

PRIVATE PLACEMENT MEMORANDUM

AND DISCLOSURE STATEMENT

For Securities Offering Dated: November 15, 2011

for Securities Offering of

\$875,000 in ten (10) Membership Units at \$87,500 for each membership interest

in

HAYDEN HOTEL PROPERTIES, LLC

a Colorado Limited Liability Company

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NOT FOR DISTRIBUTION OR CIRCULATION**

SYNOPSIS
of
Private Placement Memorandum
AND DISCLOSURE STATEMENT

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HAYDEN HOTEL PROPERTIES, LLC

A Development Stage Colorado Liability Company

Type of securities offered: Membership Units (Units) in a limited liability company.

Maximum Number of Securities Offered: 875,000

Minimum Number of Securities Offered: 875,000

Price Per Security: \$87,500

Total Proceeds: If Maximum Sold: \$875,000
If Minimum Sold: \$875,000

Is a commissioned selling agent selling the securities subject to this Offering?	No
Is there a finder's fee or other similar payment to any person?	No
Is there an escrow or impound of proceeds until the minimum is obtained?	Yes
Is this Offering limited to members of a special group?	Yes
Is transfer of securities restricted?	Yes

INVESTMENT IN SMALL BUSINESSES INVOLVES A HIGH DEGREE OF RISK, AND POTENTIAL INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS COMPANY UNLESS THEY CAN AFFORD TO LOSE THEIR INVESTMENT IN ITS ENTIRETY.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS AND CONDITIONS OF THIS OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DISCLOSURE DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Company is a **development stage company** in that it is in its development stages and has never conducted business operations.

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED FOR SALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR UNDER ANY STATE SECURITIES ACT, BUT ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION PROVISIONS OF SUCH ACTS. NO FEDERAL OR STATE AGENCY HAS APPROVED OR RECOMMENDED THE STOCK, PASSED UPON THE FAIRNESS OF THE TERMS OF THE OFFERING OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRAIRE IS A CRIMINAL OFFENSE.

AN INVESTMENT IN THESE SECURITIES IS SUBJECT TO RISK. SEE "SPECIAL CONSIDERATION AFFECTING THE COMPANY."

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TABLE OF CONTENTS

HAYDEN HOTEL PROPERTIES, LLC	-1-
IMPORTANT DISCLOSURES	-1-
1. Securities Not Registered	-1-
2. Restrictions on Transferability	-1-
3. Investor Reliance	-2-
4. Proprietary Information	-2-
5. Acceptance of Investors; transferability	-2-
NOTICE TO INVESTORS	-3-
1. More Information Available	-3-
2. Legal and Tax Questions	-3-
SUMMARY OF THE OFFERING	-3-
1. Membership Units	-3-
2. Proposed Business of the Company	-4-
3. Rights and Obligations of the Members	-5-
4. Management	-5-
5. Use of Proceeds	-6-
6. Application of Proceeds	-6-
7. No Overcall	-6-
8. Tax Ramifications	-6-
RISK FACTORS	-6-
1. New Formation	-6-
2. Inadequate Financing	-7-
3. Absence of Diversification	-7-
4. Risks Arising from Enterprise	-7-
a. General Economic Conditions	-7-
b. Effect of Inflation on Labor and Other Costs	-7-
c. Competition	-8-
d. Construction Risks	-8-
e. Government Regulations	-8-
5. Hotel Location	-8-
6. Lack of Liquidity	-8-
7. Dependence on Manager	-9-
8. Discretion in Application of Proceeds	-9-
9. Employees	-9-
10. No Assurance of Distributions	-9-
11. Offering Price	-9-
12. Uninsured Losses	-9-
13. Dilution	-10-
14. Proforma Operating Statement	-10-

