

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**MENLO GATE, LLC**

A California Limited Liability Company

---

**\$345,000**

**Offering Amount: \$57,500 per unit**

**MINIMUM PURCHASE - None**

**The Company shall have a total of 7 membership units. The Managing Member shall be the owner of 1 unit. The remaining 6 units shall be sold for \$57,500 per unit for a total Offering of \$345,000.**

MENLO GATE, LLC, a California Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering 6 Units of ownership (6) at an offering price of Fifty-Seven Thousand Five Hundred (\$57,500) Dollars per Unit to qualified subscribers who meet the Subscriber Suitability Requirements set forth herein (see "SUBSCRIBER SUITABILITY REQUIREMENTS"). Each Subscriber must agree to purchase the Units, as a Member of the Company, for subscription purposes only, and execute a Subscription Agreement in the form contained in the Memorandum.

THESE SECURITIES ARE SPECULATIVE AND SUBSCRIPTION IN THE UNITS INVOLVES A DEGREE OF RISK (SEE "RISK FACTORS")

**MENLO GATE, LLC**

2995 Woodside Road

Suite 400

Woodside, CA 94062

Telephone: 650.641.2226

e-mail: info@menlogate.com

The date of this offering is February 1, 2008

DELIVERED TO: \_\_\_\_\_

DELIVERY DATE: \_\_\_\_\_, 2008

## TABLE OF CONTENTS

IMPORTANT NOTICES.....	2
OFFERING SUMMARY.....	5
USE OF PROCEEDS.....	6
RISK FACTOR.....	8
CAPITALIZATION.....	10
BUSINESS PLAN.....	11
MANAGEMENT.....	16
DESCRIPTION OF UNITS.....	17
PLAN OF DISTRIBUTION.....	17
RESTRICTIONS OF TRANSFER.....	17
SUBSCRIBER QUALIFICATION.....	18
ADDITIONAL MATERIAL AVAILABLE UPON REQUEST.....	19
Exhibit A: FINANCIAL STATEMENT	
Exhibit B: SUBSCRIPTION BACKGROUND INFORMATION	
Exhibit C: SUBSCRIPTION AGREEMENT	
Exhibit D: SUBSCRIBER STATUS	
Exhibit E: SUBSCRIBER SUITABILITY QUESTIONNAIRE	
Exhibit F: FINANCIAL PROJECTIONS	

**IMPORTANT NOTICES**

You are urged to read this memorandum carefully. This memorandum is not all-inclusive and does not contain all the information that you may desire to invest in **MENLO GATE, LLC**. You must conduct and rely on your own evaluation of us and the terms of this offering, including the merits and risks involved in making a decision to buy Ownership Units in Company. We will make available to you, prior to the sale of Units described in this memorandum, the opportunity to ask questions of, and receive answers from, our management concerning the terms and conditions of this offering and to obtain any additional information (including information made available to other subscribers), to the extent we possess it or can acquire it without unreasonable effort or expense, which may be necessary to verify the accuracy of the information in this memorandum. We may require you to sign a confidentiality agreement if you wish to receive additional information that we deem to be proprietary. You may mail questions, inquiries, and requests for information to:

**MENLO GATE, LLC**

2995 Woodside Road

Suite 400

Woodside, CA 94062

e-mail: [info@menlogate.com](mailto:info@menlogate.com)

You, and your representatives, if any, will be asked to acknowledge in the Subscription Agreement that you were given the opportunity to obtain additional information and that you did so or elected to waive the opportunity. No representations or warranties of any kind are intended nor should any be inferred with respect to the economic viability of this subscription or with respect to any benefits, which may accrue to a subscription in Ownership Units. We, and our directors, officers and employees, do not in any way represent, guarantee or warrant an economic gain or profit with regard to our business or that favorable income tax consequences will flow there from. We do not in any way represent or warrant the advisability of buying Ownership Units. Any projections or other forward-looking statements or opinions contained in this memorandum constitute estimates by us based upon sources deemed to be reliable, but the accuracy of this information is not guaranteed nor should you consider the information all-inclusive. You should not consider the contents of this memorandum as legal, business or tax advice. Prior to making a decision to buy Ownership Units, you should carefully review and consider this memorandum and should consult your own attorneys, business advisors and tax advisors as to legal, business and tax related matters concerning this offering.

**RESTRICTIONS ON USE OF MEMORANDUM**

This memorandum is for review by the recipient only. The recipient, by accepting delivery of this memorandum, agrees to return this memorandum, all enclosed or attached documents and all other documents, if any, provided in connection with the offering to **MENLO GATE, LLC** if the recipient does not undertake to purchase any of the securities offered hereby. This memorandum is furnished for the sole use of the recipient, and for the sole purpose of providing information regarding the

offer and sale membership interests. We have not authorized any other use of this information. Any distribution of this memorandum to a person other than representatives of the person or entity named on the cover page is unauthorized, and any reproduction of this memorandum or the divulgence of any of its contents, without our prior written consent is prohibited. The delivery of this memorandum or other information does not imply that the memorandum or other information is correct as of any time subsequent to the date appearing on the cover of this memorandum.

#### **EXCLUSIVE NATURE OF CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

The delivery of this memorandum does not constitute an offer in any jurisdiction to any person to whom such offer would be unlawful in such jurisdiction. You should rely only on the information contained in this memorandum. The information contained in this memorandum supersedes any other information provided to potential subscribers. We have not authorized any person to provide any information or to make any representations except to the extent contained in this memorandum. If any such representations are given or made, such information and representations must not be relied upon as having been authorized by **MENLO GATE, LLC**. This memorandum is not an offer to sell, nor is it seeking an offer to buy, securities in any state where the offer or sale is not permitted. The information in this memorandum is accurate as of the date on the front cover, but the information may have changed since that date.

#### **RESTRICTED SECURITIES**

The Units offered hereby in this offering memorandum have not been registered with, or approved, by the United States Securities and Exchange Commission, nor have such Ownership Units or this memorandum been filed with or reviewed by the attorney general of any state or the securities regulatory authority of any state. This offering is based on the exemption from such registration as set forth in California Corporations Code section 25102(f), as amended.

The subscription described in this memorandum involves risks, and is offered only to individuals who deem that they can afford to assume such risk for an indefinite period of time and who agree to purchase the Ownership Units only for subscription purposes and not with a view toward the transfer, resale, exchange or further distribution thereof. There will be no public market for the Ownership Units issued pursuant to this offering memorandum. Federal and state securities laws limit the resale of the Ownership Units and it is therefore recommended that each potential subscriber seek counsel should they desire more information. The price of the Ownership Units as described in this offering memorandum has been arbitrarily determined by the sponsors of this subscription, and each prospective subscriber should make an independent evaluation of the fairness of such price under all the circumstances as described in the attached offering memorandum.

No person is authorized to give any information or make any representation in connection with this memorandum, except such information as is contained or referenced in this memorandum. Only information or representations contained or referenced herein may be relied upon as having been made by the Company. Prospective subscribers who have questions concerning the terms and conditions of this private offering memorandum or who desire additional information or documentation to verify the information contained herein should contact the Company. Projections or forecasts contained in this private offering memorandum, or other materials, must be viewed only as estimates. Although any projections contained in this memorandum are based upon assumptions, which the Company believes to be reasonable, the actual performance of the Company may depend upon factors beyond the control of the

Company. No assurance can be given that the Company's actual performance will match its intended results.

### **FORWARD-LOOKING STATEMENTS**

Certain statements in this memorandum constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements that address expectations or projections about the future, including statements about subscriptions, market position, expected expenditures and financial results, are forward-looking statements.

Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Accordingly, actual results or performance of **MENLO GATE, LLC** may differ significantly, positively or negatively, from forward-looking statements made herein. Unanticipated events and circumstances are likely to occur. Factors that might cause such differences include, but are not limited to, those discussed under the heading "Risk Factors," which subscribers should carefully consider. These factors include, but are not limited to, risks that our subscription purchases may not receive the level of market acceptance anticipated; anticipated funding may prove to be unavailable; intense competition in our market may result in lower than anticipated revenues or higher than anticipated costs, and general economic conditions, such as the rate of employment, inflation, interest rates and the condition of the capital markets may change in a way that is not favorable to us. This list of factors is not exclusive. We undertake no obligation to update any forward-looking statements.

### **EXHIBITS AND INFORMATION AVAILABLE UPON REQUEST**

This memorandum is supplemented by the **Pro Forma Financial Statements** attached as Exhibit A and the **Subscription Agreement** attached as Exhibit B. We will make certain information available to subscribers upon request including our financial projections for the seven years from December 31, 2008 through December 31, 2015, our Certified Limited Liability Company Charter, our Operating Agreement and other corporate records.

**OFFERING SUMMARY**

*In this memorandum, "MENLO GATE, LLC" "Company," "Company," "we," "our," and "us" refer to MENLO GATE, LLC "You" refers to the reader of this memorandum. This summary highlights the information contained elsewhere in this memorandum. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this entire memorandum and the documents to which we refer you. You should read the following memorandum together with the more detailed information, financial statements, and those statements appearing elsewhere in this memorandum.*

**MENLO GATE, LLC**

**MENLO GATE, LLC** (the "Company") was formed on January 17, 2008 as a California Limited Liability Company. The Company is in the business of acquiring and holding rental property for appreciation and profit. Our executive offices are located at: 2995 Woodside Road, Suite 400, Woodside, CA 94062. Our telephone number is: 650.641.2226. Our e-mail is: [info@menlogate.com](mailto:info@menlogate.com). Our Web site is located at: <http://www.menlogate.com>. Information contained on our Web site does not constitute a part of this memorandum.

**The Offering**

The Securities offered are six (6) Ownership Units issued by the Company at Fifty-Seven Thousand Five Hundred (\$57,500) Dollars per Ownership Unit, payable in cash at the time of subscription. The minimum purchase is one (1) Ownership Unit. Only 7 Ownership Units shall be issued by the Company per investment group, one (1) of which Ownership Units shall be held by the Company's Managing Member and the remaining six (6) Ownership Units shall be issued by Company. Each purchase of Ownership Units offered pursuant to this offering will be recognized by the issuance of a membership certificate and shall entitle the owner to 1/7 percent share of Company's profits and/or losses. The gross proceeds of the offering will be (\$345,000) Dollars.

**Subscriber Qualifications**

We are offering the Ownership Units only to approved subscribers. We will require each subscriber to represent in the Subscription Agreement that the subscriber is able to evaluate the merits of this subscription and whether the subscriber is financially capable of making the long term investment contemplated by this offering.

**Subscription Agreement**

Each subscriber will be required to enter into a Subscription Agreement in the form attached as Exhibit C to this memorandum.

**Minimum Subscription**

One unit, or \$57,500.

**Offering Period**

This offering will commence on February 1, 2008 and will terminate no later than July 1, 2008, unless extended by the Company (see "TERMS OF THE OFFERING"). We reserve the right to terminate the Offering at any time. We will not provide any notice that we have extended the offering.

**Restrictions on Transferability**

The Ownership Units sold in this offering will be restricted securities under California Corporations Code section 25102(f) and the Securities Act of 1933, as amended, and will not be transferable except in compliance with applicable state and federal securities laws. The transferability of the shares is also limited

by the Operating Agreement of the Limited Liability Company to be agreed to and executed by each subscriber.

### **Summary Financial Data**

You should read the following summary pro forma financial data together with our pro forma financial projections included in this memorandum. The financial data presented herein has not been reviewed by our independent accountants and is subject to year-end audit adjustment. The Company was recently organized and has no income or expense to report. The Company founder has deposited a small sum to cover operational and start-up costs.

### **USE OF PROCEEDS**

The gross proceeds of this Offering will be three hundred and forty-five thousand (\$345,000) dollars. The following overviews the use of proceeds from the Offering. The proceeds may be used for any of the following expenses set forth below as well as any additional expenses that may become due at the discretion of the Managing Member: Offering Expenses, Commissions, Total Offering Expenses & Fees, Net Offering Proceeds, Transfer fees, Transfer taxes, Building Maintenance, Property Management, Utilities, Improvements, Repairs, Miscellaneous expenses, Acquisition costs, Marketing, Web Site Development, Legal, Accounting, Working Capital, and Equipment.

Further, in consideration for the activities of the Managing Member, the Managing Member shall receive the following distributions from the Offering in connection with the dates set forth herein: (1) As consideration for the identification of the residential real estate, review of the disclosures, review of inspection reports and appraisals, negotiation of the purchase and sales price, negotiation of broker fees and commissions, interaction with brokers, lenders, and title companies, review of insurance proposals and acquisition of insurance for the property, direction of the subscription project through close of escrow, the Managing Member shall receive a distribution of 5% (five percent) of the total proceeds of the offering as an Asset Acquisition Fee. This Asset Acquisition Fee shall be paid to the Managing Member as of the close of escrow of the identified real property; (2) Further, the Managing Member shall be entitled to reimbursement of an Organization Fee in consideration for costs expended to organize the venture. The Organization Fee includes, but is not limited to, legal fees, filing fees for Secretary of State filings, Limited Liability Company filing fees, and miscellaneous costs and fees expended by the Managing Member. It is determined that the Managing Member shall receive a reimbursement of \$5,000 for the Organization Fee. This Organization Fee shall be paid to the Managing Member as of the close of escrow of the identified real property; (3) Further, subsequent to close of escrow of the identified real property, the Managing Member shall receive an annual distribution of 8% of the Gross Rental Proceeds from the property as a Property Management Fee payable to the Managing Member. The Gross Rental Proceeds are defined as any and all income derived from the property, including, but not limited to, rent, late fees or penalties arising from the late submission of rent by tenants, lock out fees, revenue from coin-operated laundry or laundry leases. The Gross Rental Proceeds identified above are not subject to reduction for operating, improvement, or maintenance costs. The Gross Rental Proceeds shall be determined on a quarterly, semi-annual, or annual basis at the discretion of the Managing Member. The Managing Member may distribute the Property Management Fee to the Managing Member on a quarterly, semi-annual, or annual basis at the discretion of the Managing Member. In consideration for the receipt of the Property

Management Fee, the Managing Member shall be responsible for the management of the property. These services include the performance of general landlord/tenant responsibilities such as the qualification of tenants, receipt of rents and deposits, performance of rental increases, services of requisite statutory notices for termination of tenancy or renewal of leases, maintenance of contracts for gardening, landscaping, and laundry, termination of tenancies, return of deposits with requisite statutory notifications, retention of third-parties for the performance of unlawful detainer proceedings if required, preparation of rent rolls, distribution of operating statements to the subscribers, responding to lock outs and service calls, retention of contractors, repairmen and servicemen for the purpose of building maintenance and to improve or prepare vacated units for rental to new tenants. The Managing Member shall have sole discretion to perform the activities set forth herein, including, but not limited to the retention of contractors, repairmen and servicemen, as well as any other activity required to improve and/or maintain the Property to rent to new or prospective tenants. The Managing Member's responsibility for property management is limited to its traditional role and under no circumstances shall include the performance of labor. Requisite labor shall be retained by the Managing Member to be performed by contractors, repairmen and servicemen. The costs for services for contractors, repairmen and servicemen shall be paid from the operating capital and/or gross rental revenues from the Property. At the discretion of the Managing Member, a third-party Property Manager may be designated and retained by the Company. Any difference between the contracted price for the Property Manager and the Property Management Fee payable to the Managing Member shall remain the property of the Managing Member.



