

★ Lone Star Capital

+

NEXT-LEVEL
INCOME

AUGUST 4, 2025

Discovery at West Road

We deliver monthly cash flow and peace of mind for long-term investors through tax-advantaged multifamily real estate.



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At a Glance

2018

Year Founded

25.1%

Average Annual Return

\$750M

Portfolio

5,000+

Multifamily Units in Texas

Monthly

Distributions & Transparent
Reporting

200+

Vertically
Integrated Employees

0

Losses or Capital Calls

400+

Repeat Investors



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Our Team



Rob Beardsley
Founder / CEO



Inna Beardsley
Chief Operations Officer



Sam Morris
Partner



Craig McGrouther
Director of Business Dev.



Chris Larsen
Founder, CEO NLI



Dasha Beardsley
Director of Investor Relations



Brad Oliver
Director of Acquisitions



Melissa Walraven
Director of Operations



Geraldine Domingo
Investor Services



Matt Fore
Director of Investor Relations, NLI



The Case for Multifamily

Fundamentals



Population Growth

Over the last decade, population growth in Texas was 16.1%, over 2x the national average of 6.8%.



Housing Shortage

The US has a housing shortage of 4 million units, exacerbating the supply / demand imbalance.



Lack of Affordable Rentals

The lack of affordable rentals continues to worsen as the majority of development targets the luxury segment.



Culture Shift

Delayed family formation is pushing back homeownership and extending time spent as renters.

Benefits



Monthly Cash Flow

Monthly cash distributions in your bank account.



Appreciation

Value-add operations in growing submarkets drives property value over time.



Depreciation

Depreciation allows investors to defer taxes on both cash flow and other taxable income during the hold period, enhancing after-tax returns.

