use

The district's philosophy regarding students' use of AI is clear: *AI must serve to augment student learning, not supplant or replace it*. Responsible and ethical use of AI as a tool to further explore concepts, synthesize information, and practice skills to accelerate understanding of subject matter is the prime objective. Leveraging AI to support personalized learning pathways and encourage critical thinking, ensuring that the student remains the active agent in the learning process, is paramount. Any use of AI in the classroom must be fully sanctioned by the teacher for the purpose of achieving a high-value learning experience that would otherwise be inefficient or ineffective at achieving the following outcomes:

- **Higher-Order Thinking:** Teachers may have their students use AI for tasks that promote analysis, synthesis, creation, and evaluation. Note: This use of AI by students requires that class assignments have moved beyond mere factual recall, rote memorization, or basic presentation.
- **Skill Transferability:** Teachers may have their students use AI to develop skills that are valuable beyond that specific assignment (e.g., strong prompt engineering, critical media literacy, or complex problem-solving).
- **Curriculum Integration:** Teachers may have students use AI in support of established curriculum standards and learning outcomes. If and when used, AI must serve as an accelerator or collaborator, *not a replacement for essential teaching and learning*.
- **Explicit Rationale:** Teachers who have their students use AI must clearly communicate to their students why the tool is being used for the specific task and what skills students are expected to gain from their interactions with AI.
- **Equity and Access:** With any use of technology, teachers must ensure that students have equitable access to the tools and the necessary digital literacy skills to use them effectively and with integrity. This includes AI.

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d. Training and Support

The district will deploy a safe, differentiated, and relevant AI awareness and training program for staff, comprised of the following three-step sequence:

1) **Establish Foundational AI Literacy**: The initial phase must ensure all staff (teachers, administrators, and support personnel) understand what AI is, its capabilities and limitations, and the district's non-negotiable policies. This training will focus heavily on ethical considerations, including data privacy (e.g., specifically avoiding the input of personally identifiable student information into public AI tools), academic integrity guidelines for student work, and recognizing and mitigating AI-generated bias or misinformation. This foundational step provides the essential guardrails for responsible use before any practical application is promoted.

2) **Provide Role-Specific, Practical Application Training**: Following the foundational training (Step 1), the district will implement differentiated PD tailored to specific roles. For teachers, this includes hands-on workshops focused on integrating AI tools to enhance efficiency (e.g., lesson planning, rubric creation, generating differentiated content) and transform instruction (e.g., teaching *with* and *about* AI to foster student AI literacy). For administrative staff, training will focus on leveraging AI for approved operational efficiencies, such as data analysis and communications drafting, while strictly adhering to the district's established security and privacy protocols.

3) **Create a Culture of Continuous Learning and Iteration**: As AI rapidly evolves, the training plan must include a strategy for ongoing professional learning, moving away from one-time workshops. Professional Learning Communities (PLCs) at each school site can serve as a venue where educators can share successes, troubleshoot challenges, and collectively vet new tools in a "sandbox" environment. Furthermore, the district will continue to schedule regular policy and guidance reviews with staff input, ensuring that training and usage guidelines remain current, relevant, and responsive to both technological advancements and practical classroom realities.

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4. Technology Management

PGUSD envisions a cohesive, cloud-centric technology environment built around ease of use, efficient management, and robust security.

PGTech - IT Services and Support

PGTech shall be consulted on all site and/or district-level technology purchasing plans and decision-making, particularly when Measure A/EdTech Bond funding is being requested. PGTech cannot guarantee responsive tech support/troubleshooting services and/or management assistance for any technology purchased in the absence of adequate consultation before purchase.

a. **Software Approval and File Management**

The district's core software strategy is centered on Google Workspace. The majority of users are encouraged to use district-provided, higher-end Chromebooks as their primary computing device. For the few users who occasionally require access to Windows applications, a system will be implemented to deliver these Windows apps only (not entire virtual desktops) directly to their Chromebooks. All file creation will utilize **Google Apps**, and all data will be stored securely in Google Drive. To streamline management and facilitate staff turnover, Shared Drives will be the standard for file storage, with limited use of My Drive for personal files.

The **i-SET** (**Instructional Software Evaluation Tool**) is used as a first step in purchasing supplemental teaching/learning software, digital programs, apps, or subscriptions to online platforms. Staff shall complete and submit the i-SET to PGTech for review to secure authorization. Any i-SET-approved software will be sanctioned for use in PGUSD and fully supported by PGTech. *All other non-core programs, online subscriptions, apps, and digital programs not approved by the district will be considered unauthorized and may be blocked on all school-managed devices and networks.*

b. **Student Access to Media-Streaming Platforms - *YouTube***

To ensure our classrooms remain centers of high-quality, focused instruction, PGUSD is updating its approach to digital media access to students. To better support student focus, sustained concentration, and cognitive health, the district will transition away from discretionary student access to entertainment-driven streaming platforms, such as YouTube, Hulu, Netflix, and others, on all district-issued devices and networks.

