

Gr̃w
Schools

Your Forever Home

Innovations Academy

September 16, 2025



A Vision and a Purpose

All kids have access to a
nourishing school environment
where they can flourish.



A Shared Mission

We help others get where they are going.

For school leaders, that means getting you the money, resources, and know-how to create thriving schools.



How We Support You



Your School's Champions



Relationship Lead / Point of Contact

Ryan Eldridge

- Building strong client relationships for 25+ years, last 10 with Grow Schools
- Devoted to serving the needs of children
- Advocate for schools on West/ East Coasts



Schools Advocate

Kirt Nilsson

- 18-year charter school supporter
- Led 20+ schools of choice serving 14k+ students
- SVP contributor to Portland's Universal Preschool Program



Financial Structuring & Modeling

Rich Collins

- Supporting charter school growth for 7+ years
- Corporate strategy consulting / finance background
- Deep experience in accessing charter school financing capital sources



Construction and Development Manager

Michael Soh

- +10 years in construction/development
- Expertise in managing the design, permitting, and construction process
- Delivered a diverse range of TI renovations and new construction projects from \$100k to +\$300 million.

Summary



Grow Schools to acquire 5520 Ruffin Rd. for \$6.9mm in financing, providing Innovations Academy with capital to fund the acquisition of its second building, allowing for expansion of the K-8, TK & Home School programs. Grow Schools will provide payment certainty through the life of the lease and a continued path towards ownership from a supportive charter-focused partner.



Innovation Academy's secondary building solution

- Purchase & leaseback of a new property with \$6.9mm in financing based on current proforma affordability
- 20-year NNN lease with four 5-year renewals, 9.00% initial annual lease rate with annual rent escalators
- Current tenant will sublease property from Innovations until July 31st, 2025 (expenses only)
- With Board approval, Grow Schools will move quickly to secure 5520 Ruffin Rd. and execute a lease with Innovations
- Continue path to ownership through Wonderful Foundations

Grow Schools supports Innovations Academy as a



- Mission-aligned partner
- Having successfully acquired 50+ properties and transitioned 24+ schools into Wonderful Foundations
- Completed 25+ charter school buildout/tenant improvement projects to create a more nourishing school environment for kids

Acquisition contingent on

- Charter (renewal), financial (SB740) and property-level (conditional use permit) diligence



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Let's Get You Money to Buy Your School



Forever Home

- Reflecting Back What We Heard
- Begin Wonderful Path To Ownership
- Sustained Focus On Student Education
- Be Prepared For What Comes Next



Reflecting What We Heard

- Innovations Academy is a **San Diego Tk-8 inquiry-based project charter school** designed to receive children and their families who seek an alternative to the conventional school model. Approved by SDUSD, it **opened in August of 2008**, was renewed in 2012 and 2018, and will be **renewed for the 3rd time** in 2026. The mission of Innovations Academy is to enrich students' lives **through self-expression, compassionate connection** and purposeful learning. Academic excellence is a direct byproduct of making students feel genuinely cared for, encouraging them to explore and learn.
- In August of 2020, with the support of SDUSD, Innovations Academy **relocated for the fifth time, to 5454 Ruffin Rd** in Kearney Mesa. Utilizing Proposition Z funds, SDSU helped Innovations secure, develop and sustain the current site, providing the opportunity to grow. The **annual lease rate is very agreeable** for a 77k sq ft building **with 2040 expiration**, beautifully designed, with a gymnasium, theater, art rooms and landscaped outdoor space. The building is welcoming, secure, and a bright spot for potential families considering enrolling. Currently it **houses 434 students in grades k-8**, while also accommodating **65 Homeschool students** who come in periodically. The school is **exploring a Tk program**.
- School would like to **grow enrolment to 511** in grades K-8, while creating a Tk program serving 30 students, and expanding the current Homeschool program upto 100. The challenge in doing this is **there is not enough space at 5454 Ruffin**. This growth would take away limited classroom space from grades K-8, which already some waiting list students, to accommodate the expansion of Tk and Homeschool programs.
- The solution to maximizing space to for grades K-8, growing enrollment to 500 students, creating a Tk program of 30 students and expanding the Homeschool program up to 100, would be **acquiring more classroom space**. Fortunately, the property next door, **5520 Ruffin Rd, is on the market and available for a quick purchase**. The building is over **17k sq ft**, enough space to accommodate 250 new students, and a perfect answer to their needs. **Priced at \$6.7mm** was recently renovated with **over \$5mm in improvements**, making it a beautifully finished, **move-in ready building**. The only real requirement prior to occupying the space would be acquiring a **CUP (with possible help from the District) to gain E-Occupancy**. The building location **may qualify for SB740 rent subsidy**, making the potential lease very affordable. Further investigation will be required to confirm the school's eligibility for the program.
- School is looking for a **charter friendly, experienced partner, that can help negotiate the acquisition**, lead the due diligence process, acquire necessary permits, and finance the acquisition – and consider what if any use of its \$4mm cash balance. Since, Innovations Academy already partners with Grow Schools for the "Kids To Fill Your School" enrollment program, it is a natural partner for "Money To Buy Your School" program as well.