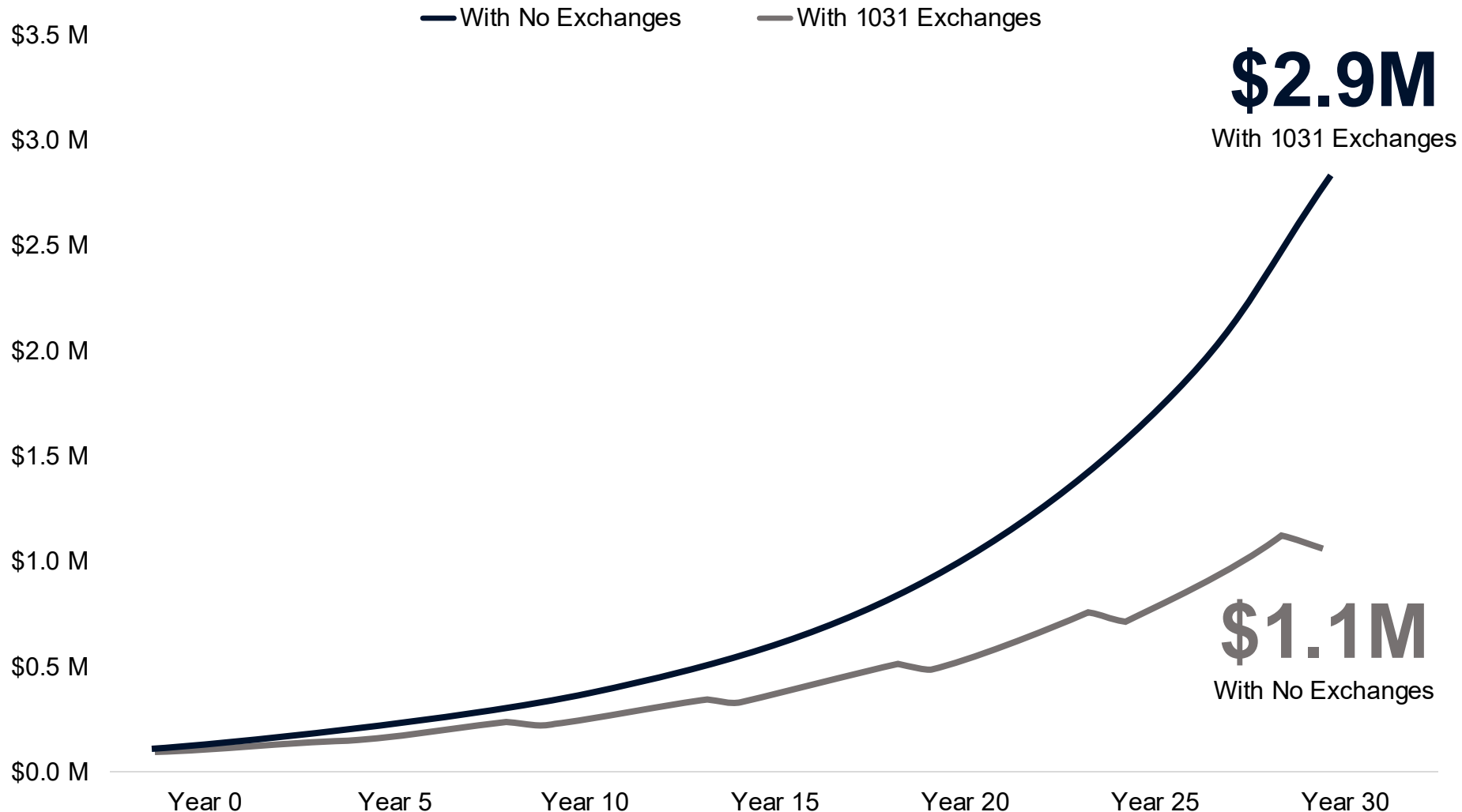


1031 Exchanges

We execute 1031 exchanges, allowing investors to further defer taxes by reinvesting sale proceeds into new properties, enabling their wealth to compound more efficiently without the drag of taxes.

The 1031 Exchange Advantage

Lone Star Capital offers investors the opportunity to 1031 exchange upon sale of every investment, allowing investors to take advantage of one of the most powerful wealth building tools in real estate. Additionally, we accept 1031 exchange funds into most of our offerings.



Model Assumptions

\$100,000

Initial Investment

5-Year

Hold Per Transaction

15%

Net Annual Return

35%

Tax Rate



The Lone Star Capital Difference

“

We're a large, vertically integrated firm with a focused strategy that uses conservative debt – because we're long-term investors, not gamblers.” – Rob Beardsley, Founder / CEO



Vertically Integrated Operations

- 200+ employees
- In-house property / asset management, construction, and accounting
- Hands-on through the life of the investment



Focused Strategy

- Multifamily acquisitions only; no development or other asset classes
- Exclusive focus on Texas
- High quality properties in prime, growth locations



Conservative Financing

- Low leverage
- Preference for long-term, fixed-rate debt with full-term interest-only payments
- Prioritizing capital preservation over risky returns



White Glove Investor Relations

- Monthly distributions via ACH or check by the 20th of each month
- Monthly email updates and quarterly reports by the 20th of each month
- K-1s distributed by March 1
- Less than 24 hour response times

Track Record

	Portfolio	Location	Units	Year Built	Acquired	Capitalization
1	Discovery at West Road	Houston, TX	280	2005	TBD	\$48,500,000
2	Vizcaya	Houston, TX	312	2004	Dec 2024	\$57,200,000
3	Lakes at 610	Houston, TX	344	2003	Sep 2024	\$56,414,200
4	Grand Riviera	Dallas, TX	206	1972	Aug 2024	\$39,100,000
5	Preserve at Copperleaf	Houston, TX	240	2003	May 2024	\$38,400,000
6	Aspire	San Antonio	335	1986	Feb 2024	\$30,500,000
7	Meritage	Houston, TX	240	2008	Nov 2023	\$45,900,000
8	Beckley	Houston, TX	210	1999	Oct 2023	\$34,100,000
9	Highland	Houston, TX	216	1994	Oct 2023	\$32,950,000
10	Azul	Houston, TX	90	2020	Jul 2023	\$13,600,000
11	Candlelight Park	Dallas, TX	128	1980	Mar 2023	\$18,500,000
12	Madison at Bear Creek	Houston, TX	180	1982	Nov 2022	\$26,000,000
13	Briar Court	Houston, TX	201	1972	Sep 2022	\$33,200,000
14	5 Oaks	Houston, TX	228	2008	Aug 2022	\$37,300,000
15	Timberwalk	Houston, TX	300	1983	Jul 2022	\$39,500,000
16	Broadstone Briar Forest	Houston, TX	342	1983	Apr 2022	\$55,400,000
17	Parc at Champion Forest	Houston, TX	232	2000	Feb 2022	\$34,600,000
18	Encore on the Bay	Houston, TX	296	1970	Dec 2021	\$40,500,000
19	Hollister	Houston, TX	156	1976	Oct 2021	\$19,455,000
20	Solano	Houston, TX	262	1966	Jul 2021	\$28,000,000
21	The Landing	Lubbock, TX	228	1971	Apr 2021	\$12,000,000
22	Forest Point	Texarkana, TX	104	1975	Jan 2020	\$5,075,000
23	The Commons	Texarkana, TX	196	1973	Aug 2019	\$7,200,000
Total			5,326			\$753,394,200