While these platforms contain valuable educational content, their core architectures are commercially driven and designed for maximum engagement and perpetual

viewing. This business model creates a clear conflict with the deep, sustained focus required for academic achievement. Eliminating student access will:

- Minimize digital distractions during the school day./
- Prioritize bandwidth for essential online educational activities.
- Support student wellness by reducing the urge for passive media consumption.

This shift is not an across-the-board elimination of digital media, but a transition to intentionally curated, teacher-approved, instructional content access only. Teachers retain full autonomy to integrate specific, high-quality educational video content into their lessons. Thus, students will continue to access relevant YouTube content only when it is explicitly assigned and sanctioned by their teachers. This approach will ensure that digital media consistently remains an intentionally integrated tool for learning.

c. Network and Core Services

The district's network strategy emphasizes Virtual Local Area Networks (VLAN) separation and segmentation for enhanced security and manageability. Device types will be logically separated into distinct VLANs as appropriate for their specific use. Communication between devices on different VLANs will be strictly controlled, permitted only between approved VLANs. This design aims for a network that is both secure and easy to manage. For core services, DHCP and DNS servers will be strategically located and managed via a centralized interface. Crucially, both the DHCP and DNS systems must incorporate failover mechanisms, either with a backup system at another site or off-site, to ensure high availability.

d. Classroom Hardware Configuration

To ensure a seamless instructional experience, all hardware purchases must align with the district's standardized configuration models. Each classroom is equipped with a modern, grade-band-standardized hardware suite, managed and supported by school IT technicians:

- **Visuals:** A multipoint-touch, interactive, large flat-panel display and a high-resolution document camera.
- **Audio:** A stereo-enhanced soundbar.
- **Support:** Upgrades and modifications are scheduled based on performance requirements and instructional needs.

Standard Classroom Hardware Configuration by Grade Band

TK-1	2-5	6-8	9-12+
▪ Classroom set of iPads and protective cases ▪ Charging cabinet ▪ Stereo headphones ▪ Document camera ▪ 86" LED Flat Panel Interactive Display ▪ Stereo Soundbar ▪ HD Webcam ▪ Teacher Chromebook	▪ Student Chromebooks (1:1) ▪ Charging cabinet ▪ Stereo headphones ▪ Document camera ▪ 86" LED Flat Panel Interactive Display ▪ Stereo Soundbar ▪ HD Webcam ▪ Teacher Chromebook	▪ Student Chromebooks (1:1) ▪ Charging cabinet ▪ Stereo headphones ▪ Document camera ▪ 86" LED Flat Panel Interactive Display ▪ Stereo Soundbar ▪ HD Webcam ▪ Teacher Chromebook	▪ Student Chromebooks (1:1) ▪ Charging cabinet ▪ Stereo headphones ▪ Document camera ▪ 86" LED Flat Panel Interactive Display ▪ Stereo Soundbar ▪ HD Webcam ▪ Teacher Chromebook

e. Instructional Staff Computing

High-powered **Chromebooks** are the standard district-issued device for all instructional staff. In limited cases, alternative "job-suitable" computing devices may be provided based on specific role requirements. Chromebooks are utilized to facilitate a cloud-centric workflow via Google Workspace, offering teachers the following advantages:

- **Efficiency:** Rapid boot-up times and superior battery life for all-day mobility.
- **Security:** Robust built-in protection for sensitive district data.
- **Integration:** Seamless management of grading, curriculum planning, and real-time student collaboration through Google Classroom.

f. Printing and Peripherals

To streamline maintenance and supply costs, the district maintains a standardized list of printer manufacturers for all work areas: Brother or Epson is the preference, while HP printers may be approved in rare instances based on specific technical needs. The district's shared/group printing infrastructure is designed for flexibility across all operating systems, Chromebooks, Windows, Mac, and Linux. This allows staff the ability to print to a specified printer from any computer. Staff will have the option to enhance document security by delaying printing until they enter a security code or select the job directly at the printer.