TERMS OF THE OFFERING	-10-
1. Capital Contributions	-10-
2. Method of Purchasing Units.....	-10-
3. Conditions to Closing.....	-11-
4. Closing	-11-
5. Speculative Nature of the Business.....	-11-
6. Construction Process	-11-
7. Indemnification of Manager	-11-
8. Limited Liability of Members	-11-
9. Limited Transferability of Units	-12-
10. Principal Tax Risks	-12-
11. Distribution Arrangements	-12-
12. Loans, Deferments and Advances.....	-12-
13. Financial Statements	-13-
14. Access to Information	-13-
15. Loss on Dissolution and Termination.....	-13-
16. How These Securities Will Be Offered and Sold.....	-13-
17. Impounding of Proceeds of Offering	-13-
 LEGAL PROCEEDINGS	 -14-
 DEMOGRAPHICS	 -15-
1. Hayden, Colorado.....	-15-
2. History	-15-
 APPLICATION OF PROCEEDS	 -16-
1. Use of Proceeds	-16-
 DISTRIBUTIONS	 -16-
 THE OPERATING AGREEMENT	 -16-
 SUBSCRIPTION AGREEMENT	 -16-
 Appendix "A" - Articles of Organization and Operating Agreement of Hayden Hotel Properties, LLC	
 Appendix "B" - Subscription Agreement of Hayden Hotel Properties, LLC	
 Appendix "C" – Project Site Information	
 Appendix "D" – Pro Forma Operating Statement	

PRIVATE PLACEMENT MEMORANDUM

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Dated: November 15, 2011

for Securities Offering of

\$875,000 in ten (10) Units at \$87,500 for each Membership Unit

in

HAYDEN HOTEL PROPERTIES, LLC

A Colorado limited liability company (the Company), formed for the purpose of the creation, ownership and operation of a limited purpose hotel in Hayden, Colorado titled "Hayden Hotel Properties, LLC", scheduled to begin operations on or before November 1, 2012.

IMPORTANT DISCLOSURES

1. **SECURITIES NOT REGISTERED**

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (the ACT), OR THE SECURITIES LAWS OF THE STATE OF COLORADO AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATIONS REQUIREMENTS OF SAID ACT AND SUCH LAWS. THESE SECURITIES ARE OFFERED BY REASON OF SPECIFIC EXEMPTIONS FROM REGISTRATION IN REGULATION D UNDER RULE 504 PROMULGATED UNDER THE ACT RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. ALL INVESTORS HEREIN MUST BE "ACCREDITED INVESTORS" AS DEFINED IN REGULATION D. SALES OF THE UNITS WILL BE RESTRICTED TO THOSE PERSONS WHO MEET THE REQUIREMENTS AND MAKE THE REPRESENTATIONS SET FORTH THEREIN. *SEE "INVESTOR SUITABILITY STANDARDS" BELOW.*

2. **RESTRICTIONS ON TRANSFERABILITY**

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES LAWS IN THE STATE OF COLORADO, PURSUANT TO EXEMPTION THEREFROM. INDIVIDUALS OR ENTITIES INVESTING MONEY FOR MEMBERSHIP UNITS (INVESTORS) SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO HOLD THE FINANCIAL INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

3. INVESTOR RELIANCE

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY A FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THEREFORE, EACH INVESTOR AND HIS OR HER REPRESENTATIVE IS URGED TO READ THIS PRIVATE PLACEMENT MEMORANDUM (MEMORANDUM) CAREFULLY AND MUST RELY ON HIS OR HER EXAMINATION OF THE COMPANY AND THE TERMS OF THE PLACEMENT, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING AN INVESTMENT DECISION WITH RESPECT TO PURCHASE THE UNITS. NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED ON AS, A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY. PROSPECTIVE INVESTORS SHOULD NOT ASSUME THAT THERE HAS BEEN NO CHANGE IN THE COMPANY'S FINANCIAL OR OTHER CONDITION SINCE THE DATE HEREOF.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS IN ANY JURISDICTION OR TO ANY PERSON IF IT IS UNLAWFUL. EXCEPT WHERE OTHERWISE INDICATED, THIS MEMORANDUM CONTAINS INFORMATION AS OF THE DATE HEREOF. NEITHER THE DELIVERY OF THE MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCE, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