## **FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY**

### **1. GENERAL**

The Officers and Directors of the Company are accountable to the Company as fiduciaries and such Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Ownership Unit holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Ownership Unit holder may be able to bring an action on behalf of himself in the event the Ownership Unit holder has suffered losses in connection with a breach of fiduciary duty by an Officer or Director of the Company, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the purchase of Ownership Units, and may be able to recover such losses from the Company.

### **2. INDEMNIFICATION**

The Company agrees to indemnify its directors, officers or controlling persons pursuant to California law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is later adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

### **RISK FACTORS**

*You should carefully consider the risks and uncertainties described below before you decide to buy Ownership Units. While these are the risks and uncertainties we believe are most important for you to consider, you should know that they are not the only ones. If any of the following risks actually occurs, the financial condition or results of operations would likely suffer. In these circumstances, the value of your subscription could decline, and you could lose all or part of your money or your subscription.*

#### ***Risks Related to Our Business***

##### **We have no operating history.**

**MENLO GATE, LLC** was organized on January 17, 2008. To date we have engaged primarily in identifying assets to be purchased, developing the products and services, establishing the corporate and other formalities necessary to begin operations, and negotiating relationships with strategic business partners. Accordingly, the Company has no operating history on which to base an evaluation of the business and subscription goals. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of development. We cannot assure you that we will be successful in addressing the risks we may encounter, and our failure to do so could have a material adverse effect on the business, prospects, financial condition and results of operations.

##### **The market for real estate is uncertain.**

The Company's future success will depend upon a multitude of factors that face the real estate industry, including, but not limited to, the future appreciation of real estate, growth of the rental real estate market, market downturns, legislation affecting the ownership, taxation, and transferability of real estate, exposure to litigation, issues affecting the insurability of real estate, natural disasters such as earthquakes, and the ability of the Company to successfully meet and address these challenges. There can

be no assurance or guarantee that the Company will be profitable. Insufficient market demand for rental housing would have a material adverse effect on our business, financial condition, and results of operations.

**Our business plan is dependent on obtaining residential rental real estate.**

Our business plan is dependent upon successfully locating, acquiring residential real estate. There can be no guarantees that these transactions will occur or at what profit margins they will generate. Failure to complete these transactions would have a material adverse effect on our business, financial condition, and results of operations.

**We will need to expand our skilled personnel and retain those personnel that we do hire.**

We will be required to hire and retain skilled employees at all levels of our operations in a market where such qualified employees are in high demand and are subject to receiving competing offers. The inability to hire needed employees on a timely basis and/or the inability to retain those that we do hire could have a material adverse effect on our ability to meet the schedules of its strategic plan.

**We will need to successfully manage our growth that will be significant for the foreseeable future.**

We plan on maintaining competitive property in the rental real estate market, which will require, in part, the constant increase of rents and rental fees. Even if we are successful in finding and retaining qualified tenants, there will be a significant strain placed on our managerial, operation, reporting, and financial resources. We have taken preliminary steps to put in place the necessary legal, accounting, and other relationships and tools to enable us to deal with this growth more efficiently. However, there is no assurance that we will be able to successfully manage the anticipated growth.

**We are dependent on certain key personnel.**

The Company is dependent on the services of Jesshill E. Love and John C. Conlon. The loss of services of either of these individuals and any other key personnel could impair the Company's ability to execute its planned real estate transactions and manage the operations of the business, and could have a material adverse effect on the Company's business, financial condition and results of operations. The Property Management Fee to the Managing Members has been structured to allow for transfer to a third-party property manager in the event of the untimely loss of the key personnel. This will allow the Company to continue its operations and management of the Property through the anticipated date of sale of the Property pursuant to the terms of this memorandum and the Operating Agreement of the Limited Liability Company.

**We may be impacted by general economic conditions.**

The real estate and housing industry is susceptible to negative trends in the national and/or regional economies. The success of our business depends, in part, on a number of factors related to spending patterns in the overall economy. Recent economic reports indicate that the rate of growth of the U.S. economy is uncertain and that consumers may choose to economize on rental payments. These trends may adversely affect the residential housing industry and could have an adverse impact on our ability to grow or achieve financial profitability.

***Risks Related to this Offering*****The Company is effectively controlled by Managing Member, which will limit your ability to influence management and direction of the Company.**

The Managing Member will have an equity position in the Company and will maintain Management control of the Company as set forth herein and in the Operating Agreement for the Company. Each subscriber will be required to execute the Operating Agreement for the Company. As a result, the Managing Member will effectively control the Company and direct the Company's affairs. The Managing Member will also have effective control over the election of directors and approval of significant corporate transactions. The interests of the subscribers, therefore, may conflict with those of other Managing Member. This concentration of management control in the Managing Member may also delay, defer or prevent a change in control of the Company.

**You will be relying on the judgment of the Managing Member regarding use of proceeds.**

The specific rental income property that will be purchased with the net proceeds from the sale of Ownership Units described in this memorandum may or may not have been identified. The Company will use the net proceeds to purchase the rental income property. The net proceeds from the Offering will also be used for general corporate purposes, including working capital, funds for subscription and capital expenditures. Consequently, the Managing Member will have significant flexibility in applying the net proceeds of this offering. You will be relying on the judgment of the Managing Member regarding the application of the proceeds. The Managing Member will have the ability to apply the proceeds of this offering as it deems appropriate without ownership approval.

**We have arbitrarily determined the price of the Ownership Units.**

There is no present market for the Ownership Units. We have arbitrarily set the price of the Ownership Units with reference to the general status of the residential real estate market and other relevant factors. The offering price for the Ownership Units should not be considered an indication of the actual value of the Ownership Units and is not based on the Company's net worth or prior earnings. We cannot assure you that the Ownership Units could be resold by you at the offering price or at any other price. The possibility exists that the Ownership Units could lose all their value.

**There is no public market for the Ownership Units and there will be restrictions on the transferability of the Ownership Units.**

There is currently no public market for any of the Ownership Units. We cannot assure you that any such public market will ever develop. Moreover, even if a public market does develop, any sale of the Ownership Units may be made only pursuant to an effective registration statement under federal and applicable state securities laws or exemptions from such laws. Further, the transferability of Ownership Units are restricted by the Operating Agreement for the Limited Liability Company. Each subscriber will be required to execute the Operating Agreement as a contingency to invest in the Company.

**CAPITALIZATION**

The following table sets forth our anticipated capitalization as of the sale of all six Ownership Units and the seventh Ownership Unit of the Managing Member. The subscriber should read this table in conjunction with our pro forma financial statements included elsewhere in this memorandum.

Units, \$57,500 par value per Unit; 7 Units authorized; 1 Unit issued to Managing Member and Outstanding.

Total paid in capital from the Offering and sale of Ownership Units of \$345,000

## **BUSINESS PLAN**

### **I. OVERVIEW**

A. MENLO GATE, LLC is newly formed and therefore does not have operating history. The Company will invest strictly in residential rental real estate in the Bay Area of California. Subsequent to the identification, purchase, and close of escrow for the identified residential real estate, the business of the Company will be limited to the maintenance and property management of the property.