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g. Supplies/Consumables

PGTech considers technology-related supplies/consumables (e.g., printer toner, batteries, projector bulbs, etc.) to be recurring operational expenses. Thus, these items should be purchased using non-technology funds (i.e., those dedicated to hardware and software). Measure A/EdTech Bond funds or budgeted site technology funds should not be used to purchase technology-related supplies/consumables.

h. Personal Devices On Campus

Staff personal devices are permitted for use on campus and can connect to the district's guest network. However, personal devices used on campus do not qualify for the same level of tech support as district-furnished devices. The district does not purchase accessories (e.g., adapters, charge cables, batteries, etc.) for personal devices. Per Board Policy, students' *personal devices are no substitute for a district-issued Chromebook and are not permitted on any campus unless the student receives prior authorization from the site administration.*

i. Asset Management and Camera Systems

Asset Management will be centralized in a system that site techs and librarians can use to check-in/check-out assets to staff or students as needed. This system will be able to assign assets to a specific person or location and store and filter data based on the manufacturer, model, purchase date, and/or other metadata.

The camera system will enhance security with the ability to separate cameras by location. Permissions will be granular, allowing assignment by location with control over whether users have live view only or live view and recordings access. The system will provide video recordings of incidents. Camera footage will be retrievable at each campus based on user permissions.

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5. Services and Support

This section outlines the strategies the district will employ to ensure robust technology services, effective communication, continuous professional development, and expert consultation to support all end-users.

a. **Support/Help Desk:** A centralized, efficient, and accessible Support/Help Desk is critical for minimizing instructional downtime and maintaining operational efficiency. Our goal is to optimize the district's single, district-wide online ticketing system for accessibility via a dedicated portal.

   - Acknowledge 75% of requests within one business day and resolve 90% of reported issues within 7 calendar days.
   - Utilize a three-tiered structure for support:
     - **Tier 1**: On-site support provided by school-based IT techs for common software issues, password resets, basic troubleshooting, and more complex hardware failures and software problems requiring physical intervention.
     - **Tier 2**: Specialized support from district tech administration for infrastructure, enterprise applications, and security incidents.
     - **Tier 3:** County-level and vendor-specific technical services and solutions expertise.
   - Continue developing the PGUSD self-service tech knowledge base: a staff-wide searchable online repository containing guides, FAQs, and video tutorials for common tech issues.

b. **Communications:** Clear, timely, and targeted communication is essential for managing technology integration, service changes, and security. PGUSD will implement a multi-channel strategy to reach stakeholders effectively:

   - Email: Primary channel for official tech-related announcements and security alerts.
   - Google Calendar: for maintenance windows and planned outages
   - District Website/Portal: Dedicated section for current system status and tech-related news.
   - Quarterly PGTech Newsletter publication: Providing tech-related news, announcements, tech tips, best practices regarding data privacy, cybersecurity/phishing awareness, acceptable use, training opportunities, and informal updates aimed at staff.

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c. **Training/Professional Development (PD):** Technology PD will be ongoing, relevant, and differentiated to ensure that staff can effectively integrate new tools into their workflow and instruction:
    - **Role-Specific Training Opportunities:** Develop structured PD tracks tailored to specific end-user roles:
        - Instructional Staff: Focus on pedagogical integration of core tools (LMS, interactive displays, student devices) and digital citizenship.
        - Administrative Staff: Focus on productivity tools, data management systems (SIS/HRIS), and security protocols.
        - New Hire Orientation: Mandatory technology training for all new staff covering essential tools, help desk access, and Acceptable Use Policy (AUP) review.
    - **Blended Learning Model:** Utilize a mix of delivery formats to maximize reach and engagement:
        - Live Workshops: Scheduled, in-person, or virtual sessions for deep dives and hands-on practice.
        - Peer-to-Peer Coaching: IT Techs and Teacher Tech Leads (TTLs) facilitate additional training to support their colleagues at the school level.
    - **Annual Tech Needs Assessment:** Conduct an annual survey to assess staff comfort levels and identify specific technology tools and skills needing additional support, directly informing the district's PD calendar.

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6. Signature Projects

This area outlines a strategic phased rollout to modernize instructional hardware, enhance campus security, and upgrade multi-use audio-visual environments.

Year 1: Foundation, High-Impact Upgrades
Priority: Security infrastructure, administrative hardware, and school assembly spaces.

- **Staff-Issued Chromebooks:** Continue deployment of high-end Chromebooks to all certificated staff to replace end-of-life Windows-based laptops. Includes PD on ChromeOS, Google Workspace, and Educational Apps instructional integration.
- **Forest Grove Multipurpose Room and Robert Down Auditorium:** Complete AV overhaul. Installation of high-output rear or near-throw projection, motorized

retractable screen, and integrated digital audio mixers to enhance school and community-based performances.
- **Student Device Refresh:** Continue targeted replacement of the oldest iPads at the primary grade levels (K-1), aging student Chromebook fleet upgrades at grades 2-12, and Adult Ed classrooms where applicable.
- **Security Camera Optimization:** Final phase of camera additions, filling in "blind spots" as they are identified.

