



August 19, 2024

Steven Leung
Treasurer, Board Member
AIMS K-12
171 12th Street
Oakland, CA 94607

RE: 1301 30th Avenue, Oakland, California - New Facility Development

Dear Board Members,

N1 Capital is excited to embark on the next phase of the new facility development for AIMS. We have communicated with the Seller (Goodwill) on the acceptance of their offer and are waiting on formal approval from their Board to proceed to contract.

To move things forward in an expeditious manner, we are requesting that the AIMS Board approve the expense budget of approximately \$2.7M to pay for the escrow deposit on the land purchase and for engaging professionals who will play key roles in servicing AIMS during the development phase of the new site. Bear in mind that the expense budget will be re-imbursed to AIMS upon the completion of bond financing which is estimated to occur near the end of 2025. For a complete breakdown of the expense budget and timing of payments, please refer to below:

- Exhibit A: Expense Budget
- Exhibit B: Lincoln, Campanile, and BBK proposals

Please note that due to the confidential nature of the third-party professional proposals in Exhibit B, we respectfully ask that they not be publicized on the internet. We thank you for your consideration and are available to answer any questions you may have.

Sincerely,

Tony Chung
Chief Executive Officer
N1 Capital Inc.

Approved by:

Steven Leung, Treasurer
AIMS K-12

Date

| Exhibit A: Expense Budget | | | |
|----------------------------------|--|---|--|
| DATE | ACTION ITEM | PAYEE | BUDGET |
| 8/30/2024 | Purchase Sale Agreement (PSA) negotiation with Goodwill | BBK | \$50,000 |
| | Execution of Pre-Development Agreement | Lincoln / N1 | \$500,000 |
| | Bond Financial Analysis & Report | Campanile | \$10,000 |
| 10/30/2024 | PSA Execution & Escrow Open | AIMS & Goodwill escrow bank agent | \$500,000 |
| | Acquisition Fee | N1 | \$100,000 |
| 11/15/2024 | Conceptual Design & Feasibility a. Stakeholder Alignment b. Conceptual Design c. Initial Pricing & Bond Sizing | Lincoln/N1 (Architecture & Engineering) | \$125,000 |
| 12/15/2024 | | | \$125,000 |
| 1/15/2025 | | | \$125,000 |
| 2/15/2025 | | | \$125,000 |
| 3/15/2025 | | | \$125,000 |
| 4/15/2025 | Design Phase Management a. Schematic Design b. Design Development c. Construction Documents d. Guaranteed Maximum Price ("GMP") e. Plan Check | Lincoln / N1 (Architecture & Engineering) | \$125,000 |
| 5/15/2025 | | | \$125,000 |
| 6/15/2025 | | | \$125,000 |
| 7/15/2025 | | | \$125,000 |
| 8/15/2025 | | | \$125,000 |
| 9/15/2025 | | | \$125,000 |
| 10/15/2025 | | | \$125,000 |
| | | | Total Expense Budget Before Bond Issuance |
| 11/24/2025 | Bond Issuance Proceeds | | \$80,000,000 |
| 11/27/2025 | Reimburse AIMS for Expense Budget | | (\$2,660,000) |
| 12/7/2025 | Land Purchase Final Payment | Goodwill | (\$9,500,000) |
| | Remaining cash to complete project | | <u>\$67,840,000</u> |
| 12/11/2025 | Construction Permit Issuance | | ... |
| 12/15/2025 | Execute Development & Construction Agreement | | ... |