4. PROPRIETARY INFORMATION

THE INFORMATION IN THIS MEMORANDUM IS PROPRIETARY TO THE COMPANY AND IS BEING SUBMITTED TO PROSPECTIVE INVESTORS WITH THE EXPRESS UNDERSTANDING THAT, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE COMPANY, SUCH PERSONS WILL NOT RELEASE THIS DOCUMENT OR DISCUSS THE INFORMATION CONTAINED HEREIN OR MAKE REPRODUCTIONS OR USE IT FOR ANY PURPOSE OTHER THAN EVALUATING A POTENTIAL INVESTMENT IN THE COMPANY. NOTWITHSTANDING, PROSPECTIVE INVESTORS MAY CONSULT WITH THEIR PERSONAL ACCOUNTING AND LEGAL PROFESSIONALS ON A CONFIDENTIAL BASIS IN ORDER TO THOROUGHLY EVALUATE THIS OFFERING. A PROSPECTIVE INVESTOR, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN IT TO THE COMPANY IF THE PROSPECTIVE INVESTOR DOES NOT UNDERTAKE TO PURCHASE ANY OF THE UNITS OFFERED HEREBY.

5. ACCEPTANCE OF INVESTORS; TRANSFERABILITY

THE UNITS ARE OFFERED BY THE COMPANY SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION OF THE OFFER WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, FOR ANY REASON NOT PROHIBITED BY LAW. THE COMPANY SHALL BE DEEMED TO HAVE ACCEPTED A SUBSCRIPTION ONLY AT SUCH TIME AS

A COPY OF THE SUBSCRIPTION AGREEMENT HAS BEEN EXECUTED ON BEHALF OF THE COMPANY BY THE MANAGER AND RETURNED TO THE SUBSCRIBER. DEPOSIT OF A SUBSCRIBER'S CHECK IN THE COMPANY'S ACCOUNT WILL NOT CONSTITUTE ACCEPTANCE.

INVESTORS MUST EXPECT TO BEAR THE ECONOMIC RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD. THE UNITS MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY AN INVESTOR WITHOUT REGISTRATION UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS, UNLESS, IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY, SUCH REGISTRATION IS NOT REQUIRED.

NOTICE TO INVESTORS

1. **More Information Available**

The Company agrees to make available to each prospective Investor, prior to his, her or its purchase of one or more Units, the opportunity to ask questions of, and receive answers from, the Manager concerning the terms and conditions of the placement and to obtain, to the extent the Company possesses such information or can acquire it without unreasonable effort or expense, any additional information which is necessary to verify the accuracy of the information set forth herein. Questions, inquiries and requests for information may be directed to the Company Manager by mail addressed to the attention of ROBERT E. ZIBELL, CREEK VIEW CORPORATION, HAYDEN HOTEL PROPERTIES, LLC, BOX 1581, HAYDEN, COLORADO 81639, **OR BY TELEPHONE DURING BUSINESS HOURS TO ROBERT E. ZIBELL AT (785) 845-3709 OR BY E-MAIL AT bob@zibell.com**. Each Investor must rely on the Investor's own evaluation of the Company and the terms of the placement, including the merits and risks involved in making a decision to purchase Membership Units.

2. **Legal and Tax Questions**

EACH INVESTOR SHOULD CONSULT HIS OR HER OWN PROFESSIONAL ADVISORS AS TO LEGAL, TAX, ACCOUNTING AND OTHER MATTERS CONCERNING THE PURCHASE OF UNITS OF MEMBERSHIP IN A LIMITED LIABILITY COMPANY AND ALL OTHER ASPECTS OF HIS OR HER INVESTMENT.

SUMMARY OF THE OFFERING

1. **Membership Units**

The Company is offering to selected individuals and entities (Accredited Investors) the opportunity to purchase ownership rights in a limited liability company (the Offering). These rights will be granted in the form of units of membership in the Company (Membership Units or Units). These Units are similar to, but not the same as, shares of stock in a corporation. See "*Rights and Obligations of the Members*" below. The Company will be managed by a single corporation organized in the State of Colorado (the Manager) as more specifically described in the Company Operating Agreement. See *Appendix "A"*.

The Manager will not be a Member. Other individuals or entities investing money for Units (Investors) will own a percentage of membership interest equal to their investment based upon ten (10) Membership Units having been sold in this offering of the Company. No partial units shall be sold.