Year 2: Asset Management
Priority: Instructional continuity, inventory control, and computing device upgrades.

- **Life Cycle Management:** Roll out a district-wide Asset Management & Inventory tracking system (e.g., AssetCloud, Incident IQ, or the district's Library Management System). All hardware to be tagged with standardized QR/Barcodes or identified by the device's serial number to automate audit trail and service history.
- **Student Device Refresh**: Complete iPad fleet refresh for grades K-1.
- **Staff Issued Chromebooks:** Final rollout to classified staff and remaining certificated staff. Includes professional development on ChromeOS and Google Educational Apps integration.

Year 3: Optimization, Sustainability
Priority: Final fleet cycling, A/V upgrades, and refining security camera and asset management systems.

- **PGHS Gym A/V - Presentation Hardware:** Install an electronic/retractable projection screen and high-output projector. Upgrade the speaker and amplifier array and wireless audio communication devices.
- **Student Device Refresh:** Finalize the refresh cycle for the remaining elementary Chromebook fleet.
- **Security Cameras (NVR Upgrade):** Audit existing camera hardware and migrate to a high-capacity Network Video Recorder (NVR) system. This updated system will expedite searches for desired footage, send alerts on weapon detection, and allow for off-site access to camera views for staff and local authorities.
- **Asset Management Review:** Conduct the first full district-wide automated audit using the Year 2 tracking system to project the next 3-year budget cycle.

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Appendix

Change Management Strategy

To ensure the sustainable and effective implementation of the initiatives outlined in this plan, particularly the shift toward intentional screen time and the strategic integration of Artificial Intelligence, PGUSD utilizes a structured Change Management Strategy. This approach focuses on transparent leadership, multi-tiered support, and continuous evaluation

Leadership: The foundation of change is a collaborative leadership model that ensures diverse stakeholder input and alignment with district goals.

- **PGUSD Tech Committee:** Ensures that all technology purchases align with the EdTech Bond/Measure A mandates.
- **PGTech**: This team serves as the operational engine for the plan's rollout.
- **Teacher Tech Leads**: Serve as site-based change agents, facilitating peer-to-peer coaching and helping colleagues integrate new tools into their specific curriculum units.

Multi-Tiered Professional Support: Successful change requires equipping staff with the skills and confidence to use new tools. The district utilizes a research-backed, differentiated Professional Development (PD) model.

- **Foundational Literacy:** Establishing baseline competencies, particularly for high-stakes transitions like the adoption of Generative AI, focusing on ethics and safety.
- **Tech Integration Clinics:** Quarterly, job-embedded sessions that allow teachers to co-plan lessons, ensuring technology is used only when it is instructionally justified.
- **Consultative Coaching:** Personalized instructional coaching provided by PGTech and TTLs to reduce "instructional downtime" and address individual classroom needs.

Communication and Transparency: To minimize resistance and manage expectations, the district maintains a multi-channel communication strategy**.**

- **Standardized Channels:** Regular updates via email, the district website, and the Quarterly PGTech Newsletter keep all stakeholders informed of system changes, security alerts, and upcoming training opportunities.
- **Predictability:** The use of shared Google Calendars for planned outages and maintenance windows ensures that staff can plan instruction without unexpected disruptions.

Evaluation and Iteration: Change is an iterative process. The district uses specific metrics to monitor the impact of technology and pivot when necessary.

- **Observable Metrics: T**echnology implementation is evaluated against student learning outcomes, including core subject mastery, engagement levels, and the narrowing of achievement gaps.
- **Annual Tech Needs Assessment:** A yearly survey assesses staff comfort levels and identifies gaps in support, directly informing the following year's PD calendar.
- **Instructional Pivot:** Teachers are explicitly encouraged to pivot back to “analog” instruction if students appear fatigued or if digital tools do not demonstrate a clear pedagogical necessity.

