

DOCUMENTATION REQUIRED TO CONFIRM ACCREDITED INVESTOR STATUS

Investors interested in investing in McMenamins, Inc. (the "Company") must submit proof that they are accredited investors. This document describes the different **categories** of accredited investors. After you find the category that applies to you, submit the documents listed for that category.

Most investors find it easiest to have an attorney, financial advisor, or accountant sign a simple letter confirming accredited status. Forms of letter are included in this document. The letter avoids any need to provide specific financial information.

If you have any questions regarding these requirements, please call Brenna Dickey at 503-205-2531.

Please review the categories below and find the one that applies to you. Please return the required information to:

Brenna Dickey
Miller Nash Graham & Dunn LLP
111 S.W. Fifth Avenue, Suite 3400
Portland, Oregon 97204

E-mail: brenna.dickey@millernash.com

The categories are:

- 1. Individual – Confirmation from Professional Advisor;**
- 2. Individual – Income – Personal Documentation;**
- 3. Individual – Net Worth – Personal Documentation;**
- 4. Entities;**
- 5. Revocable Trusts; and**
- 6. Irrevocable Trusts.**

IRA investments are not being accepted in this offering.

Details appear on the following pages.

1. Individual - Confirmation from Professional Advisor ***Who Qualifies***

An individual investor may be accredited based on **income** or on **net worth** (either alone or with a spouse).

If the investor provides the Company with a **written confirmation from a professional advisor** who knows the investor's income or net worth, the Company will accept the confirmation as proof that an investor is accredited. A form that can be used is provided below.

To qualify as accredited based on **income**, an investor must have had individual income in excess of \$200,000, or joint income with his or her spouse in excess of \$300,000, in each of the last two years, and have a reasonable expectation of reaching the same income level in the current year.

To qualify as an accredited investor based on **net worth**, an investor must have a net worth, or joint net worth with his or her spouse exceeding \$1 million, excluding the value of investor's primary residence.

For purposes of calculating an investor's present net worth, an investor must deduct the following liabilities relating to the investor's primary residence: (i) any indebtedness that is secured by investor's primary residence in excess of the estimated fair market value of investor's the residence, and (ii) any incremental debt secured by investor's primary residence that was incurred in the past 60 days, other than as a result of the acquisition of the residence.

Documents That Must Be Provided

1. Written confirmation from one of the following persons or entities ("Attesting Professional"):
 - (a) A registered broker-dealer;
 - (b) An investment adviser registered with the Securities and Exchange Commission;
 - (c) A licensed attorney who is in good standing under the laws of the jurisdictions in which he or she is admitted to practice law; or
 - (d) A certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office.

The written confirmation must state:

- (a) Who the Attesting Professional is;
- (b) How the Attesting Professional qualifies under the list above (e.g. they are an accountant or lawyer in good standing);

(c) Who the investor is; and

(d) That, **within the prior three months**, the Attesting Professional has taken reasonable steps to verify that the investor is an accredited investor and has determined that the investor is an accredited investor.

An acceptable form of confirmation letter is provided below. Letters should be submitted by the Attesting Professional to the address on page 1 of this document. The date of verification must be within 3 months before the closing date of the offering.

[Date]

Dear Brenna,

I am writing on behalf of my client, [Name(s) of Prospective Investor(s)] (the "**Prospective Investor**"), to verify [his/her/their] status as an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (an "**Accredited Investor**"). I am providing this verification in order for McMenamins, Inc. (the "**Company**") to ensure the Prospective Investor is eligible to participate in the placement of securities (the "**Offering**") by the Company that is open only to Accredited Investors.

I am a [registered broker-dealer/an SEC-registered investment advisor/a licensed attorney in good standing under the laws of the jurisdictions in which I am admitted to practice/a certified public accountant duly registered and in good standing under the laws of the jurisdiction of my residence or principal office].

I understand that an individual is an accredited investor if the individual has income of \$200,000 in each of the two most recent years (or income of \$300,000 with spouse) and a reasonable expectation of reaching the same income level in the current year.

I also understand that, alternatively, an individual is an accredited investor if he or she has a net worth exceeding \$1,000,000. Net worth excludes the value of the individual's primary residence and is reduced by (i) any debt secured by the individual's primary residence in excess of its estimated fair market value, and (ii) any incremental debt secured by the individual's primary residence that was incurred in the past 60 days, other than for buying the residence.