B. As discussed herein, the Managing Member shall have exclusive authority to manage the Property. The Managing Member receives a Property Management Fee, as defined herein, in consideration for the performance of the Property Management services defined herein. At the end of each calendar year, the Managing Member shall perform an Operating Statement for distribution to the subscribers that summarizes the Property's Gross Revenues and operating costs. The distribution of profit, if any, will be contingent upon the Managing Member's determination as to the maintenance of a prudent operating reserve for the Property. The Managing Member, at its sole discretion, may also determine to expend profits on capital improvements for the Property in lieu of performing profit distributions to the subscribers. If, in the discretion of the Managing Member, there is sufficient profit to provide for a profit distribution to subscribers, a profit distribution will be made.

C. The Company will operate the business for seven years from the date of the close of escrow of the identified residential rental real estate. At the expiration of the contemplated seven year period, the Company will list the property for sale with a qualified real estate broker. The Managing Member, if qualified as a broker as of the time of sale, may act as the broker for the listing and sale of the property. Any commission earned by the Broker for the sale of the Property will be the Property of the Broker. The Broker's commission will be negotiated and established at the prevailing rate for listing Brokers as of the time of the sale. The Managing Member may unilaterally determine that the time for sale of the Property be extended for a period up to and including one year due to prevailing negative market conditions that may be prevalent at the time of the sale. The determination of the Managing Member to extend the sale of the Property for a period up to and including one year will be final. Absent a determination of the Managing Member to extend the time for sale, the Property will be sold in accordance with the timeframe set forth herein. After determining that all known debts and liabilities of the Company, including, without limitation, debts and liabilities to the Managing Member for the Dissolution/Winding Up Fee and any arrearages for the Property Management Fee, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in accordance with their positive Capital Account balances, after taking into account income and loss allocations for the Company's taxable year during which liquidation occurs. Subsequent to sale of the Property and only in the event that appreciation of the Property has occurred, the Members shall first receive the return of their Initial Capital Contribution of Fifty-Seven Thousand and Five Hundred (\$57,500) Dollars, minus the application of the Asset Acquisition Fee, Organizational Fee, Dissolution/Winding Up Fee, and any outstanding Property Management Fee(s). Accordingly, each Member shall be entitled to a return of Fifty-Two Thousand Nine Hundred and Fifty-Eight Dollars and Thirty-Three Cents (\$52,958.33). The remaining profit of the Company shall then be divided by seven with each Member, including the Managing Member, to receive one-seventh ( $1/7$  th) of the Profit of the Company. Such liquidating distributions shall be made by the end of the Company's taxable year in which the Company is liquidated, or, if later, within ninety (90) days after the date of the close of escrow for the sale of the Property which constitutes liquidation of the Company. The return of Capital to the Members is also governed by the terms of the Operating Agreement for the Limited Liability Company which are incorporated herein by reference.

D. The active investing will begin when the Company is 100% subscribed. Once fully subscribed, no more shares will be sold by the Company. The Company will operate until the expiration of the seven year period set forth herein.

E. Subscribers in the Company will get the benefit of having professional management in one of

the most common areas of subscription, real estate. Although the Company anticipates that some annual profit distributions will be made to the subscribers throughout the term of the investment, the bulk of the anticipated revenue will come from the sale of the property acquired at the end of the contemplated seven year period.

## **II. WHY RESIDENTIAL RENTAL REAL PROPERTY IN THE BAY AREA OF CALIFORNIA?**

### **A. HISTORICAL APPRECIATION TRENDS FOR THE BAY AREA OF CALIFORNIA:**

It is the opinion of the Managing Member of the Company that we are shifting from a seller's to a buyer's market. More inventory has spawned buyer power. Our transformation to a buyer's market has continued to create valuable buying opportunities. The Bay Area of California and especially the mid-peninsula market is developing nicely allowing buyers to negotiate value while maintaining historically low interest rates. As a result, we are currently immersed in a much more balanced market.

When we overlay the California appreciation history with the history of prime interest rates there are some interesting correlations. Average appreciation in California is 9.42%.<sup>1</sup> We can see that the worst California housing depreciation since 1976 (in 1994 we had -6.3%) was not due to high interest rates. In the 90's California had a deluge of military base closures coupled with a large tax increase and national recession. The second worst depression in California's housing was not that significant in terms of depreciation (-0.65%). It occurred in 1982 and was highly influenced by high interest rates. Historically, high interest rates tend to stagnate appreciation, but not cause large drops in the market.

San Mateo County's appreciation graph also mimics California's appreciation history, but San Mateo County seems to be more insulated to bear markets. Average appreciation in San Mateo County since 1976 is approximately 9.77%. This is better than California's average appreciation of 9.42% over the same period. The worst "valley" in San Mateo County was in 1991 which is prior to California's deepest valley that occurred in 1995. Accordingly, market downturns in San Mateo County seem to be a bit more insulated to California's average. Its deepest valley was a -4.87% return where California as a whole had a -6% return. Maximum appreciation in San Mateo County occurred in 1979 totaling 27.25% trumping California's maximum appreciation of 27% in 2004.

What does this all mean? It is interesting to note the history behind the real estate markets. Although we know that past occurrences do not dictate future trends, we can see California's housing market elasticity and the average returns that are typical. We know that California has a very different real estate market than the rest of the country. In part this is because we have such a large and robust economy. The historical appreciation rates also show that the worst depreciation since 1976, was a valley lasting 3 years in length. This leads us to believe in long term value investing in California real estate. We will have our ups and downs, but over the long term, we anticipate continued appreciation of California real estate.

From the data we have gathered on Bay Area Appreciation we can speculate that the Bay Area economy is often more robust than California's real estate economy as a whole. Accordingly, it is the opinion of the Managing Member of the Company that now is a great time to buy California real estate. As we have seen in past markets, rising interest rates tend to create short periods of less than average appreciation, not large drops or depreciation in real estate prices. Thus we can infer that when interest rates rise it is probable that the increased cost of money will make buying a home more expensive. Currently mortgage rates are low in

---

<sup>1</sup> Data sourced from Finance Ambition located at <http://www.financeambition.com>. [Citing to California Real Estate Data Study, #2.]

comparison to historical averages, and our housing markets have slowed driving less competition for buyers. In short, for the first time in 5 years we are experiencing a buyer's market.

## B. ANTICIPATED DEMAND FOR APARTMENTS, INCREASED RENTS, AND THE ECHO BOOM

Supply and demand play an important role in residential income property values. The demand for rental property is increasing because the number of people entering the rental market is increasing due to the fact that the number of people entering the rental market has been increasing steadily each year. At the same time, construction costs, stricter zoning ordinances and environmental factors are limiting the new construction of residential income property. Together, these trends bode well for investing in residential income property.

The greatest demand for rental property is being created by the Baby Boomers' children, called Echo Boomers.<sup>2</sup> An analysis from the book by Harry Dent, *The Roaring Twenties*, shows the increasing apartment demand created by Echo Boomers. His cycle is calculated by lagging the birth rate by 25.5 years. It shows that the Echo Boomers, who traditionally make up a significant percent of the adult population, are moving more rapidly into the rental market. In addition, lifestyle changes and elderly preferences are swelling the ranks of renters.

Further, since the 1997 tax act allows joint owners to exempt capital gains of \$500,000 on primary residences, more and more people are selling their homes, saving their money, and moving into rental property. It is estimated that the demand for rentals is likely to increase over 10 percent during the next 10 years.<sup>3</sup> Thus, it is easy to see why residential income property can offer one of the best protections against inflation. In fact, a study reported by the *Journal of Financial Economics* found that residential real estate is the only investment that offers a complete hedge against both anticipated and unanticipated inflation.

People always need three basics—food, clothing, and shelter. As the population grows, the need for shelter grows along with it. The hedge against inflation with residential rentals is greater because, unlike long-term commercial leases, they are generally on a month-to-month basis or short term leases less than a year. As prices increase, apartment owners can increase rents more rapidly with month-to-month leases than commercial owners who have long-term leases.