Draft



PGUSD Educational Technology Plan

2026–29

A Blueprint for Achieving Intentional, Safe, and Balanced Technology Integration

PG Tech
tech.pgusd.org

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
A PARTNERSHIP IN EXCELLENCE

Made with GAMMA

6 Strategic Priorities

1

Classroom Technology Use

2

Digital Safety, & Data Protection

3

AI Integration

4

Technology Management

5

Services & Support

6

Signature Projects

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1. Classroom Technology

Grade-Level Screen Technology Use Framework:

1. **Intentionality**
2. **Active Engagement**
3. **Developmental Level**
4. **Homework Balance**



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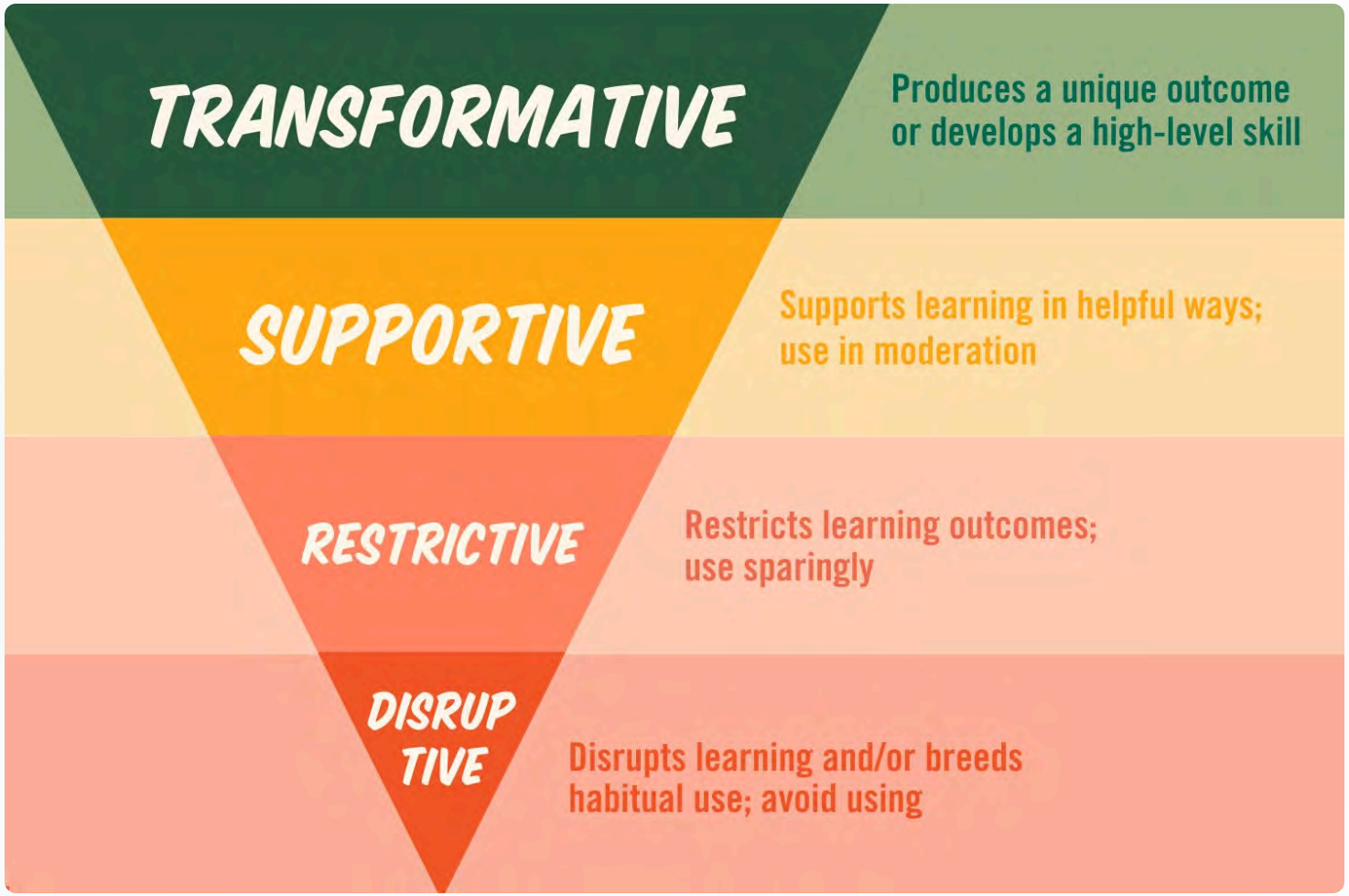
GRADE-SPAN RECOMMENDATIONS: BALANCED SCREEN USE

GRADE SPAN	IN-CLASS SESSION LIMIT	MAX DAILY SESSIONS	HOMEWORK (DIGITAL %)
K–2	10–20 Minutes	3 Sessions	0% (Screen-Free)
3–5	15–25 Minutes	3 Sessions	10%-15%
6–8	20–30 Minutes	4 Sessions	40%–50%
9–12	30–40 Minutes	4 Sessions	60%–70%