	Sold Assets	Location	Units	Acquired	Sold	Capitalization	Sale Price	Gross AAR
1	Verandas at Bear Creek	Houston, TX	160	Jun 2019	Apr 2022	\$12,800,000	\$17,500,000	31.9%
2	Cranbrook Forest	Houston, TX	261	Jul 2018	Dec 2021	\$17,900,000	\$22,100,000	19.8%
Total			421			\$30,700,000	\$39,600,000	25.1%



Preserve at Copperleaf
240 Units – Houston, TX

45.0%

Cash-out Refinance in 13 Months

Acquired in May 2024, Preserve is a well-located Class B+ asset purchased at a significant discount. Within the first year of ownership, Lone Star Capital increased NOI by over 40%.

[Link to Full Case Study](#)



Verandas at Bear Creek
160 Units – Houston, TX

31.9%

Average Annual Return

LSC purchased the property at 80% occupancy and, through hands-on operations, increased occupancy to over 95%, resulting in a lucrative sale after ~3 years.

[Link to Full Case Study](#)



Cranbrook Forest
261 Units – Houston, TX

19.8%

Average Annual Return

Cranbrook Forest was a deep value-add project that involved crime mitigation, addressing deferred maintenance, renovating interiors, and re-tenanting the property.

[Link to Full Case Study](#)



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Investment Overview

Investment Summary

Purchase Price	\$44,000,000 (\$157,143/unit)	CapEx & Reserves	\$1,885,000 (\$6,732/unit)
Senior Loan	\$28,500,000 (63.5% LTC)	Projected AAR / EM	17.7% / 1.88x (5yr Hold)
Total Capitalization	\$48,500,000 (\$173,214/unit)	Average Cash on Cash	6.1%

- ✓ Lone Star Capital (LSC) is under contract on Discovery at West Road, a 280-unit, 2005-built apartment complex in the Jersey Village submarket of Houston, TX.
- ✓ Beginning in April 2025, LSC started tracking this deal. An October 2025 loan maturity is forcing the seller to sell for a ~20% loss. LSC became the buyer of choice due to ~\$200M in transactions with the Newmark Texas Investment Sales team.
- ✓ Owning 1,400+ units within a 10-mile radius of the property, LSC will capitalize on the seller’s operational inefficiencies to drive revenue optimization and expense savings. LSC will push Other Income to market and portfolio standards with a \$120 amenity fee – through installation of bulk Wi-Fi and amenity improvements.
- ✓ Discovery at West Road provides immediate access to Highway 290 and the Sam Houston Tollway for seamless connectivity across the metro. The property sits within 20 minutes of Houston’s largest employment centers, including the Energy Corridor, Westchase District, Uptown/Galleria, and Downtown, supporting strong renter demand from diverse employment bases. Discovery at West Road is zoned to highly ranked Cy-Fair ISD schools, with Gleason Elementary directly across the street and Cook Middle just down the street, making it a desirable location for families.



KEY INVESTMENT DETAILS

Market	Jersey Village / Cypress
Year Built	2005
Unit Count	280
Current / Breakeven Occupancy	92.9% / 71.3%
In-Place Rent / Pro Forma	\$1,412 / \$1,447
Average Unit Size	1,060 SF (\$1.37/FT)

Location, Location, Location

Jersey Village



Jersey Village is a strong workforce area, with extensive single-family residential and local retail.

Major Tech Investment in Northwest Houston

Nvidia announced that it would establish an AI supercomputer factory in Houston within the next 12 to 15 months, while Apple is planning to open a 250,000-square-foot AI server facility by 2026, resulting in 3,000+ new jobs a few miles from the property.