Path Into Your Forever Home

- Secure 5520 Ruffin Rd. through Purchase and Sale Agreement (PSA) with leaseback to Innovations Academy that allows for Fall 2026 start
- Satisfy PSA contingencies: (1) charter renewal, (2) conditional use permit and (3) path to SB40 funds
- Build out and recruit for homeschool and Pre-K program and market k-8 to grow student base
- Close on 5520 Ruffin Rd.
- Move homeschool and Pre-K program into 5520 Ruffin and reconfigure 5454 Ruffin Rd. for k-8

Project Sources & Uses

Sources	Uses
Financeable: \$6.9mm	Acquisition: \$6.7mm
	Estimated Closing Costs: \$70k
	Estimated Improvements: \$150k
Total Sources: \$6.9mm	Total Uses: \$6.9mm

- Preliminary estimates of sources / uses to acquire and condition property for Innovations Academy's Forever Home

Affordability

	FY24	FY27	
		Low	High
Estimated Breakeven Enrollment	452	583	641
Scenario Assumptions			
Estimated Net Fixed Costs*	\$1.5mm	\$1.6mm	\$1.6mm
Marginal Rent Expense	-	\$632k	\$632k
Marginal Operating Costs	-	\$100k	\$100k
Total Estimated Fixed Costs	\$1.5mm	\$2.5mm	\$2.5mm
Contribution Margin Per Pupil**	\$3,229	\$3,830	\$3,830
SB740 Assistance***	\$0	\$221k	\$0

* FY24 estimated fixed costs of \$1.7mm grown by 3% annually for 3 years; nets out estimated fixed revenues of \$316k

** Average of estimated contribution margin per pupil based on FY23 and FY24 audited financials, including FY24 of \$14.1k variable revenue per pupil and FY23 of \$13.5k variable revenue per pupil; FY24 of \$10.8k of variable cost per pupil and FY23 of \$9.1k variable cost per pupil

***150 students allocated to target site at \$1.5k per pupil

- Innovations needs to achieve ~150+ student growth (or 578) from FY25's 428 total enrollment to achieve lease compliance by SY26/27, including 1.2x rent coverage ratio

Growth Path

	Total	Home School*	TK*	K	1	2	3	4	5	6	7	8
Today												
#	434.0	-	-	36.9	46.9	56.0	49.9	55.1	59.0	40.8	42.1	46.9
%	100%	0.0%	0.0%	8.5%	10.8%	12.9%	11.5%	12.7%	13.6%	9.4%	9.7%	10.8%
Tomorrow												
#	580	100	30	50	50	50	50	50	50	50	100	100
%	100%	17%	5%	9%	9%	9%	9%	9%	9%	9%	17%	17%

- 2 classrooms for k-6, 4 for 7-8 and ~25 students per classroom
- Homeschool students can be no more than 20% of total school enrollment
- Modest TK program
- Realistic path to get to 578 break-even target



Join A Wonderful Family



Ownership Transitioned Into Wonderful Foundations

- Join a community of 24 schools over the next two years in pooled-bond transaction
- Access Giving Fund to help the school achieve its mission
- Draw from Capital Expenditure Fund for building investments
- Participate in FieldTrip
- Building gifted to Innovations at term end

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Terms

Innovations Academy and Grow Schools



Terms: Sale Leaseback with TI's

Financeable Amount: \$6.9mm

- Due Diligence: 60 days from PSA execution or 30 days following receipt of CUP / MUP approval, whichever is longer
- Close: 30 Days

Total Project Cost envisions \$6.7mm acquisition, including \$70k of closing costs and \$150k of improvements at 9.00% cap rate*

Rent (minus some expenses) following Jan 1st possession to support current tenant via sublease through maximum July 31st is school responsibility (not capitalized)