I am familiar with the Prospective Investor's financial situation. Based on information the Prospective Investor has provided to me within the last three months, I have determined that the Prospective Investor is an Accredited Investor. I have no reason to believe that the Prospective Investor's status has changed since I received the information.

I acknowledge that the Company will rely on this letter in determining the Prospective Investor's eligibility to participate in the Offering.

Sincerely,

Name:

Title:

2. Individual - Net Income

Who Qualifies

An individual investor may be accredited based on income (either alone or with a spouse). To qualify as accredited based on income, an investor must have had individual income in excess of \$200,000, or joint income with his or her spouse in excess of \$300,000, in each of the last two years, and have a reasonable expectation of reaching the same income level in the current year.

Documents That Must Be Provided

Individuals who are accredited based on net income must:

- 1.** Provide Internal Revenue Service forms that report the investor's income for 2018 and 2019 (acceptable forms include: Form W-2, Form 1099, Schedule K-1 to Form 1065, and Form 1040). If investor is an accredited investor based on joint income, both the investor and the investors' spouse must provide these forms; and
- 2.** Provide the **Net Income Representation on the next page** representing that investor has a reasonable expectation of reaching the income level necessary (in excess of \$200,000 individually or \$300,000 with investor's spouse).

Net Income Representation

INDIVIDUAL

I, _____ (print name), reasonably expect to have an individual income exceeding \$200,000 in 2020.

_____ (signature and date)

OR, IF ACCREDITED BASED ON JOINT NET INCOME WITH SPOUSE

We, _____ (print name) and _____ (print spouse's name) reasonably expect to have a joint income exceeding \$300,000 in 2020.

_____ (investor signature and date)

_____ (spouse signature and date)

3. Individual - Net Worth – Personal Documentation

Who Qualifies

An individual investor may be accredited based on net worth (either alone or with a spouse). To qualify as an accredited investor based on net worth, an investor must have a net worth, or joint net worth with his or her spouse exceeding \$1 million, excluding the value of investor's primary residence.

For purposes of calculating investor's present net worth, investor must include the following liabilities relating to investor's primary residence: (i) any indebtedness that is secured by investor's primary residence in excess of the estimated fair market value of the residence, and (ii) any incremental debt secured by investor's primary residence that was incurred in the past 60 days, other than as a result of the acquisition of the residence.

Documents That Must Be Provided

Individuals who are accredited based on net worth must:

1. Provide statements dated **within the prior three months**, indicating the value of assets owned (bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments, and appraisal reports that have been issued by independent third parties), showing assets sufficient to establish a net worth of more than \$1 million;
2. Provide a consumer report from a nationwide consumer reporting agency dated **within the prior three months**; and
3. Provide the **Net Worth Representation on the next page** representing that all liabilities necessary to determine net worth have been disclosed:

Net Worth Representation

INDIVIDUAL

The attached consumer report shows certain liabilities of mine. In addition, I have the following liabilities that affect my net worth: *[list item and amount of liability, or insert "none"]*:

I, _____ (print name) hereby represent that I have disclosed all liabilities necessary to make a determination of net worth.

_____ (investor signature and date)

OR, IF ACCREDITED BASED ON ASSETS HELD JOINTLY WITH SPOUSE

The attached consumer report shows certain liabilities of ours. In addition, we have the following liabilities that affect our net worth: *[list item and amount of liability, or insert "none"]*:

We, _____ (print name) and _____ (print spouse's name) hereby represent that we have disclosed all liabilities necessary to make a determination of net worth.

_____ (investor signature and date)

_____ (spouse signature and date)

4. Entities

Who Qualifies

There are a few ways in which an entity may qualify as an accredited investor, including:

- (i) A corporation, partnership, private investment company or similar entity each of whose equity owners is an accredited investor. If all owners of an entity (even an individual holding only one share) are accredited, the entity is considered accredited; or
- (ii) an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5 million.

If the investor provides the Company with a written confirmation from a professional advisor who is familiar with the entity, as described below, the Company may accept the confirmation as proof that an entity is accredited.

Documents That Must Be Provided

1. Written confirmation from one of the following persons or entities ("Attesting Professional"):
 - (a) A registered broker-dealer;
 - (b) An investment adviser registered with the Securities and Exchange Commission;
 - (c) A licensed attorney who is in good standing under the laws of the jurisdictions in which he or she is admitted to practice law; or
 - (d) A certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office.