Residential income property is one type of investment that can be a source of security and stability. Every investment has peaks and valleys, including rental real estate. But over the long-term, residential income property has historically come out ahead. The key is knowing the right time to buy and sell. That is the golden rule in investing.

Presently, we are experiencing a buyer's market for the first time in approximately five to seven years. Further, commercial and residential lending rates are favorable for buyers. In short, it appears to be a good time to buy and hold residential real estate for long-term investment.

C. Should it be determined in the future that there is a demand for additional Offerings to pursue more properties, the Managing Member will create a new Company which may be similarly structured as the present Company. The Company's subscribers will be provided an opportunity to invest in the new

---

<sup>2</sup> For an in depth explanation of the impact of the Baby Boomer generation, see *Age Wave*, by Alvin Toffler.

<sup>3</sup> See generally, *How to Buy and Sell Apartment Buildings (Second Edition)*, by Eugene E. Vollucci and Stephen Vollucci, John Wiley & Sons, Inc., 2004

Company. This shall not, however, be considered a right of first refusal for the subscriber to purchase Ownership Units in any future Company to be formed.

### **III. APPLICATION OF VALUE OF OWNERSHIP UNITS, TRANSFERS, AND FINANCIAL REPORTING**

A. Only 7 Ownership Units will be issued, each with weighted initial value of \$49, 285.71. Six of these Ownership Units will be sold for a value of \$57,500 with one share being issued to the Managing Member as compensation for developing the concept and making it available to the subscribers. Ownership of each share will be recorded to no more than two tax entities.

B. The Company and the other Members shall have a right of first offer on any Membership Interest that a Member desires to Transfer, other than interfamilial or inter-vivos transfer as defined in this section. If any Member desires to Transfer all or any part of his or her Membership Interest other than pursuant to inter-vivos transfer, such Member shall notify the Company and the other Members in writing of such desire and, for a period of thirty (30) days thereafter, the Members and the Company shall negotiate with respect to the purchase of such Member's Membership Interest. During such period, the Member desiring to Transfer his or her Membership Interest may not solicit a transferee for such Membership Interest and may not continue any pending negotiations for the sale of the Membership Interest with third parties other than the Company.

If the period described above expires without an agreement being reached as to the purchase of the Membership Interest referred to therein, the Member desiring to transfer his or her Membership Interest may solicit transferees. In such event, each time a Member proposes to transfer all or any part of his or her Membership Interest (or as required by operation of law or other involuntary transfer to do so), such Member shall first offer such Membership Interest to the Company and the non-transferring Members in accordance with the following provisions:

1. Such Member shall deliver a written notice ("Option Notice") to the Company and the other Members stating (i) such Member's bona fide intention to transfer such Membership Interest; (ii) the Membership Interest to be transferred; (iii) the purchase price and terms of payment for which the Member proposes to transfer such Membership Interest; (iv) the nature of the proposed transfer (e.g., sale or pledge); and (v) the name and address of the proposed transferee, if any. The Member shall use commercially reasonable efforts to cause the Option Notice to be signed by the proposed transferee, if any, confirming the accuracy of the information contained therein.
2. Within thirty (30) days after receipt of the Option Notice, the Company shall have the right, but not the obligation, to elect to purchase all or any part of the Membership Interest on the terms and conditions specified in the Option Notice, but at the lower of: (a) the price determined pursuant to Section 9.3 of the Company's Operating Agreement, or (b) the price specified in the Option Notice. If the Option Notice provides for the payment of non-cash consideration, the Company may elect to pay the consideration in cash equal to the good faith estimate of the present fair market value of the non-cash consideration offered. If the Company exercises such right within such thirty (30) day period, it shall give written notice of that fact to the transferring and non-transferring Members.
3. If the Company fails to elect to purchase the entire Membership Interest proposed to be transferred within the thirty (30)-day period described in Section 8.9B of the Company's Operating Agreement, the non-transferring Members shall have the right, but not the obligation, to elect to purchase any remaining share of such Membership Interest at the same price and on the same terms and conditions granted to the Company in Section 8.9B of the Company's Operating Agreement. If the Option Notice provides for the payment of non-cash consideration, such purchasing Members each may elect to pay the consideration in cash equal to the good faith estimate of the present fair market value of the non-cash consideration offered. Within sixty (60) days after receipt of the Option Notice, each non-

transferring Member shall notify the transferring Member and non-transferring Members in writing of his or her desire to purchase a portion of the Membership Interest proposed to be so transferred. The failure of any Member to submit a notice within the applicable period shall constitute an election on the part of that Member not to purchase any of the Membership Interest which may be so transferred. Each Member so electing to purchase shall be entitled to purchase a portion of such Membership Interest in the same proportion that the Percentage Interest of such Member bears to the aggregate of the Percentage Interests of all of the Members electing to so purchase the Membership Interest being transferred. In the event any Member elects to purchase none or less than all of his or her pro rata share of such Membership Interest, then the other Members can elect to purchase more than their pro rata share.

If the Company and the other Members elect to purchase or obtain any or all of the Membership Interest designated in the Option Notice, then the closing of such purchase shall occur within ninety (90) days after the Company's receipt of the Option Notice. The Transferring Member, the Company and/or the other Members shall execute such documents and instruments and make such deliveries as may be reasonably required to consummate such purchase. If the Company and the other Members elect not to purchase or obtain, or default in their obligation to purchase or obtain, all of the Membership Interest designated in the Option Notice, then the transferring Member may transfer the portion of the Membership Interest described in the Option Notice not so purchased, to the proposed transferee providing such transfer (i) is completed within thirty (30) days after the expiration of the Company's and the other Members' right to purchase such Membership Interest; (ii) is made on terms no less favorable to the transferring Member than as designated in the Option Notice; and (iii) complies with Sections 8.1, 8.2 and 8.3 of the Company's Operating Agreement; it being acknowledged by the Members that compliance with Sections 8.8 and 8.9A-D of the Company's Operating Agreement does not modify any of the transfer restrictions in Article VIII or otherwise entitle a Member to transfer his or her Membership Interest other than in the manner prescribed by Article VIII. If such Membership Interest is not so transferred, the transferring Member must give notice in accordance with this Section prior to any other or subsequent transfer of such Membership Interest.

B. The Company will provide annual statements and reports to each shareholder. The annual report will provide information on the Managing Member's estimate as to the value of the Property, Company income and the sources of that income, and Company expenses. The Managing Member may also provide notice throughout the year to the subscribers of any available Ownership Units that are available to purchase at the redemption value. Properties will be held at their respective assessed value only with an unrealized profit being a component of the value of the Company.



#### **IV. BUSINESS ACTIONS AND DEVELOPMENT**

A. MENLO GATE, LLC will open an interest bearing demand account to receive and disperse funds. Only the Managing Member, the Managing Member's designee, or the Company's accountant will have access to that account.

B. The Managing Member of the Company will have sole discretion on which Property is purchased. Nominations, suggestions, and proposals are encouraged and will be accepted from Company subscribers. The Company management will use whatever means deemed necessary to do due diligence prior to and after acquisition of any property. Reasonable expenses incurred will be compensated by the Company to the Managing Member.

C. Should succession of the Managing Member become necessary, it can be done by notice of resignation by the Managing Member with a 90 day notice. The Managing Member may only be removed by unanimous consent or decision of the subscribers, not including the Managing Member. Under no circumstances shall the removal of the Managing Member terminate the Managing Member's ownership interest in the Company based on the Managing Member's ownership of the Ownership Unit which shall survive any termination of the Managing Member. Further, although a replacement Property Manager will be retained in the event of the succession of the Managing Member, the Managing Member's right to any difference between the contracted price for the Property Manager and the Property Management Fee payable to the Managing Member shall remain the property of the Managing Member.