Robust Employment

Discovery at West Road provides immediate access to Highway 290 and the Sam Houston Tollway for seamless connectivity across the metro. The property sits within 20 minutes of Houston's largest employment centers, including the Energy Corridor, Westchase District, Uptown/Galleria, and Downtown, supporting strong renter demand from diverse employment bases.

Cy-Fair ISD

Discovery at West Road is zoned to highly ranked Cy-Fair ISD schools, with Gleason Elementary directly across the street and Cook Middle just down the street, making it a desirable location for families.

Dwindling Supply

There are no new properties under construction within 3.5 miles of the property. Houston is set to have 5,000 units delivered this year, the lowest in 15 years (CoStar).

Nvidia



Gleason Elementary School



OVERVIEW

Going-In Cap Rate 5.32%

Stabilized Yield On
Cost (Untrended) 6.51%

FINANCING

Lender Newmark (Freddie Mac)

Loan Amount \$28,500,000

LTV / LTC 64.8% / 63.5%

Term 5 Years

Interest Rate 5.30%

Amortization 30 Years

Prepayment Penalty Standard Defeasance

Interest-Only Period 5 Years

- ✓ Owning 1,400+ units within a 10-mile radius of the property, LSC will capitalize on the seller's operational inefficiencies to drive revenue optimization and expense savings.
- ✓ 96 units have been renovated to a platinum finish level with stainless steel appliances, granite countertops, white shaker-style cabinets, modern sinks, vinyl plank flooring, and upgraded light fixtures. The remaining 184 units are classic with black appliances, formica countertops, original brown cabinets, and overmount sinks. A variety of floor plans and finish levels allows the property to attract a wide range of residents at varying price points.
- ✓ LSC will push Other Income to market and portfolio standards with a \$120 amenity fee – through installation of bulk Wi-Fi and amenity improvements.
- ✓ 5-year debt with full IO maximizes cash flow.

Select Projects	Budget	Per Unit
Roof Repairs	\$300,000	\$1,071
HVAC Replacements	\$150,000	\$536
Amenity Upgrades	\$100,000	\$357
Landscaping	\$50,000	\$178



Partnership Structure

Typical Return Projections

	Class A	Class B
Min Investment	\$50k	\$250k
AAR	17.7%	18.4%
Equity Multiple	1.88x	1.92x
Cash on Cash	5.8%	5.8%

Example Class A Investment

Year	1	2	3	4	5
Cash on Cash	4.6%	5.4%	6.6%	6.9%	7.3%
Sale Profit					59.6%
Depreciation	45%	4%	4%	4%	4%

Waterfall

	Class A	Class B
1	Investors receive any accrued but unpaid 7% preferred return	Investors receive any accrued but unpaid 8% preferred return
2	Investors receive 100% of their originally invested capital back	Investors receive 100% of their originally invested capital back
3	Excess distributions are split 85 / 15 to LP / GP	Excess distributions are split 90 / 10 to LP / GP

Fee Schedule

Acquisition	Debt Guarantee	Asset Management	Construction Management
2% of Purchase Price	0.5% of Loan Amount	2% of Collected Revenue	10% of Capital Expenditures

A dimly lit living room with a sofa, coffee table, and ceiling fan. The room features a large window with blinds, a potted plant on the left, and a striped armchair in the foreground. The overall atmosphere is calm and modern.

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Property Overview

Interior Overview

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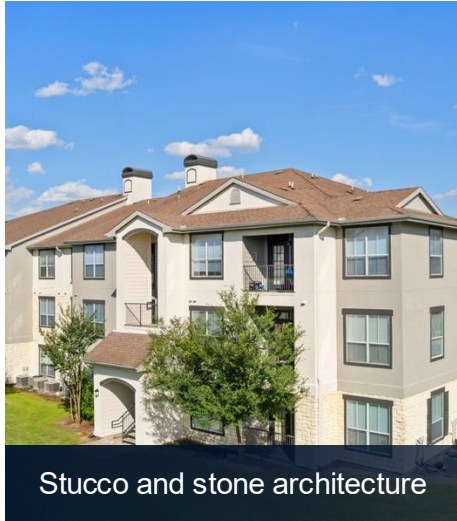