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Guiding Research Models

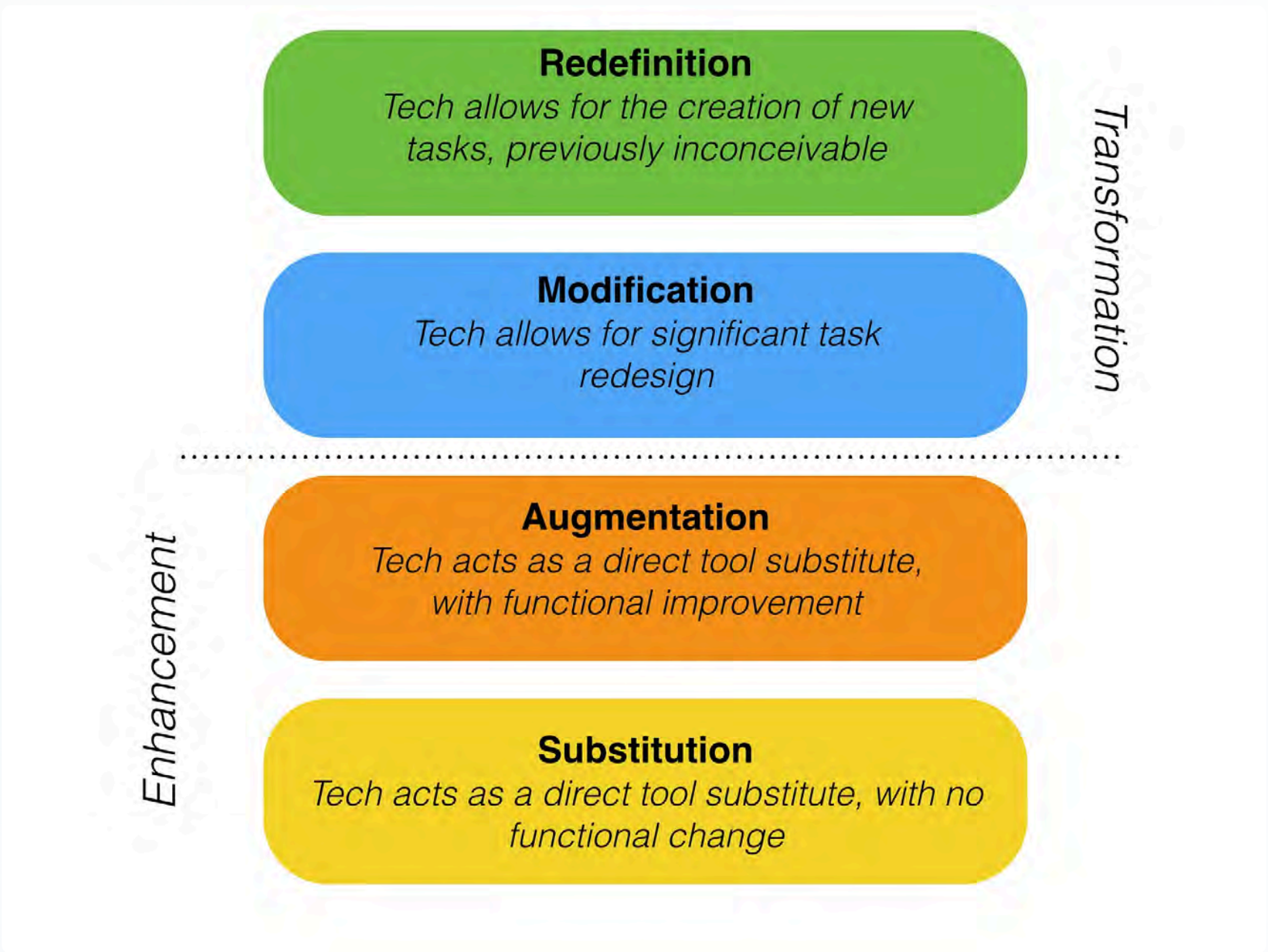
Ed Tech Triangle



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Guiding Research Models

SAMR



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Guiding Research Models

ISTE Standards



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Relevant Literature

American Academy of Pediatrics. (2025). *Screen time at school*.

American Academy of Pediatrics. (2026). *Media and children*.

American Optometric Association. (n.d.). *Eye health guidance for screen time*.