Contingencies

- Confirmed charter renewal
- Comprehensive financial, charter, and property diligence (including improvement / zoning detail depending on property)
- Property delivered free and clear of any existing/prior debt

Lease Terms**	
Lease Type	NNN
Year 1 Rent	\$622.8k
Year 2 Rent	\$641.5k
Initial Lease Term	20 Years
Renewal Option	4 x 5 years
Escalator	CPI with 3% floor

* cap rates are preliminary and reflect School financial position and are prior to identification of property / asset, which may result in adjustments

** lease terms are estimates based on total project cost

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Next Steps

Innovations Academy Charter School



Sustained Focus on Education



Grow Schools Leads Effort Into Forever Home (End Dates)

- Execute LOI on building (Sep.)
- Execute Purchase and Sale Agreement (PSA) (Oct.)
- Execute Lease (Oct.)
- Satisfy Contingencies (Nov.)
- Grow Schools acquires building (Jan. 2026)
- Innovations prepares building (June – July 2026)
- Innovations move into building (Aug. 2026)

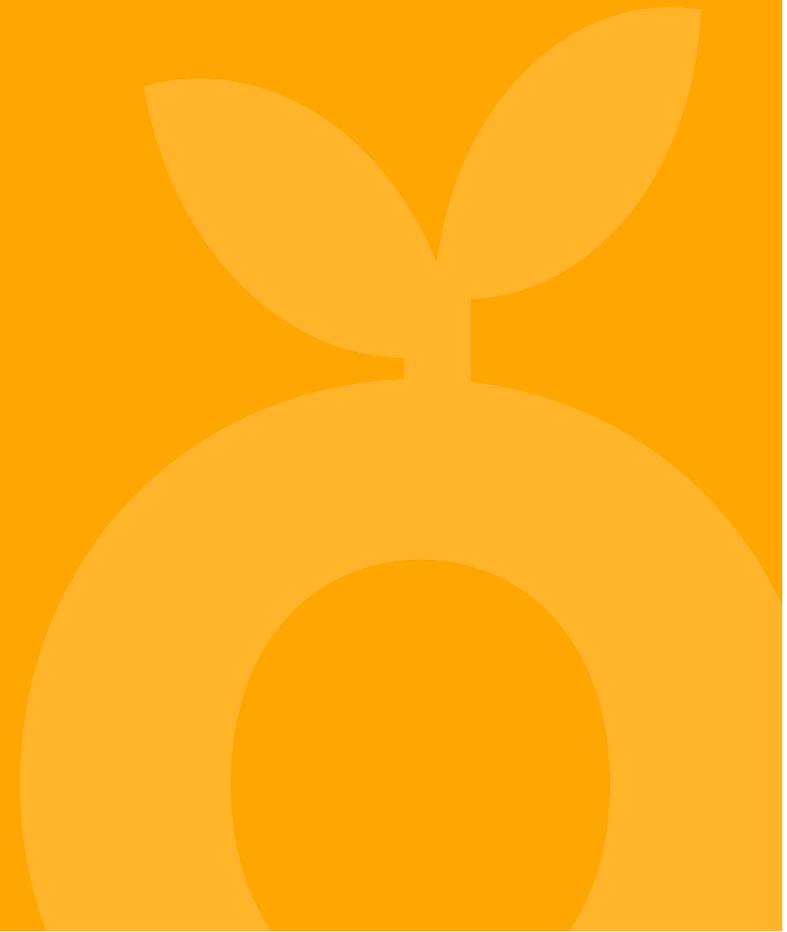
Next Steps

- 1** Align on general terms
- 2** Execute Lease w/Innovations
- 3** Execute Purchase & Sale Agreement (PSA) w/Owner

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In Support

Your Forever Home



Rent Schedule

Rent based on financeable amount of \$6.9mm with lease beginning on January 1, 2026

Fiscal Year	FY26	FY27	FY28
Average Monthly Rental Cost	\$51,900	\$52,679	\$54,259
Total Rental Cost	\$311,400	\$632,142	\$651,106

Lease Year (Jan - Dec)	1	2	3
Monthly Rental Cost	\$51,900	\$53,457	\$55,061
Total Rental Cost	\$622,800	\$641,484	\$660,729