The minimum investment required is one (1) Unit. A total of ten (10) Units will be offered at the price of \$87,500 each. The Company seeks to raise a maximum of \$875,000 from the sale of ten (10) Units and a minimum of \$875,000 from the sale of ten (10) Units. The Company will consider the Offering a success if all Units are sold by March 31, 2012. If the ten (10) Units or more are not sold by March 31, 2012, the Manager may continue the Offering until the maximum of ten (10) Units are sold or June 30, 2012, whichever occurs first. See "Conditions to Closing" below.

Prospective Investors will be required to elect whether or not they will provide the Company and its lender a limited amount guaranty related to the loans necessary or convenient to construct, furnish, and equip the hotel which will constitute the project (the Project). The limited guaranty will not exceed Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500). The prospective member's guaranty will be unconditional and will be in a form acceptable to the Company's lender. In the event the Prospect Investor agrees to provide such limited guaranty, then the Membership Unit shall be equal to ten percent (10%) of the Member's Interests in the Company. In the event the Prospective Investor does not agree to provide such limited guaranty, then the membership Unit shall be equal to nine percent (9%) of the Member's Interests in the Company.

It is anticipated that Robert E. Zibell shall be required by the lender on the Project to provide an unlimited and unconditional guaranty related to the total Project loans. As such, any one percent (1%) Member's Interests relinquished or released by a Prospective Investor for failure to provide the limited guaranty shall then be held by Robert E. Zibell, or his assigns.

In addition, Robert E. Zibell, or his assigns, will agree to purchase three (3) membership Units in the Company, if necessary, to fully fund the Investment in the Company. The Units will be purchased at the same price and same terms as this Private Placement Memorandum.

The Manager of the Company reserves the right to reject any subscription, in whole or in part. All cash received by the subscribers prior to the closing will be deposited in an interest-bearing account. This Offering has no underwriters. Placement will be handled by the Manager, with no fee to the Manager or the Company. All proceeds, to the extent deemed reasonable and prudent by the Manager, will be administered for the sole benefit of the Company.

2. Proposed Business of the Company

The Company, Hayden Hotel Properties, LLC, a Colorado Limited Liability company, has been formed to finance, construct, equip and operate a limited amenities hotel in Hayden, Colorado. The Manager will oversee all aspects of financing, construction, and operation of the business.

The Company will construct the hotel on property with frontage along US Highway 40 in Hayden. The site is completed and ready for construction. The hotel will be adjacent or close

to a restaurant, grocery store, the local bank, and the post office. The planned construction is a 46 room, limited service hotel, and the Company intends to secure a national license from Best Western Hotels if possible. The building will consist of three stories and approximately 25,000 square feet, more or less, on approximately 8/10 of an acre. The project budget is \$3,500,000. See the Project Site Information attached hereto as Appendix "C".

The anticipated date of start-up construction is March 31, 2012. The anticipated date of completion of the hotel is October 31, 2012.

The successful attainment of these objectives, in conjunction with the Manager's experience and business acumen, has the potential of providing cash distributions to the members in excess of their capital contributions. There is no assurance that any or all of these objectives will be attained in a timely manner, or at all.

3. **Rights and Obligations of the Members**

Each prospective Member of the Company will be furnished with copies of (a) the Company "Operating Agreement" and (b) the Company "Subscription Agreement." See *these documents at Appendices "A" and "B"*.

Under the Operating Agreement, the Manager has the sole authority to manage, control, vote on and approve any matters relating to the Company. Neither the Manager nor any Member is ultimately liable for the debts and liabilities of the Company in excess of his, her, or its capital contribution and share of undistributed profits. Provided, certain Members may be liable under limited or general guaranties to lenders, dependent upon the nature and extent of each guaranty. The Members do not have the right to manage, control, vote on or approve certain matters relating to the Company. Prospective members agree to abide by all of the terms set forth in the accompanying Operating Agreement.

Only Accredited Investors will be considered for Membership Units. Accredited Investors are individuals whose net worth and/or income are sufficient enough that the added investors' protection offered by strict registration standards is not necessary. Investors must cooperate fully with the Company to assist in the determination of Accredited Investor status.

