

CASE STUDY

MERRILL GARDENS

\$6,270,000 | Development | Multiple Locations | February 24, 2021



FINANCED RIGHT®

HJ SIMS FULFILLS CAPITAL COMMITMENT TO MERRILL GARDENS FUND



PARTNERED RIGHT®

Based in Seattle, Washington, R.D. Merrill Company (“Merrill”) was founded in 1890 by Richard Dwight Merrill initially as a timberland business, later diversifying into real estate investment, development, and management of senior housing, mixed-use, and multi-family properties.

Founded in 1996, Merrill’s senior housing affiliate Merrill Gardens, currently operates 30 senior housing communities in seven states. Over the course of its history, Merrill Gardens has served over 60,000 senior residents and the company has owned or managed over 120 communities in 17 states. Merrill Gardens is consistently recognized for setting a high standard for quality and innovation in the senior housing industry.

Founded in 2007, Merrill’s affiliate Pillar, operates approximately 1,650 apartment units and 178,781 square feet of commercial space. Additionally, Pillar has developed approximately six million square feet of senior housing, multi-family housing and real estate space in more than 30 development projects over the past 12 years, with a combined total cost in excess of \$1.5 billion. Pillar focuses on developing senior housing, mixed-use, and multi-family properties.

HJ Sims has invested in three prior funds raised by Merrill dating back to 2006.

STRUCTURED RIGHT®

In 2016, HJ Sims committed to investing \$15 million in RDM Housing Strategies V, LLC (“RDM V” or the “Fund”) through the purchase of Class A Interests. RDM V was formed by Merrill to develop and acquire multi-family and senior housing communities, primarily in urban infill locations in the south and on the west coast. At the time of the first capital call, RDM V had plans for initial investments in four senior housing properties and identified several additional properties as potential

Merrill Gardens At A Glance

| Partnered Right® | Structured Right® | Executed Right® | Financed Right® |
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| <ul style="list-style-type: none">» Merrill and its affiliates have been the principal in the acquisition or development of 120 senior housing, mixed-use, and multi-family properties.» HJ Sims has invested in three prior funds raised by Merrill dating back to 2006. | <ul style="list-style-type: none">» HJ Sims committed to investing \$15 million in RDM Housing Strategies V, LLC.» The investment needed to be structured to fund future capital calls as needed. | <ul style="list-style-type: none">» An investment company was formed to issue multiple series of bonds.» Dating back to 2016, HJ Sims sold \$15.765 million bonds through the issuance of three series of securities with HJ Sims high-net-worth investors to fund capital calls in connection with its \$15 million equity investment in the fund.» To meet a recent capital call, HJ Sims issued \$1.21 million of Series IV securities in February 2021. | <ul style="list-style-type: none">» HJ Sims underwrote and implemented an efficient investment structure, meeting the capital objectives and needs of Merrill and its affiliates. |

future investments for the Fund. In order to participate in the Fund, the HJ Sims investment needed to be structured with the flexibility to fund future capital calls as needed by the Fund.

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An HJ Sims controlled investment company, Sims Merrill Gardens V, LLC (“Sims Issuer”), was formed to invest in RDM VI, with plans to issue multiple series of securities to capitalize HJ Sims’ investment in the fund. The Sims Issuer previously closed on \$9,375,000 of the Series I Bonds in August 2016, \$3,390,000 of the Series II Bonds in February 2018, and \$3,000,000 of Series III Bonds in October 2018. To meet a recent capital call and fulfill its \$15 million capital commitment to the fund, HJ Sims issued \$1.21 million of Series IV securities in February 2021.

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Utilizing its extensive investor base and industry expertise, HJ Sims was able to underwrite and implement an efficient investment structure meeting the capital objectives and needs of Merrill and its affiliates. Through its Private Client Group, HJ Sims secured capital from its high-net-worth investors meeting the timing needs of the Fund.

HJ Sims excels in providing customized debt and equity capital for senior living providers utilizing a variety of direct financing solutions, including equity, preferred equity, mezzanine debt, and high-leverage first mortgage loans, tailored to meet the unique financing needs of valued partners like Merrill.

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

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