#### **Legal Proceedings**

MENLO GATE, LLC is not currently subject to any pending legal proceedings.

#### **MANAGEMENT**

##### **Directors, Executive Officers and Key Employees**

Our directors, executive officers and key employees are listed below. The number of directors is determined by the Managing Member. At present, the Board of Directors and Management of Company is comprised solely of the Managing Member. All directors hold office until the next annual meeting of the Board. Officers are elected by the Board of Directors and their terms of office are, except to the extent governed by employment contract, at the discretion of the Board.

##### **Name Position**

*Directors, Executive Officers &*

*Other Key Employees:*

Jesshill E. Love

John C. Conlon

2995 Woodside Road

Suite 400

Woodside, CA 94062

Telephone: 650.641.2226

e-mail: [info@menlogate.com](mailto:info@menlogate.com)

##### **Compensation of Management and Employees**

Management and employees shall be reasonably compensated for their employment. Management level employee's compensation may include salary and bonus performance incentives. The Managing Member shall be the Manager of Company and shall have management control.

**Compensation of Directors**

Directors may be reimbursed for actual out-of-pocket expenses incurred by them in attending meetings and in the performance of their duties as directors.

**Director Liability and Indemnification**

To the extent that indemnification of directors and officers for liabilities is allowed under state and federal law it may be permitted to our directors, officers and controlling persons as described above.

**DESCRIPTION OF OWNERSHIP UNITS****Units**

Our authorized Ownership Units consist of 7 (seven) Units of equal Company ownership.

**PLAN OF DISTRIBUTION****The Offering**

The Securities offered are 6 (six) Units issued by the Company at Fifty-Seven Thousand Five Hundred (\$57,500) Dollars per Unit, payable in cash at the time of subscription. The minimum purchase is one (1) Unit.

**Offering of the Units**

Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations, will offer the Units to prospective purchasers. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising other than the world wide web. The Company and its Officers and Directors or other authorized personnel will use their best efforts during the Offering period to find eligible Subscribers who desire to subscribe in the Company. These Units are offered on a “best efforts” basis, and there is no assurance that any or all of the Units will be closed. The Company has the authorization to offer fractional Units at its sole discretion. We may accept subscriptions as they are received and subscribers have no assurance that all or any minimum portion of the Units will be sold. We also reserve the right to withdraw, cancel or modify this offering and to reject subscriptions in whole or in part for the purchase of any of the Units. This offering will commence on February 1, 2008, and will terminate no later than July 1, 2008, unless extended by the Company. We reserve the right to terminate the Offering at any time. The Company will not provide any notice that it has extended the offering.

Absent full subscription of the Offering, any and all consideration submitted to Company by subscribers will be returned at the expiration of the Offering Period as described herein.

**Minimum Offering Amount – Holding Account**

The Company has established an Subscription Holding Account into which the minimum offering proceeds will be placed. All seven Units must be sold before such proceeds will be released from the holding account and utilized by the Company.

**RESTRICTIONS OF TRANSFER**

The Units have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), and are being offered in reliance upon an exemption under in California Corporations Code section 25102(f), as amended, and rules and regulations there under. The Units have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Units only if the Units qualify for exemption under applicable state or federal law and pursuant to the opinion of the Company’s counsel to the effect that the Units may be transferred without violation of the registration requirements of

California Corporations Code section 25102(f) and/or the Securities Act or any other securities laws. The transferability of the Ownership Units is also subject to the terms and provisions of the Operating Agreement for the Limited Liability Company. Each subscriber will be required to execute and agree to the terms of the Operating Agreement as a condition precedent to subscription and ownership of an Ownership Unit.

#### **SUBSCRIBER QUALIFICATION**

Prospective subscribers who desire to purchase the Units in this offering must complete a subscription agreement in substantially the form attached as Exhibit B to this memorandum and deliver it to the Company together with a wire transfer of same day funds, or a check made payable to “**MENLO GATE, LLC**,” for the amount subscribed. The Units will be issued in such names as shall be provided for in the accepted Subscription Agreements and shall be delivered by the Company to the subscribers as soon as practicable following the Company’s determination of acceptance, if any. The Units will be delivered to the address specified in the subscription agreements. The Company reserves the right to accept, or reject, any subscription in whole or in part, in its sole discretion. In the event a subscription is rejected, all funds delivered to the Company with such subscription will be returned to the subscriber as soon as practicable following rejection, without interest.

We are offering the Units only to qualified subscribers as defined by California Corporations Code section 25102(f).

**ADDITIONAL MATERIAL AVAILABLE UPON REQUEST**

The Company has agreed to make available to each prospective subscriber, prior to the sale of the ownership Units, the opportunity to ask questions of, and receive answers from, the Managing Member concerning the terms and conditions of the offering and to obtain any additional information, to the extent we possess such information or can acquire it without unreasonable effort or expense, which may be necessary to verify the accuracy of the information set forth herein. You may mail questions, inquiries, and requests for information to:

**MENLO GATE, LLC**

2995 Woodside Road

Suite 400

Woodside, CA 94062

e-mail: [info@menlogate.com](mailto:info@menlogate.com)

You may be required to sign a confidentiality agreement if you wish to receive additional information that we deem to be proprietary. You, and your representatives, if any, will be asked to acknowledge in the Subscription Agreement that you were given the opportunity to obtain additional information and that you did so or elected to waive the opportunity.

## **EXHIBIT A**

### **FINANCIAL STATEMENTS**

#### **MENLO GATE, LLC**

##### **Confidential Financial Statements**

**Units to the Reader of the following financial statements:**

**MENLO GATE, LLC** is a new Company and as such, its current Balance Sheet and Income statements as of June 30, 2007, reflect its start up and organizational expenses only. Balance Sheet and Profit and Loss statements from inception to June 30, 2007 are unaudited and were prepared by management for discussion and analysis purposes. The Company believes that all material items that would affect these statements have been entered therein. However, the Company can give no assurance that, upon audit by an independent Certified Public Accounting firm, other adjustments will not be necessary to properly reflect the Company's financial situation under generally accepted accounting principles. The Company is considered a development stage Company, and as such, special accounting rules are applicable. The attached financial information is **highly confidential** and should be treated as such.

## **EXHIBIT B**

### **SUBSCRIPTION BACKGROUND INFORMATION**

#### **1. HOW TO INVEST**

A Subscriber who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Unit (Fifty-Seven Thousand Five Hundred (\$57,500) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

##### **Exhibit C**

**INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT:** This contains complete instructions to Subscribers and should be read in its entirety by the prospective subscriber prior to investing. The Subscriber must sign the Subscription Agreement.

##### **Exhibit D**

**SUBSCRIBER STATUS**

##### **Exhibit E**

**SUBSCRIBER QUESTIONNAIRE:** This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Subscriber. The Subscriber must sign this questionnaire. Copies of all the above referenced documents are included with this offering. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see “**TERMS OF THE OFFERING.**” Such Subscriber should include his check made payable to **MENLO GATE, LLC**, along with the **SUBSCRIPTION AGREEMENT** and **SUBSCRIBER QUESTIONNAIRE**. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **MENLO GATE, LLC**, 2995 Woodside Road, Suite 400, Woodside, CA 94062, e-mail: [info@menlogate.com](mailto:info@menlogate.com)

#### **2. SUBSCRIBER SUITABILITY REQUIREMENTS**

##### **2a. INTRODUCTION**

Potential Subscribers should have experience in making subscription decisions or such Subscribers should rely on their own tax consultants or other qualified subscription advisors in making this subscription decision.

