

# PREFERRED EQUITY PLATFORM

Shadowcast Partners specializes in affordable and flexible structured financing solutions for multifamily, self-storage and multi-tenant industrial & retail sponsors in Montana and surrounding Inter-Mountain West states.

Shadowcast’s small balance preferred equity platform exists to serve sponsors of small to medium sized deals, a segment generally ignored by institutional capital providers.

Our private capital solutions give real estate owners access to more capital than is available through conventional financing structures and can be used in conjunction with new or existing mortgage loan financing.

## INVESTMENT PARAMETERS

Security	Pledge of Sponsor Interest	Combined LTC/LTV	up to 80%
Property Type	Multifamily, self-storage, multi-tenant commercial	Rate	Varies *
Deal Profile	Ground-up, value-add acq., refi shortfall, debt extension	Accrual	up to 24mo. (deal dependent)
Geography	Montana & Inter-Mountain	Term	24mo. w/ extension options
Check Size	\$250K - \$2.5MM	Closing	Concurrent w/ Sr. Loan

\* Rate dependent on SOFR, total leverage, sponsor experience and accrual structure

## PREFERRED EQUITY 101

**Short term.** Sponsor rents equity to affordably increase leverage, in exchange for preferred returns and priority of repayment upon refi or sale.

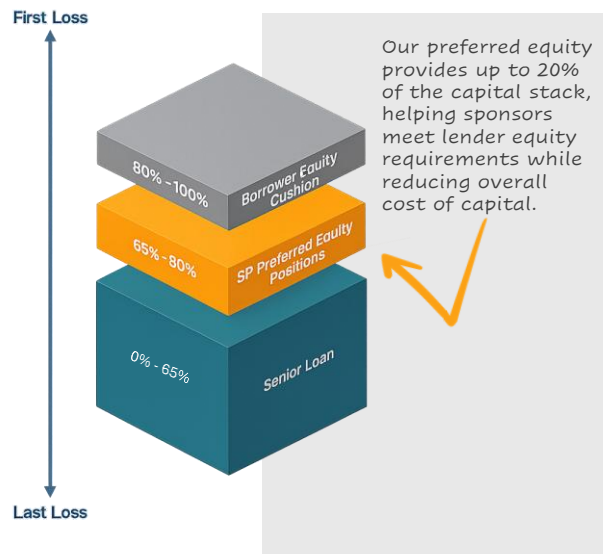
**Behaves like mezz debt** but recognized as equity by lender. Circumvents restrictions on subordinate debt. No profit participation

**Collateral:** structured with a pledge of the common equity with remedies written into entity operating agreement.

**Less expensive** than traditional equity and, combined with low-cost senior debt, provides a comparably low overall cost of capital, while eliminating need for additional equity raise.

**Sponsor maintains control,** strategic decision making and future upside potential

**No profit participation.** Upon repayment of Shadowcast’s accrued returns and principle, our ‘rented equity’ stake reverts to Sponsor and common equity holders.



## ABOUT US

Shadowcast Partners is a privately-held real estate investment company, based in Missoula, MT, specializing in direct sponsorship of commercial real estate development and acquisition, as well as providing private capital solutions for multi-tenant commercial real estate transactions across the Intermountain West region.

Collectively, Shadowcast Partners boasts decades of expertise across the CRE spectrum, including property development, asset management, acquisitions & dispositions, capital formation, commercial lending and CRE advisory consulting services.

*Interested in learning more?* →