Premium Interiors

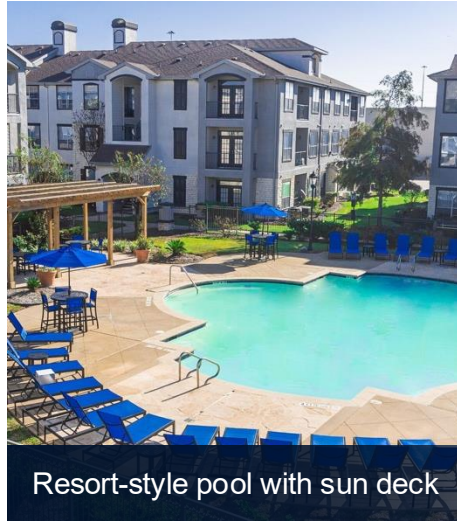
- Premium finishes: granite counters, soft-close cabinets, designer hardware
- Full kitchen: stainless appliances, dishwasher, dual-basin sink
- Convenience: washer/dryer included; all units ground floor

Exterior & Amenities

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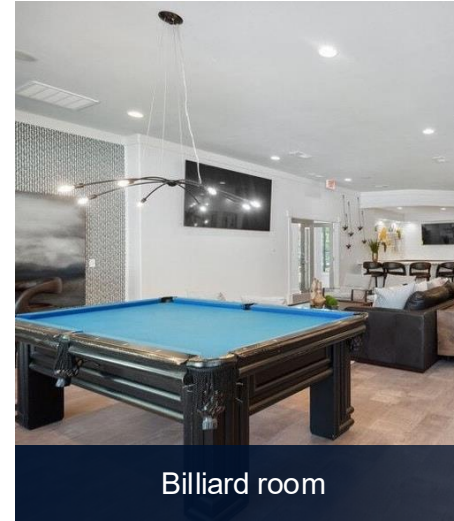
Stucco and stone architecture