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2. Digital Safety,Data Protection, & Security

✓ Cybersecurity Infrastructure

- Next Gen Antivirus
- Two-Factor Login
- Email Filtering

✓ Proactive Monitoring

- Real-Time
- Threat Detection
- Advanced Alerts

✓ Digital Safety, Citizenship

- Awareness
- Respect
- Protect

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3. AI Integration

Stringent Human Oversight

- Privacy & Security Compliance Auditing
- Continuous Monitoring and Re-Certification
- Role-Specific Training (PD)



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4. Technology Management

- **Software and File Management**
- **Network and Core Services**
- **Standardized Hardware Configurations**
- **Staff Computing**

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5. Services & Support

- 3-Tier, Rapid Response
- Enhanced Communication
- Role-Specific PD/Training



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6. Signature Projects

Year 1

Device Refresh

RD, FG A/V Upgrades

Year 2

Security Camera Optimization, Asset Management

Year 3

PGHS Gym A/V Upgrades

Network Video Recorder (NVR)

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Our Operational Priorities:

Intentional Integration



Safety, Awareness



Selective, Ethical Use



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PACIFIC GROVE UNIFIED SCHOOL DISTRICT

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Thank you.

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Board Cover Sheet

Information/Discussion

- [x] Credibility & Communication
- [x] Student Learning & Achievement
- [ ] Health & Safety of Students & Schools
- [x] Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Josh Jorn
Assistant Superintendent

Item
Board requested fiscal support review

Recommendation
The District Administration recommends that the Board review the information requested from the Fiscal Crisis Management Assistant Team (FCMAT) and School Services of California Inc. (SSC).

Background
The Board requested that PGUSD review consulting support options from FCMAT and SSC related to Budget Development.

Information
Both FCMAT and SSC were asked to provide scope of work and cost assumptions for the following technical support.

FCMAT Proposed Support

1. MYP - Review and recommendations for Multi-Year Projections - ***$34,000 plus expenses***
2. FHRA - Fiscal Health Risk Analysis, and identify the district's specific risk rating for fiscal insolvency - ***$29,000 NTE***
3. Review operational processes within the Business Department - ***$29,000 NTE***

SSC Proposed Support

1. Detailed Budget Review - ***$21,500 plus expenses***
2. Facilitation Support Services - ***$32,700 plus expenses***

Details will be provided in the presentation by staff

Fiscal Impact
None

Budget Consulting Support Options

Pacific Grove Unified School District

A review of proposals from **FCMAT** and **School Services of California Inc. (SSC)** for consulting services to support PGUSD with budget oversight and alignment — presented at the request of the Board.

Overview

Two Consulting Partners, Five Service Options

The Board requested that PGUSD Staff review consulting support options from FCMAT and SSC.

FCMAT

Multiyear Projection (MYP), Fiscal Health Risk Analysis (FHRA), and Internal Procedures Review

SSC

Budget Review, Facilitation Support Services for program and staffing alignment

3

FCMAT Scope

MYP, FHRA, Business Process Review

2

SSC Scope

Budget Review and Facilitation Support Services

FCMAT — Option 1

Multiyear Financial Projection (MYP)

Estimated **3 days onsite** for PGUSD's district size.
NTE: Approx. $34,000

1

Orientation Meeting

Brief district management on procedures, purpose, and study schedule at the start of fieldwork

2

Fieldwork

Develop an independent MYFP for current + 2 subsequent fiscal years, including cash flow analysis

3

Exit Meeting & Letter

Review scope, outstanding items, and timeline; exit letter issued 10 business days after

4

Draft & Final Report

Draft delivered for review; final report sent to district and county superintendent; published on FCMAT website

The MYFP is a snapshot in time of the district's financial status. Board presentation is optional and available upon request.

FCMAT — Option 2

Fiscal Health Risk Analysis (FHRA)

Estimated **2–3 days onsite**. **NTE: Approx. $29,000**

Core Objective

- Analyze PGUSD using FCMAT's **20-factor Fiscal Health Risk Analysis** framework to identify the district's specific risk rating for fiscal insolvency.
- Final report presented to the Board at a public meeting.

Deliverables

01

Orientation Meeting

Brief management on procedures and study schedule

02

Fieldwork

On-site and/or remote; health/safety findings flagged immediately

03

Exit Meeting & Letter

Status review; letter issued 10 business days after

04

Draft & Final Report

Published publicly on FCMAT website; optional board presentation

FCMAT — Option 3

Business Internal Procedures Review

Estimated **2–3 days onsite**.
NTE: Approx. $29,000

Reviews internal operational processes in Business Services and makes recommendations



Budget Development & Monitoring



Position Control



Payroll



Accounts Payable



Accounts Receivable

Deliverables follow the same structure as other FCMAT studies: orientation, fieldwork, exit meeting, exit letter, draft report, final report (published publicly), and optional board presentation.