##### **2b. GENERAL SUITABILITY**

Each potential Subscriber will be required to represent the following by execution of a Subscription Agreement:

1. The Subscriber has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an subscription in this Offering.
2. The Subscriber has the ability to bear the economic risk of this subscription, has adequate means to provide for his, her or its current needs and personal contingencies, has no need for liquidity in this subscription and could afford the complete loss of the subscription.
3. The Subscriber is acquiring the Unit(s) for his, her or its own account for subscription purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Unit(s).

4. The Subscriber's overall commitment to invest in the Unit(s) is not disproportionate to his, her or its net worth and the subscription in these Unit(s) will not cause such overall commitment to become excessive.

5. The Subscriber has read and understands this offering and all its exhibits.

#### **2c. ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY**

The Subscriber Suitability Requirements referred to in this section represent minimum requirements for potential Subscribers. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable subscription for such a potential Subscriber or that the Company will accept the potential Subscribers' Subscription. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Subscribers will be reviewed by the Company to determine the suitability of the potential Subscriber in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Subscriber who does not meet the applicable Subscriber Suitability Requirements or who otherwise appears to be an unsuitable Subscriber in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received.

### **3. ADDITIONAL INFORMATION**

Reference materials described in this Offering are available for inspection at the office of the Company during normal business hours. It is the intention of the Company that all potential Subscribers are given full access to such information for their consideration in determining whether to purchase the Units being offered. Prospective Subscribers should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Subscribers concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Subscribers and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Offering. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Subscribers and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

### **4. FORECASTS OF FUTURE OPERATING RESULTS**

Any forecasts and proforma financial information which may be furnished by the Company to prospective Subscribers or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by the Managing Member regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

### **5. GLOSSARY OF TERMS**

The following terms used in this Offering shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE.** The acceptance by the Company of a prospective subscriber's subscription.

**ACCREDITED SUBSCRIBERS.** Those subscribers who meet the criteria set forth in "SUBSCRIBER SUITABILITY REQUIREMENTS."

**BROKER-DEALER.** A person or firm licensed with the NASD, the SEC and with the

securities or corporate commissions department of the state in which it sells subscription securities and who may employ licensed agents for that purpose.

**COMPANY.** Refers to **MENLO GATE, LLC**, a California Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD).** A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Subscriber's protection in offerings of securities.

**UNITS.** A Fifty-Seven Thousand Five Hundred (\$57,500) Dollar subscription consisting of one (1) Unit issued by **MENLO GATE, LLC**, a California Limited Liability Company.

**SECURITIES ACT OF 1933.** A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934.** A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect subscribers and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when subscribers' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC).** An independent United States government regulatory and enforcement agency which supervises subscription trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect subscribers in securities offerings.

**SUBSCRIPTION DOCUMENTS.** Consists of the Unit, Subscription Agreement, Subscriber Questionnaire and a check as payment for the Unit(s) to be purchased submitted by each prospective Subscriber to the Company.

**TERMINATION DATE.** The earlier to occur of the date on which all Units are sold or July 15, 2008.



## EXHIBIT C

### SUBSCRIPTION AGREEMENT

**Print Name of Subscriber:** \_\_\_\_\_

**Amount Invested: \$** \_\_\_\_\_

**Number of Units:** \_\_\_\_\_

**MENLO GATE, LLC**

#### **SUBSCRIPTION DOCUMENTS**

**OFFERING OF A TOTAL OF SEVEN (7) OWNERSHIP UNITS**

**FIFTY-SEVEN THOUSAND AND FIVE HUNDRED (\$57,500) DOLLARS PER UNIT**

**DATE:** \_\_\_\_\_

---

#### **SUBSCRIPTION INSTRUCTIONS**

**(please read carefully)**

---

Each subscriber for the Units, Fifty-Seven Thousand and Five Hundred (\$57,500) Dollars per Unit (the “Units”) of **MENLO GATE, LLC** a California Limited Liability Company (“the Company”), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to **[INSERT NAME Holdings, LLC, [INSERT ADDRESS]]**.

**Payment for the Securities should be made by check payable to the Company and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Units. This material is arranged in the following order:

- Subscription Agreement
- Promissory Unit
- Confidential Prospective Purchaser’s Questionnaire

II. All subscribers must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Units must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Units purchased (at Fifty-Seven Thousand Five Hundred dollars (\$57,500) per Unit), to “**MENLO GATE, LLC**”. Your check should be enclosed with your signed subscription documents. All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the total offering amount has been reached the funds will be transferred to the Company’s operating account and will be available for use by the Company to purchase the real estate subscription property.

#### **IV SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the subscription, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

**Print Name of Subscriber:** \_\_\_\_\_

**Amount Invested: \$** \_\_\_\_\_

**Number of Units:** \_\_\_\_\_

## Subscription Agreement

To: **MENLO GATE, LLC**

Purchaser: \_\_\_\_\_

**1. Subscription.** The undersigned hereby subscribes for \_\_\_\_\_ Units of **[INSERT] Holdings, LLC** (the “Company”), a California Limited Liability Company, and agrees to invest in Company Fifty-Seven Thousand and Five Hundred (\$57,500) Dollars per Unit for an aggregate subscription amount of \$ \_\_\_\_\_ (the “Subscription Amount”) upon the terms and subject to the conditions (a) set forth herein, (b) described in the Confidential Private Placement Memorandum (“Private Placement Memorandum”) dated [INSERT DATE] together with all exhibits thereto and materials included therewith, (c) the Operating Agreement for the Limited Liability Company and all supplements attached thereto, if any, and (d) and additional materials provided to the Subscriber related to this offering. The minimum subscription is Fifty-Seven Thousand and Five Hundred (\$57,500) Dollars, but the Company has the discretion to offer fractional Units for subscriptions less than the minimum.

**2. Unit Offering.** The Company is offering a total of seven (7) Ownership Units, with six Ownership Units to be sold to Subscribers and one (1) Ownership Unit for the Managing Member at Fifty-Seven Thousand and Five Hundred (\$57,500) Dollars per Unit (the “Offering”). The total aggregate subscription to the Company will be Three Hundred and Forty-Five Thousand (\$345,000) Dollars. The Offering is being made to a limited number of subscribers pursuant to an exemption available under the Securities Act of 1933 (the “Act”), specifically Rule 504 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the “Agreement”), the Unit(s), Offeree Questionnaire, and all other applicable exhibits and documents (the “Subscription Documents”). The Subscription Documents should be delivered to **MENLO GATE, LLC**. The undersigned understands and agrees that he or it will not become a “Owner” of the Unit(s) until the Company executes the Agreement and Unit(s).

**4. Making of Unit Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Unit Amount by check made payable to the order of **MENLO GATE, LLC** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Unit(s) and return them to the undersigned. If this

subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Unit Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon reaching the total offering amount of Three Hundred and Forty-Five Thousand (\$345,000) Dollars.

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Offering.** The Unit(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Unit(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have invested to the Company the Unit Amount, (b) the undersigned shall become the Owner of the Unit(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum, the Subscription Documents, the Operating Agreement for the Limited Liability Company and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:

- (i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of California and has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

- (ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Unit(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Unit(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Unit(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of

Organization or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Offering Memorandum, the Operating Agreement for the Limited Liability Company, and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Units will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that this subscription involves a degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company and that the possibility exists that the subscriber could lose his or her entire investment.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership corporation, limited liability Company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an subscription in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Unit(s) and could afford a complete loss of his or its subscription in the Offering.