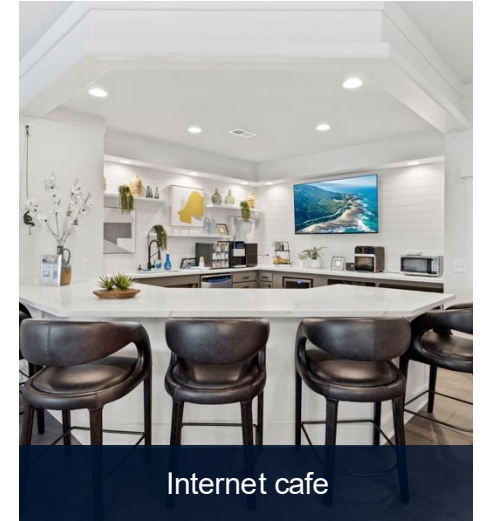
Resort-style pool with sun deck



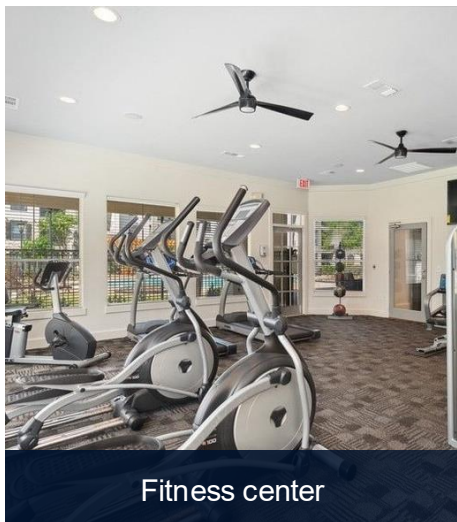
Clubhouse with Wi-Fi



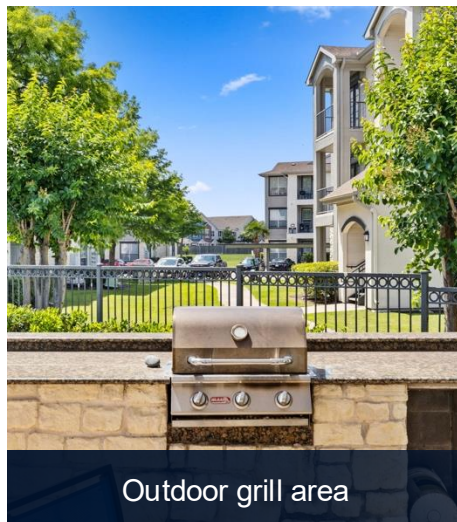
Billiard room



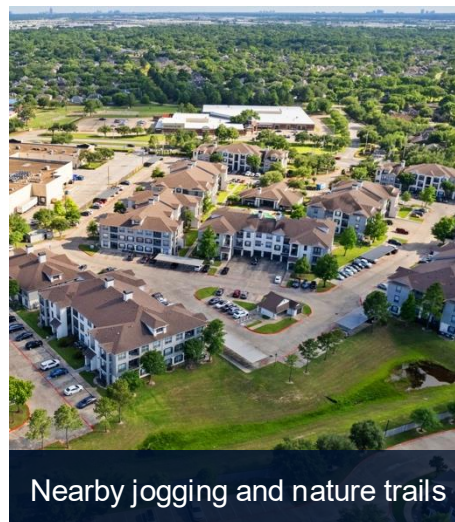
Internet cafe



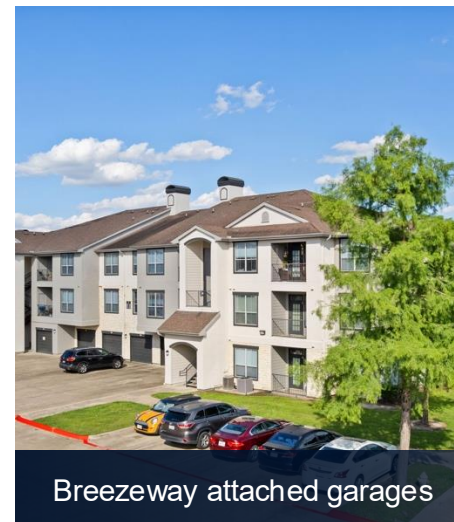
Fitness center



