

MERRILL GARDENS AND HJ SIMS PARTNER AGAIN



PARTNERED RIGHT

In 2016 Sims committed to co-invest \$15 million in its third fund (“RDM V” or the “Fund”) with trusted partner Merrill Gardens, LLC (“Merrill Gardens”). RDM V was formed to acquire, develop and operate new senior housing and multifamily properties in the western and southern United States. Since the initial fund raise, through the issuance of the Series I Bonds, RDM V joint ventured with AEW to allow for the development of more high-quality sites. Currently, RDM V has investments in 6 senior housing properties, of which 3 are under development and 3 are in operation, and has identified 3 other senior housing communities as potential investments. Sims successfully raised \$3.390 million through the issuance of Series II Bonds to meet the ongoing capital needs of the Fund.

STRUCTURED RIGHT

There were a number of challenges associated with this financing:

- » Providing the flexibility to change the size and timing of Sims’ investments as needed by the Fund;
- » Having the capital ready when capital calls are made and closing on the investment simultaneously with RDM V’s other investors;
- » Explaining to investors the nature of a development fund – specifically, delayed returns and ongoing capital needs while convincing them to make an additional investment in the Fund.

EXECUTED RIGHT

Merrill Gardens V, LLC (the “Sims Issuer”), was formed to issue a series of bonds to meet the funding needs of RDM V. Series I Bonds were successfully sold to Sims’ high-net-worth accredited investors in August 2016. The second series of bonds were sold to meet the ongoing investment needs of the Fund. Proceeds from the bonds, together with funds invested by Merrill Gardens’ key principals, private investors and AEW were used to meet RDM V’s capital calls.

Merrill Gardens V At A Glance

Partnered Right	Structured Right	Executed Right	Financed Right®
» Merrill Gardens and Sims partnered for their third fund together.	» Sims created a structure that allows for the flexibility to meet future capital of Merrill as capital calls are made.	» Sims successfully placed \$3,390,000 of taxable bonds with Sims high-net-worth investors to fund capital calls in connection with its \$15.0 million equity investment in the fund.	» Successfully tackling complicated transactions is an example of Sims using its extensive investor base to help senior housing providers obtain flexible financing with an experienced, trustworthy partner.

FINANCED RIGHT®

Sims was able to efficiently underwrite and implement an attractive structure that met the capital requirements of Merrill Gardens and its affiliates. Sims' extensive investor base and industry expertise resulted in another creative solution to help senior housing providers finance new developments.

Sims excels in providing customized financing that allow a valued partner such as Merrill Gardens to focus on what it does best – develop, own and operate senior living communities.

**For more detailed information
on how Merrill Gardens V was
Financed Right® by HJ Sims,
please call or email:**

Jeff Sands

203.418.9002
jsands@hjsims.com

Curtis King

512.519.5003
cking@hjsims.com

hjsims.com

*HJ Sims is a member of FINRA, SIPC
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