The Manager reserves the right to reject any Subscription, in whole or in part. Prospective Members agree to abide by the acknowledgments, representation and all other terms set forth in the Subscription Agreement.

4. **Management**

The Manager shall be solely responsible for all operational, administrative, and financial aspects of the business of the Company. In the course of such management, the Manager may assign, finance, license, lease or otherwise dispose or deal with any part of the Company's interest, subject to the terms and conditions of the Operating Agreement. This may include employment of a person(s) either affiliated or unaffiliated with the Manager as deemed necessary for the operation of the Company. In addition, the Manager shall be paid a management fee of five percent (5%) of gross revenues for its services. Accordingly, no prospective Investor should purchase Unit(s) unless he or she will entrust all aspect of management of the Company to the Manager.

5. **Use of Proceeds**

All proceeds will be used solely in connection with Company business and are intended by the Manager to be allocated in the manner set forth in this Memorandum. See "*Discretion in Application of Proceeds*" and the section on "*Allocation of Profits, Losses and Distributions*" below.

6. **Application of Proceeds**

All items of Company profits and taxable losses, deductions and tax credits will be allocated 100% to the Investors in the ratio of their membership Units to the total number of Units issued and outstanding.

To the extent that Company income exceeds Company expenses, monies will be distributed in the following order of priority: (1) to pay unpaid liabilities incurred in the cost of construction of the business; (2) to pay loans and/or advancements and deferrals required to be paid; (3) to each Member based upon his or her share of the net profits as provided in the Company Operating Agreement.

7. **No Overcall**

None of the Units to be sold are subject to calls for additional capital contributions. No Member shall have preemptive rights.

8. **Tax Ramifications**

The Company intends that it will be treated as a partnership under the Internal Revenue Code of 1986, as amended. No tax opinion is expressed herein. There are material tax risks associated with an investment in the Company. These risks include, without limitation, that the Internal Revenue Service may contest characterization, amounts attributable to, the deductibility of expenses and the tax period in which certain items expected to be claimed as deductions by the Company. Because ownership of the Units is not expected to generate tax deductions in excess of Company income, the Company will not be registered as a "tax shelter" with the Internal Revenue Service. Accordingly, each prospective Investor should carefully review this Offering with his or her tax advisor in order to evaluate the tax ramifications of an investment in the Company.

RISK FACTORS

NOTE: LISTED IN THE ORDER OF IMPORTANCE ARE THE FACTORS WHICH THE COMPANY CONSIDERS TO BE THE MOST SUBSTANTIAL RISKS TO AN INVESTOR IN THIS OFFERING IN VIEW OF ALL FACTS AND CIRCUMSTANCES OR WHICH OTHERWISE MAKE THE OFFERING ONE OF HIGH RISK OR SPECULATIVE (I.E., THOSE FACTORS WHICH CONSTITUTE THE GREATEST THREAT THAT THE INVESTMENT WILL BE LOST IN WHOLE OR IN PART, OR NOT PROVIDE AN ADEQUATE RETURN).

1. **New Formation**

The Company is newly formed, and therefore, has no business operating history. There is no assurance that the Company will operate profitably.

2. **Inadequate Financing**

The proceeds from the Offering, as defined herein, may be insufficient to provide the funds necessary to lease and purchase the requisite land and equipment and completely pay for the other costs associated with the commencement of the hotel's operations. The Company has not obtained a commitment for the necessary investments or financing, and there is no assurance that such additional investments, financing or other arrangements will be available on acceptable terms because of lender requirements, credit worthiness of the Company, loan costs, market conditions or other factors outside the control of the Company.

3. **Absence of Diversification**

The Company anticipates developing and operating one hotel in Hayden, Colorado, consisting of forty-six (46) rooms and associated common areas and amenities. The successful operation of the Company will depend solely upon its performance, if developed. This lack of business diversity coupled with the limited financial resources available to the Company means an investment in the Company will be subject to greater risk than an investment in a more diversified enterprise with greater financial resources and operations.

