



**ANDERSON SCHOOL
PROPERTIES**
**McMENAMINS RENEWAL OF
HISTORIC ANDERSON SCHOOL**

News Release

FOR IMMEDIATE RELEASE

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**McMenamins Open Doors to Private Investors to Realize
Transformation of Historic Anderson School in Heart of Bothell**
*- New SEC Regulations Expand Funding Options, Allow Individuals to Be Part of
Town's Rebirth While Earning a Fair Return -*

PORTLAND, Ore., and BOTHELL, Wash. – April 2, 2014 – The founders of family-owned McMenamins Inc., which operates 52 distinctive pubs, restaurants and historic hotels in the Pacific Northwest, are inviting private investors to join the redevelopment of the vacant Anderson School in the heart of Bothell, Wash., into a vibrant community hub and travel destination.

"Preserving the W. A. Anderson Building is important to Bothell residents. It is immensely rewarding to see how enthusiastic the community is about the McMenamins project," said Bothell City Manager Bob Stowe. "When complete, the Anderson School entertainment complex will animate downtown Bothell, and it is a key part of the amazing transformation occurring now."

In keeping with the McMenamins creative approach to business, the company established a separate LLC, Anderson School Properties, and is launching an \$8 million crowd-funded capital campaign. Opportunities to purchase Anderson School Properties LLC securities under this private placement start at \$250,000 for qualified accredited investors – individuals with \$1 million or more in net worth or greater than \$200,000 in annual income, or qualified banks, partnerships, corporations, nonprofits and trusts. Investors will receive an 8 percent per annum, noncompounded, preferred return on invested capital.

The funding strategy was made possible when the Securities and Exchange Commission amended Regulation D with [Rule 506\(c\)](#) in September 2013, widening options for private companies to raise capital. With 34 percent of project costs needed to begin construction, and significant related public and private investment in place, the multi-faceted Anderson School renovation is well-suited to the new investment strategy.

"Bothell is a forward-thinking city, and the Anderson School building has great bones and lots of character. From the moment Brian and I saw it, we knew its potential for Bothell's revitalization," said Mike McMenamin. "It's one of the best locations we could have imagined – located along two major highways, the Sammamish River and within 30 minutes of Seattle's fast-growing technology sector – which bodes well for its popularity and future growth. But perhaps more important than financial returns is the positive impact that public gardens, live music, historical spaces, quality jobs and places to gather over a pint can have on a community."

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A long history of reimagining interesting spaces has taught the McMenamin brothers that the best results are achieved through the combined cultural experiences of travel, food, drink, music, art and public spaces. The \$26 million Anderson School project will include:

- Statuesque 1930s art deco school building converted to a 73-room hotel
- Restaurants, small bars, on-site brewery, free live music, first-run movie theater
- Meeting and event space for small and large groups
- Soaking/swimming pool and full-service day spa
- Gardens and additional community green space connected with Horse Creek
- Original site-specific artwork linked to the history of the school
- 15 years free use of soaking/swimming pool and community room for City of Bothell residents
- Estimated 150 to 200 new full- and part-time jobs

Home to a University of Washington satellite campus and Cascadia Community College, the City of Bothell is in the midst of a renaissance, investing \$150 million to turn this ideally located town on key transportation routes and the scenic Sammamish River into one of the Puget Sound's most livable cities. The Anderson School project is part of approximately \$207 million in private capital committed to downtown Bothell commercial and residential development.

Anderson School Properties LLC investment details, project design schematics and additional background are available at AndersonSchoolProperties.com.

About Anderson School Properties LLC

Anderson School Properties LLC owns and is renovating the approximately six-acre Anderson School site in downtown Bothell, Wash. New School Properties LLC, a Washington limited liability company directed by Mike McMenamin, is the manager of the company.

The developed property will be leased by the Company to McMenamin's Brew Pubs, Inc., (a Washington wholly owned subsidiary of McMenamins, Inc.), which will operate the Anderson School offering a 73-room hotel, restaurants, small bars, brewery, event/meeting space, movies, live music, gardens, day spa and soaking/swimming pool.

This is a restricted, private placement of securities and units will not be publicly traded. The Anderson School offering is not available to residents of New York. Actual results may differ, perhaps materially, from those projected in the forward-looking statements included in this announcement. The securities offered have not been registered under federal or state securities laws in reliance on an exemption provided under Rule 506(c) of the SEC's Regulation D.

About McMenamins

Founded by brothers Mike and Brian, McMenamins began as a single neighborhood pub in 1983 and today includes seven Washington locations and 45 Oregon properties, 18 on the National Register of Historic Places. Respected for reimagining historic buildings and artistic restorations, the independently-owned, family business is best known for the transformation of two Oregon properties – Edgefield in Troutdale and Kennedy School in Portland. At Edgefield, McMenamins converted a county poor farm to a destination resort with distinctive lodging, restaurants, premier outdoor concert venue, small bars, spa, soaking pool, meeting and event space, brewery, winery, distillery, golf and gardens. Most similar to the Anderson School project was the renovation of McMenamins Kennedy School, a former elementary school, into a neighborhood gathering place where guests sleep in former classrooms and enjoy food, drink, movies, music, original artwork and history throughout the property. Both are premier attractions and vital community hubs. McMenamins.com

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