Fiscal Year	Lease Year	Period	Month	NNN Rent
26	1	1	Jan-26	51,900
26	1	2	Feb-26	51,900
26	1	3	Mar-26	51,900
26	1	4	Apr-26	51,900
26	1	5	May-26	51,900
26	1	6	Jun-26	51,900
27	1	7	Jul-26	51,900
27	1	8	Aug-26	51,900
27	1	9	Sep-26	51,900
27	1	10	Oct-26	51,900
27	1	11	Nov-26	51,900
27	1	12	Dec-26	51,900
27	2	13	Jan-27	53,457
27	2	14	Feb-27	53,457
27	2	15	Mar-27	53,457
27	2	16	Apr-27	53,457
27	2	17	May-27	53,457
27	2	18	Jun-27	53,457
28	2	19	Jul-27	53,457
28	2	20	Aug-27	53,457
28	2	21	Sep-27	53,457
28	2	22	Oct-27	53,457
28	2	23	Nov-27	53,457
28	2	24	Dec-27	53,457
28	3	25	Jan-28	55,061
28	3	26	Feb-28	55,061
28	3	27	Mar-28	55,061
28	3	28	Apr-28	55,061
28	3	29	May-28	55,061
28	3	30	Jun-28	55,061
29	3	31	Jul-28	55,061
29	3	32	Aug-28	55,061
29	3	33	Sep-28	55,061
29	3	34	Oct-28	55,061
29	3	35	Nov-28	55,061
29	3	36	Dec-28	55,061

Giving Fund

<u>Year</u>	<u>Giving Fund (Est.)</u>	<u>% of Rent</u>
1	\$5,444	0.8%
2	\$5,608	0.8%
3	\$5,776	0.8%
4	\$5,949	0.8%
5	\$6,128	0.8%
:	:	:
10	\$7,104	0.8%
:	:	:
20	\$9,547	0.8%
:	:	:
40	\$17,243	0.8%
SUM	\$410,515	0.8%

- Year 1 represents the first year Innovations is part of Wonderful Foundations
- Giving Fund expected to be distributed annually
- Funding of Giving Fund based on the performance of schools in pool
- Allocations based on decision of the Wonderful Foundations' Board
- Gifts have funded new teaching spaces for FIT Academy (MN) & supplies for garden & barn programs for Imagine Prep Coolidge (AZ)

Capital Expenditure Fund

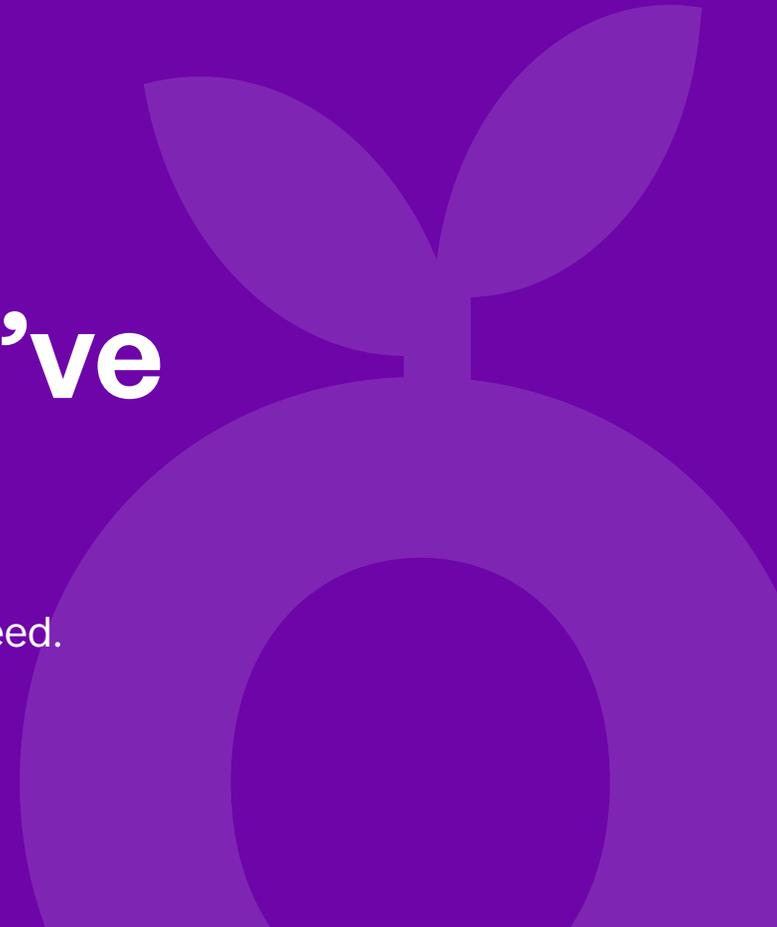
<u>Year</u>	<u>Capital Reserve (Est.)</u>	<u>% of Rent</u>
1	\$15,653	2.3%
2	\$16,122	2.3%
3	\$16,606	2.3%
4	\$17,104	2.3%
5	\$17,617	2.3%
:	:	:
10	\$20,423	2.3%
:	:	:
20	\$27,447	2.3%
:	:	:
40	\$49,572	2.3%
SUM	\$1,180,230	2.3%

