



Investment Team



RW McDonald, IV, *General Partner*
RW4@nxstep.com
512-695-3532



Cole Arledge, *General Partner*
cole@nxstep.com
512-736-4542



Chris Earthman, *General Partner, COO*
chris@nxstep.com
512-289-7798



Steven Elder, *Vice President*
steven@nxstep.com
210-508-1335

Business Development



Mark Vickery, *Partner, Business Development*
mark@nxstep.com
210-827-7161

Austin Office

100 Congress, Suite 1600
Austin, TX 78701

San Antonio Office

100 NE Loop 410, Suite 775
San Antonio, TX 78216

www.nxstep.com

NXSTEP Opportunity Partners is a private equity firm specializing in real estate and operating businesses, primarily in Central Texas. Our opportunistic approach and diversified skill sets allow us to invest across a range of themes, structures, and asset types to capitalize on compelling investment opportunities

WHAT SETS NXSTEP OPPORTUNITY PARTNERS APART

In complexity we see opportunity: Willingness to invest into complex situations and circumstances, and provide curated capital solution on a project-specific basis

Speed and Certainty: NXSTEP's deep entitlement and development experience enables us to underwrite, structure, and invest with speed and certainty

Project-specific evaluation: Not focused on "rinse and repeat" investments; we evaluate each deal on its own merits – we love great opportunities even if they have features others can't handle (e.g., sub-scale, led by emerging developers, require creative structuring, etc.)

TARGET INVESTMENT CRITERIA

INVESTMENT SIZE

- \$2 - \$50 million per project (flexibility to provide smaller investment for pursuit & entitlement capital)

STRATEGIES / TRANSACTION TYPES

- Self Development Projects
- LP Capital: Other developers' projects
- Interim Capital: Projects in need of capital solutions
- Pursuit Capital: Front-end capital btw contract and close
- Operating businesses tied to underlying real estate

EXAMPLE DEAL TYPES

- Large master-planned, mixed-use, land parcels
- Neighborhood retail and regional pad site plays
- Suburban, garden multi-family (market & affordable)
- Single-family development land (all entitlement levels)
- Manufactured home rental and for-sale communities
- Industrial, medical office, self storage, assisted living
- Special situations (i.e., complex and unique)



STRATEGIES AND INVESTMENT TYPES

Self Development	<ul style="list-style-type: none">• Description: Identify, evaluate, buy, entitle, self-develop and build value• Why NOP: Developed over \$130MM in construction costs since 2016; 20+ development/construction projects• Examples: Numerous 1,000+ acre master planned communities, retail, SFR, industrial, self-storage, medical office, etc.• Other: Willingness to conduct independent acquisitions or co-general partner with other developers
LP Capital	<ul style="list-style-type: none">• Description: Identify, evaluate, and invest in others' projects; unique ability to be investors and value-added partners• Why NOP: Can creatively structure investment to get deals done when others can't• Examples: Projects which are proceeding despite economic conditions; creating unique structures for unique deals• Other: Willing to invest behind both young and/or emerging sponsors as well as tenured developers
Interim Capital	<ul style="list-style-type: none">• Description: Provide structured capital to projects when the existing capital structure does not fit economic conditions• Why NOP: Creativity and flexibility to find the right capital structure solution for great projects• Examples: Preferred equity with or w/out common warrants, 2nd lien bridge capital, common equity replacement• Other: Capital to keep project afloat/advancing until economic conditions enable construction commencement
Pursuit Capital	<ul style="list-style-type: none">• Description: Ability to provide the upfront "Pursuit" capital for compelling projects (diligence, entitlement, other pre-acquisition costs) in exchange for a portion of GP interest and ability to invest LP Capital into the project• Why NOP: Deep development experience enables our willingness to invest high-risk "Pursuit Capital"• Example: Capital to fund entitlement and pre-acquisition expenses
RE Linked Businesses	<ul style="list-style-type: none">• Description: Businesses in which real estate is a primary driver of company value and core to business operations• Why NOP: Our team has both real estate investors/developers and career private equity investors/business builders• Examples: Car washes, HOA management businesses, self storage, etc.• Other: We have spent much of our careers partnering with entrepreneurs to build best-in-class businesses
Purely Opportunistic	<ul style="list-style-type: none">• Description: Opportunities to invest in great products, strong mgmt. teams, and businesses with explosive upside• Why NOP: Team has deep experience in venture capital and growth equity investing• Examples: Compelling business models, local start-ups, and co-invest with best-in-class venture/growth equity firms• Other: While we focus on real estate, we will always remain open to exceptional opportunities regardless of industry