(vii) The undersigned represents and warrants to the Company that he/she or it comes within one of the categories of subscribers as defined hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Subscriber, check the appropriate category of Accredited Subscribers in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an subscription in the Offering with tax and legal counsel or with an subscription advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Unit(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its subscription in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an subscription in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an subscription in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, Limited Liability Company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability Company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability Company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability Company or partnership, with respect to all persons having an equity interest in such corporation, limited liability Company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Unit(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Units as principal or as trustee, solely for the account of the undersigned, for subscription purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Unit(s). The undersigned will hold the Unit(s) as an subscription and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Unit(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Unit(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities

and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an subscription in the Company, and (C) the Offering of the Unit(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Unit(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Unit(s) unless such Unit(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Unit(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Unit(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Unit(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part prior to issuance of the Unit(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Subscriber Questionnaire and Subscriber Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Unit(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to **MENLO GATE, LLC** at 2995 Woodside Road, Suite 400, Woodside, CA 94062, e-mail: [info@menlogate.com](mailto:info@menlogate.com). Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of California and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of California without regard to conflict of laws rules applied in State of California. The parties hereby consent to personal jurisdiction and venue exclusively in the State of California with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

IN WITNESS WHEREOF, the undersigned, by his or its execution hereof, agrees to be bound by this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2007, at \_\_\_\_\_ (City),  
\_\_\_\_\_ (State).

**If the Subscriber is an INDIVIDUAL, complete the following:**

The undersigned (*circle one*): [is] [is not] a citizen or resident of the United States.

Print Name of Individual:

Print Name of Spouse if Funds are to be invested in Joint Name or are Community Property:

Print Social Security Number of Individual:

Print Social Security Number of Spouse:

Signature of Individual;

Signature of Spouse if Funds are to be Invested in Joint Name or are Community Property:

Print Address of Residence:

Print Telephone Number:

**If the subscriber is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned (*circle one*) [is] [is not] a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

Print Name of Partnership, Corporation, Trust or Entity:

Title of Authorized Representative:

Signature of Authorized Representative:

Print Jurisdiction of Organization or Incorporation:

Print Name of Authorized Representative:

Print Federal Tax Identification Number:

Print Address of Residence:



Print Telephone Number:

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this \_\_\_\_ day of \_\_\_\_\_, 2007.

**MENLO GATE, LLC**

**By:** \_\_\_\_\_

## EXHIBIT D

### SUBSCRIBER STATUS

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Subscriber, check the appropriate category of Accredited Subscribers in which the undersigned is an entity).*

---

A. **“Nonaccredited Subscriber”**. The undersigned does not meet the definition of an “Accredited Subscriber” as defined herein below;

---

B. **“Accredited Subscriber”**. The undersigned is an Accredited Subscriber as defined below *(check applicable box)*:

1. Any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds One Million (\$1,000,000) Dollars;
2. Any natural person who had an individual income in excess of Two Million Five Hundred Thousand (\$2,500,000) Dollars in each of the two most recent years, or joint income with that person’s spouse in excess of Three Hundred Thousand (\$300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;
3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance Company as defined in Section 2(a)(13) of the Act; any subscription Company registered under the Subscription Company Act of 1940 or a business development Company, as defined in Section 2(a)(48) of that Act; any Small Business Subscription Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Subscription Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million (\$5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the subscription decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance Company or registered subscription adviser) or if the employee benefit plan has total assets in excess of Five Million (\$5,000,000) Dollars if a self-directed plan, with subscription decisions made solely by persons that are accredited subscribers;
4. Any private business development Company (as defined in Section 202(a)(22) of the Subscription Advisers Act of 1940);
5. Any 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 Five Million (\$5,000,000) Dollars;
6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
7. Any trust, with total assets in excess of Five Million (\$5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 505(b)(2)(ii); and

8.\* Any entity in which all of the equity owners are Accredited Subscribers.

**UNIT: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be “looked through” and each equity owner must meet all suitability requirements.**

\* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Subscriber in which each equity owner of such entity is included.

# EXHIBIT E

## MENLO GATE, LLC

### Subscriber Suitability Questionnaire

To: Prospective purchasers of Units (the “Units”) offered by **MENLO GATE, LLC** (the “Company”).

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an “Accredited Subscriber,” as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Units. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Subscriber or to ascertain your general suitability for investing in the Units.

***Please answer all questions completely and execute the signature page***

#### **A. Personal**

1. Name: \_\_\_\_\_

2. Address of Principal Residence: \_\_\_\_\_ County: \_\_\_\_\_

3. Residence Telephone: (\_\_\_\_\_) \_\_\_\_\_

4. Where are you registered to vote? \_\_\_\_\_

5. Your driver’s license is issued by the following state: \_\_\_\_\_

6. Other Residences or Contacts: Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver’s license or have any other contacts, and describe your connection with such state:

\_\_\_\_\_  
\_\_\_\_\_

7. Please send all correspondence to:

(1) \_\_\_\_\_ Residence Address (as set forth in item A-2)

(2) \_\_\_\_\_ Business Address (as set forth in item B-1)

8. Date of Birth: \_\_\_\_\_

9. Citizenship: \_\_\_\_\_

10. Social Security or Tax I.D. #: \_\_\_\_\_

#### **B. Occupations and Income**

1. Occupation: \_\_\_\_\_

(a) Business Address: \_\_\_\_\_

(b) Business Telephone Number: (\_\_\_\_\_) \_\_\_\_\_

2. Gross income during each of the last two years exceeded:

(1) \_\_\_\_\_ \$25,000 (2) \_\_\_\_\_ \$50,000

(3) \_\_\_\_\_ \$100,000 (4) \_\_\_\_\_ \$200,000

3. Joint gross income with spouse during each of the last two years exceeded \$300,000

(1) \_\_\_\_\_ Yes (2) \_\_\_\_\_ No

4. Estimated gross income during current year exceeds:

(1) \_\_\_\_\_ \$25,000 (2) \_\_\_\_\_ \$50,000

(3) \_\_\_\_\_ \$100,000 (4) \_\_\_\_\_ \$200,000

5. Estimated joint gross income with spouse during current year exceeds \$300,000

(1) \_\_\_\_\_ Yes (2) \_\_\_\_\_ No

**C. Net Worth**

1. Current net worth or joint net worth with spouse (Unit that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1)\_\_\_\_\_ \$50,000-\$100,000 (2)\_\_\_\_\_ \$100,000-\$250,000 (3)\_\_\_\_\_ \$250,000-\$500,000  
(4)\_\_\_\_\_ \$500,000-\$750,000 (5)\_\_\_\_\_ \$750,000-\$1,000,000 (6)\_\_\_\_\_ over \$1,000,000

45

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)\_\_\_\_\_ Yes (2)\_\_\_\_\_ No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)\_\_\_\_\_ Yes (2)\_\_\_\_\_ No

**E. Subscription Percentage of Net Worth**

If you expect to invest at least \$50,000 in Units, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse.

(1)\_\_\_\_\_ Yes (2)\_\_\_\_\_ No

**F. Consistent Subscription Strategy**

Is this subscription consistent with your overall subscription strategy?

(1)\_\_\_\_\_ Yes (2)\_\_\_\_\_ No

**G. Prospective Subscriber's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information, which may occur prior to any purchase by the undersigned of securities from the Company.

Prospective Subscriber:

\_\_\_\_\_, Date:\_\_\_\_\_, 2007

Signature

\_\_\_\_\_  
Signature (of joint purchase if purchase is to be made as joint tenants or as tenants in common)

**EXHIBIT F**  
**MENLO GATE, LLC**  
**FINANCIAL PROJECTIONS**