The written confirmation must state:

- (a) Who the Attesting Professional is;
- (b) How the Attesting Professional qualifies under the list above (e.g. they are an accountant or lawyer in good standing);
- (c) Who the investor is; and
- (d) That, **within the prior three months**, the Attesting Professional has taken reasonable steps to verify that the investor is an accredited investor and has determined that such investor is an accredited investor.

An acceptable form of confirmation letter for an **entity** is provided below. Letters should be submitted by the Attesting Professional to the address on page 1 of this document. The date of verification must be within three months before the closing date of the offering.

[Date]

Dear Brenna,

I am writing on behalf of my client, [Name(s) of Prospective Investor(s)] (the "**Prospective Investor**"), to verify that entity's status as an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (an "**Accredited Investor**"). I am providing this verification in order for McMenamins, Inc. (the "**Company**") to ensure the Prospective Investor is eligible to participate in the placement of securities (the "**Offering**") by the Company that is open only to Accredited Investors.

I am a [*registered broker-dealer/an SEC-registered investment advisor/a licensed attorney in good standing under the laws of the jurisdictions in which I am admitted to practice/a certified public accountant duly registered and in good standing under the laws of the jurisdiction of my residence or principal office*].

I understand an entity qualifies as an Accredited Investor if it has more than \$5 million in assets and was not formed for the specific purpose of acquiring the securities offered, OR if all of the equity owners are themselves Accredited Investors.

I understand that an individual is an accredited investor if the individual has income of \$200,000 in each of the two most recent years (or income of \$300,000 with spouse) and a reasonable expectation of reaching the same income level in the current year.

I also understand that, alternatively, an individual is an accredited investor if he or she has a net worth exceeding \$1,000,000. Net worth excludes the value of the individual's primary residence and is reduced by (i) any debt secured by the individual's primary residence in excess of its estimated fair market value, and (ii) any incremental debt secured by the individual's primary residence that was incurred in the past 60 days, other than for buying the residence.

I am familiar with the Prospective Investor's financial situation. Based on information the Prospective Investor has provided to me within the last three months, I have determined that the Prospective Investor is an Accredited Investor. I have no reason to believe that the Prospective Investor's status has changed since I received the information.

I acknowledge that the Company will rely on this letter in determining the Prospective Investor's eligibility to participate in the Offering.

Sincerely,

Name:

Title:

5. Revocable Trusts

Who Qualifies

A trust may be considered an accredited investor if it is revocable by its grantors and each of the trust's grantors is an accredited investor. The Company will not accept revocable trusts as investors if the revocable trust has more than two grantors.

Documents That Must Be Provided

Revocable trusts that qualify must:

1. Provide a written copy of the trust agreement;
2. Provide, for each individual grantor, a completed statement of the grantor's individual accredited investor status in accordance with option 1, 2, or 3 above; and
3. Provide the following executed statement from the trustee of the trust:

I, _____ (print trustee's name) am the trustee of
_____ (print name of trust) (the
"Trust"). I hereby represent that the Trust is revocable, has not been revoked, and that
_____ and _____ are the grantors
of the Trust.

_____ (trustee signature and date)

6. Irrevocable Trusts

Who Qualifies

A trust that (i) is not revocable by its grantors, (ii) has in excess of \$5 million of assets, (iii) was not formed for the specific purpose of investing in the Company, and (iv) is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in the Company.

Documents That Must Be Provided

Irrevocable trusts that qualify must:

1. Provide a written copy of the trust agreement;
2. Provide statements dated **within the prior three months**, indicating the value of assets owned by the trust (bank statements, brokerage statements and other statements of securities holdings, certificates of deposits, tax assessments, and appraisal reports that have been issued by independent third parties);
3. Provide a brief biography of the trust's trustee, including employment positions or occupation during the past five years, giving dates, and the special qualifications of the trustee that make the trustee knowledgeable and experienced in financial and business matters, including substantial experience in accounting, business or financial matters; and
4. Provide the following executed statement from the trustee of the trust:

I, _____ (print trustee's name) am the trustee of
_____ (print name of trust) (the "Trust").

I hereby represent and confirm that:

- (i) The Trust is not revocable by its grantors;
- (ii) The Trust has in excess of \$5 million of assets;
- (iii) The Trust was not formed for the specific purpose of investing in the Company;
- (iv) I direct the Trust; and
- (v) I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Company.

_____ (trustee signature and date)