School Services of California INC. ™
An Employee-Owned Company

SSC — Option 1

Detailed Budget Review

School Services of California Inc. will conduct an independent, fair assessment of district finances — **not an audit**

SSC will analyze each major revenue and expenditure category that impacts the General Fund

Fee: **Approx. $21,500 plus actual out-of-pocket expenses**

Enrollment & ADA

Projected enrollment and average daily attendance

Revenue Assumptions

Property tax, LCFF, state one-time sources, federal revenues, interest, and local sources

Expenditure Assumptions

Salary & benefits, supplies, operational items, capital outlay, and restricted program contributions

Multiyear Projection

Review of the MYP for all examined categories; budget revisions suggested where assumptions are unreasonable and amounts are significant

SSC — Option 1 (continued)

Report & Board Presentation

Report Format

Analysis yields a report suitable for use by the PGUSD Board, district administration, and staff.

Includes recommended budget revisions, and recommendations tailored to the district's specific needs

Process

- Draft report submitted to Assistant Superintendent/CBO for review and comment
- Final report submitted to Assistant Superintendent/CBO
- Team available to present at a Board meeting or other meeting as desired by the District
- Telephone or virtual interviews with select district staff as needed

SSC — Option 2

Facilitation Support Services

SSC will work collaboratively with the district's leadership team to facilitate development of guiding principles and a plan to evaluate programs, instructional needs, and operational areas to determine appropriate staffing resources.

Fee: **$32,700 plus actual out-of-pocket expenses**.

1 Initial Conference Call

Identify meeting dates; discuss goals and objectives with district management team

2 Data & Input Gathering

Solicit recommendations from department/program leaders; surveys for staff input; communication materials

3 Up to 6 Facilitations

Up to 3 hours each; follow-up planning meetings with district management as needed

4 Board Communication

Upon Superintendent's request, SSC communicates budget information and/or updates to the Governing Board

Additional meetings beyond the scope, if necessary, are billed at $3,500 per meeting plus actual expenses

Next Steps

Board Direction

The Board is asked to review the FCMAT and SSC proposals and provide direction to staff if any consulting support option(s) best align with PGUSD's budget oversight and alignment needs.

1 Select Scope(s)

Determine which FCMAT and/or SSC service(s) best address the district's immediate fiscal priorities

2 Further Information

Bring SSC and/or FCMAT in for a future Information Item where the Board can have a Q and A with each entity

3 Engagement

Direct Staff to bring an Action Item for defined scope and schedule to a future Board Meeting

Board Cover Sheet

Information/Discussion

- ☑ Credibility & Communication
- ☑ Student Learning & Achievement
- ☑ Health & Safety of Students & Schools
- ☑ Fiscal Solvency, Accountability & Integrity

Meeting Date
May 7, 2026

Presenter(s)
Dr. Linda Adamson
Superintendent

Item
Future Agenda Items

Recommendation
The District Administration recommends that the Board review the Future Agenda Items list and provide direction regarding the addition, prioritization, or scheduling of items for upcoming meetings.

Background
Bylaw 9323: Meeting Conduct serves as the regulatory framework for Board operations and public engagement. Adopted in 2006 and revised in 2023, it ensures compliance with the Ralph M. Brown Act and California Education Code. The bylaw prioritizes meeting efficiency – establishing a 10:00 p.m. adjournment goal – and codifies the Board President's authority to maintain order while protecting the public's right to address the Board.

Information
Bylaw 9323 balances legal compliance with efficient governance through the following mandates:

- Operational Efficiency: Meetings adjourn by 10:00 p.m. unless extended by a majority; all actions require a majority vote of the full Board.
- Participation Standards: Public comments are limited to 3 minutes (6 for translated testimony). While the Board cannot deliberate on non-agendized items, it may direct staff to place matters on a future agenda.
- Conduct & Oversight: The Board President manages the floor to prevent "actual disruption" while ensuring the public's right to record and offer criticism is protected.

Fiscal Impact
N/A

2025/26

(None) No Fiscal Impact

Program/Grant
N/A

Future Agenda Items

Item	Requested	Status/Action Plan Notes	Presented/ Agendized	Admin. Resolved
Fiscal Resources	February 26, 2026	Inquiry submitted to FCMAT and SSC for scoping, timeline, and cost associated with external agency review. Information Item will be presented at a meeting in April to highlight process, timeline, request scope definition from the Board and review estimated cost if the Board were to pursue one or both as an option	☑	☐
Facility Use Agreement Contracts	April 9, 2026	A trustee requested that we bring forward copies of the District's facility use contracts for review, along with an overview of the process for requesting use of PGUSD facilities. This will also include information on where these materials and procedures are accessible on the District website.	☐	☐

Updated: Apr 29, 2026