- Year 1 represents the first year Innovations is part of Wonderful Foundations
- Capital Reserve is expected to be available to access certain building projects
- Funding of Capital Reserve based on the performance of schools in pool
- Allocations based on the decision of Wonderful Foundations' Board
- Distributions have funded new HVAC and roof repairs for FIT Academy (MN) & plumbing and HVAC for Desert Sage (AZ)

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Forever Homes We've Helped Acquire

Read on for stories of charter schools we've helped succeed.



Helping DuBois Integrity Academy Grow and Find Their Forever Home

A partnership with DuBois Integrity Academy in Riverdale, Georgia began in 2018 with support for their K-5 school. The leaders at DuBois are dedicated to providing unparalleled STEM programs to their students and have benefitted from Grow Schools's ability to provide a steady flow of money for growth. The relationship between DuBois and Grow Schools—built on a shared vision of offering each student a nourishing school environment where they can flourish—has now spanned 4 years and has included 3 project phases: finding a home, making improvements to their facility, and expanding with a purchase of a second building. DuBois has expanded from 578 students to over 1,300 students.

CHALLENGES

When it was time for more expansion in 2020, DuBois partnered with Grow Schools to find their forever home—Grow Schools purchased the building, assisted with needed upgrades for lighting and air purification, and set up a charter-friendly lease agreement with DuBois.



CASE STUDY | DUBOIS INTEGRITY ACADEMY

PATH

Within a year of finding their forever home, DuBois was ready to expand further. Grow Schools purchased a second building allowing DuBois to add grades 6 and 7.

“When we went to do our remodeling program for a new building that we entered into, and we expanded our grade level, Grow Schools was there every step of the way...with how to think outside of the box—how to make the timing work.”



CRAIG CASON

DESTINATION

As of 2022, DuBois is in the process of building a third building with a gym, auditorium, and classrooms, ultimately to serve grade 8. In the coming years, Grow Schools will have the privilege of helping DuBois to find a facility for their high school.



Providing Money for Growth at STARS Charter

Sandhills Theatre Arts Renaissance School (STARS) opened in 1999, serving grades K-10. The program at STARS places equal emphasis on the arts and academics, preparing student-artists for well-rounded lives.

CHALLENGES

At the beginning, STARS had one building. As their programs grew, they had a waitlist but couldn't accommodate more kids.

STARS needed autonomy over their school's home, so in 2018 they partnered with Grow Schools and started on the path to building ownership.



CASE STUDY | SANDHILLS THEATRE ARTS RENAISSANCE SCHOOL CHARTER

PATH

In order to expand their space and grow their programs, STARS partnered with Grow Schools to get money to run their school. They were able to embark upon building projects with minimal disruptions to their thriving programs. With the new, improved space, STARS has been able to dramatically increase enrollment.

Without Grow Schools, we would not have any of our buildings—or anything that we have at this school...Grow Schools provided the funding and the avenue for us to expand to what we wanted to be.”



WES GRANER

DESTINATION

STARS continues to grow today. They have now partnered with Grow Schools for development plans for an additional 51,000 square feet on the property including three new buildings, a play area, and a parking lot.



Select Construction & Development Projects

School	Project	State	Total Project Cost	Project Description	Project Photos
Wayne Preparatory Academy	Phase 2 Expansion	North Carolina	\$3,654,117	24k SF single-story high school building expansion on existing school campus comprising full size gymnasium, ten classrooms, two lab classrooms, one art/music classroom, one multi-purpose room, four administrative offices and a full-size high school regulation basketball gym equipped with two locker rooms, concession stand, weight room and bathrooms	
Dubois Integrity Academy	Phase 2 & 3 Expansions	Georgia	\$25,441,362	Initial \$9mm Phase 2 purchase and renovation of existing office building for use as middle school facility (now complete) followed by \$19mm Phase 3 ground up expansion for future high school and full-size gymnasium (currently underway)	
STARS Charter	Phase 3 Expansion	North Carolina	\$1,811,631	11k SF single-story ground-up Phase 3 elementary school expansion on existing school campus comprising 11 classrooms	