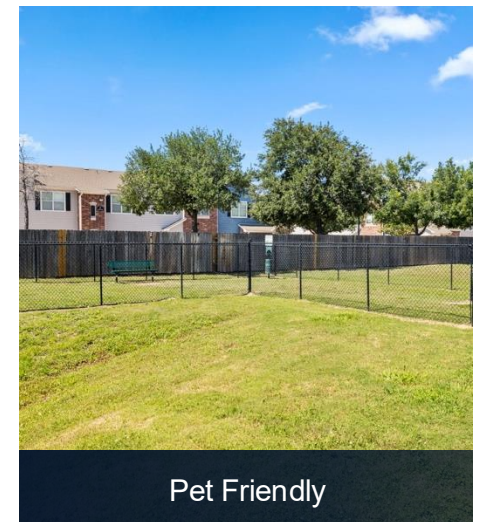
Outdoor grill area



Nearby jogging and nature trails



Breezeway attached garages



Pet Friendly

Exterior & Amenities

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Market Overview

Site Overview

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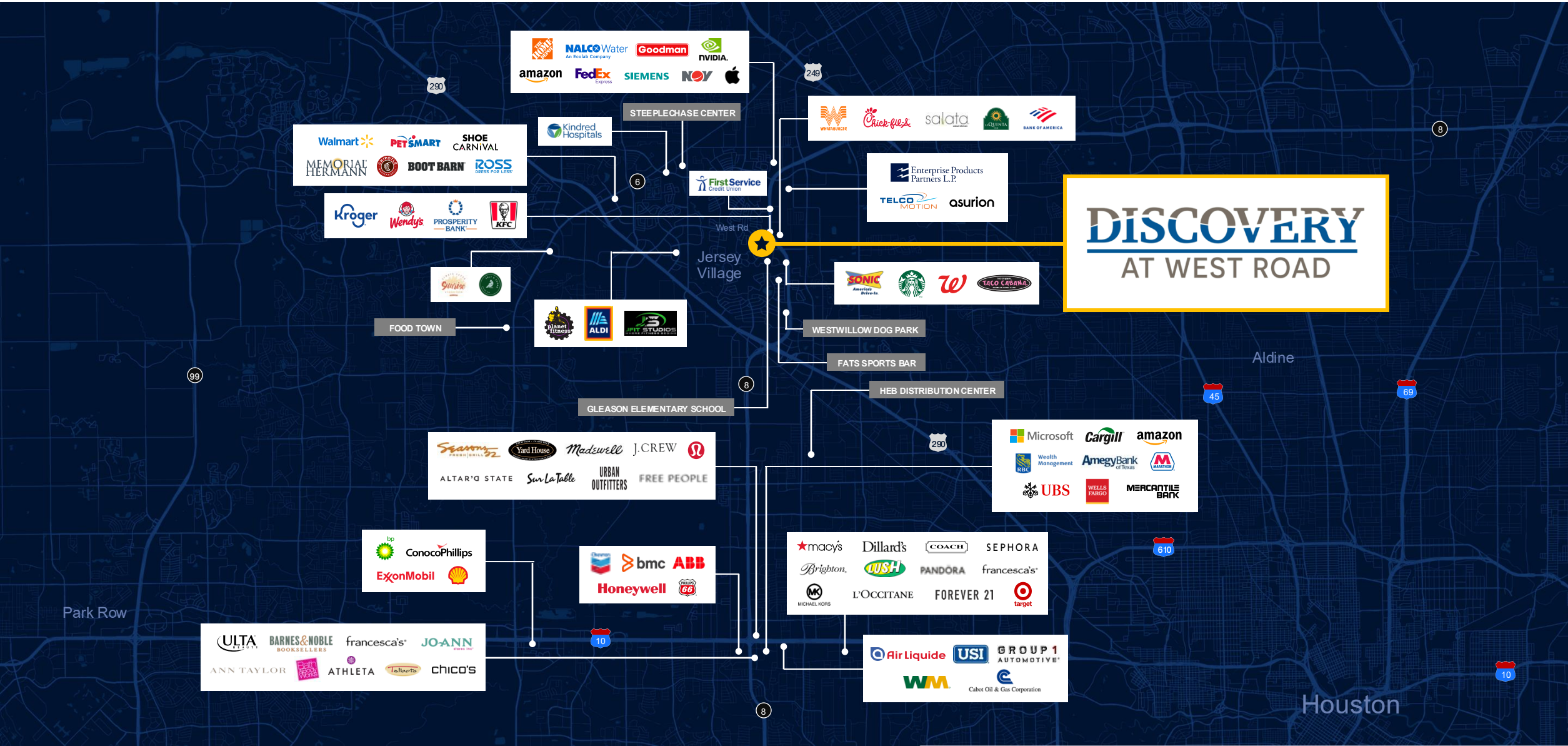


DISCOVERY
AT WEST ROAD

9404 West Rd, Houston, TX 77064



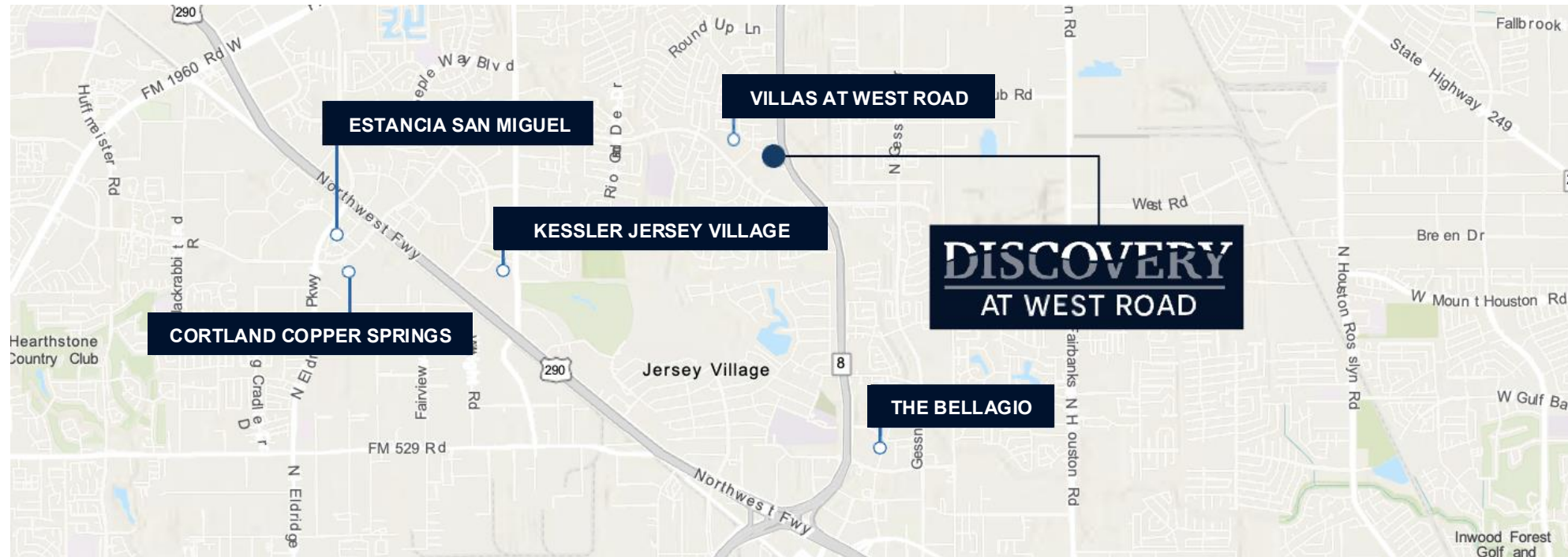
Submarket Overview



Rent Comparables

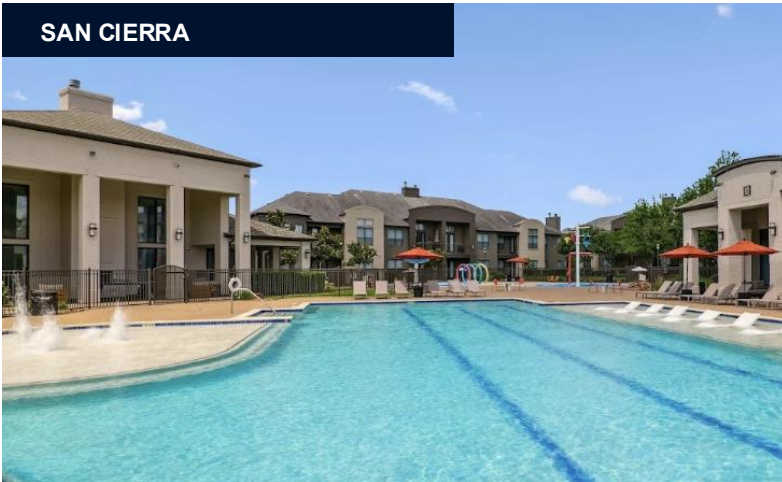


#	Property	Year Built	Occupancy	# of Units	Avg. SF	Effective Rent	Effective Rent PSF
1	The Bellagio	2003	96%	235	972	\$1,540	\$1.58
2	Villas at West Road	2006	92%	240	1,140	\$1,519	\$1.33
3	Cortland Copper Springs	2003	94%	376	943	\$1,431	\$1.52
4	Kessler Jersey Village	1994	92%	596	951	\$1,412	\$1.49
5	Estancia San Miguel	2006	96%	300	971	\$1,375	\$1.42
Totals / Averages		2002	94%	349	982	\$1,442	\$1.47
Discovery at West Road		2005	93%	280	1,060	\$1,398	\$1.33



Sales Comparables

Property Name	Price	Price / Unit	Price / SF	# of Units	Avg. SF	Year Built	Sale Date
San Cierra	\$78,914,914	\$217,396	\$164.13	363	1,325	2008	Sep-21
Reserve at Fall Creek	\$47,100,000	\$178,409	\$160.16	264	1,114	2009	Nov-21
Northchase Village	\$38,650,000	\$166,595	\$173.87	232	958	2007	Dec-21
Stonecreek	\$35,500,000	\$170,673	\$205.65	208	830	1997 / 1999	Sep-23
Amberjack Estates	\$56,800,000	\$188,079	\$176.68	302	1,065	2009	Jan-25
Totals / Averages	\$51,392,983	\$184,230	\$176.10	274	1,058	2006	Nov-22
Discovery at West Road	\$44,000,000	\$157,143	\$148.3	280	1,060	2005	--



Closing Timeline



JULY 24

Signed contract



SEPTEMBER 4

Funding deadline



AUGUST 4

Live to investors



SEPTEMBER 19

Target closing

*Proud to be serving **over 1,500 investors** thanks to our many referrals.*

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