4. **Risks Arising from Enterprise**

An investment in any business entity which operates a hotel may be affected by the following, examples: adverse changes in general or local economic and market conditions; increases in costs of labor, energy or products; market competition from other hotel companies; construction delays; fuel shortages; limited alternative uses of equipment; changing consumer tastes and habits; changing demographics; adverse weather and other factors. The Company's operation will also be subject to various requirements, restrictions and regulations imposed by governmental authorities affecting the hotel industry, the violation or claimed violation of which could have a material adverse impact upon the Company. More specifically, these risks include, but are not limited to, the following:

- a. **General Economic Conditions** The financial success of the Company's operations may be sensitive to adverse changes in general economic conditions, such as inflation, unemployment and interest rates. These changes could cause the cost of the Company's operations to increase in a manner that would create serious economic hardship on the Company's financial ability to perform. The Company will have no control over any of these changes.
- b. **Effect of Inflation on Labor and Other Costs** Labor and material costs will be significant factors in the Company's operations and may be directly affected by inflation and other factors. Many employees will be paid hourly rates related to the statutory minimum wage; therefore, increases in the minimum wage could increase the Company's operating costs. In addition, the Company will incur expenses for maintenance, insurance, repairs and utilities, all of which are subject to change. The Company may not be able to offset the effects of such changes through price increases or increased electrical output at the grid locations.

- c. **Competition** The Company may experience competition from other hotel proprietors. Competitors of the Company may have more locations, greater financial resources, larger staffs and longer operating histories than the Company. The anticipated entry of the Company into this market against established competition involves significant speculative risk.
- d. **Construction Risks** The Company's management estimates that construction of the initial proposed hotel will commence immediately and be substantially completed by October 31, 2012. However, there can be no assurance that this estimated construction schedule can be met or the hotel built and equipped at estimated levels.
- e. **Government Regulations** The Company and its proposed activities will be subject to zoning, subdivision, licensing, and other state and local government regulations. Zoning variances or use permits are often required for the construction of a hotel. Overly restrictive or burdensome regulations could impair the ability of the Company to complete the hotel at that location in Hayden, Colorado or could result in costly delays. The Company will also be subject to the Fair Labor Standards Act, which governs such matters as minimum wages, overtime, and other working conditions. Licenses and Permits must be obtained and retained by the Company. The failure of the Company to obtain and retain applicable licenses and permits could have an adverse, material impact on its operations.
- f. **National Franchise License** The Company intends to secure a franchise license from Best Western or another national hotel organization which will facilitate hotel reservations and other bookings, and will assist in the advertising of the hotel to prospective customers. The Company can make no guarantee that such a contractual relationship will be effected, the result of which may be a diminished pool of customers from which the Company may secure its business. The failure to obtain and retain such a license could have an adverse, material impact upon the Company's operations.

5. **Hotel Location**

While the Company intends to enter into an option agreement to purchase the proposed hotel site in Hayden, Colorado, there can be no assurance that the site will be developed as contemplated. If the site is not developed as contemplated or if a suitable replacement site is not found in a timely manner, the Company might suffer delays which could negatively impact profitability.

6. **Lack of Liquidity**

Pursuant to the terms and conditions of the Operating Agreement, potential Investors are required to secure the consent of the Company related to a transfer. Moreover, there will be no "active" public market for the disposition of such Units. Accordingly, no person should purchase any of the Units with funds which he or she may need to immediately convert into cash.

7. **Dependence on Manager**

The success of the Company's business will be highly dependent upon the services of the Manager of the Company. The loss of the services of the Manager could adversely affect the Company. Accordingly, no person should purchase any of the Units if he or she is concerned that the Manager will not be available for any reason to manage the business. Further, no person should purchase any of the Units unless he or she is willing to entrust those aspects of the management of the Company to the Manager. The Company's future growth will also depend upon its ability to attract and retain additional skilled management personnel.

8. **Discretion in Application of Proceeds**

There is a budget for application of Offering proceeds. The Manager has broad discretion under the Company's Operating Agreement to utilize the Offering proceeds for working capital, to pay other obligations of the Company and to reserve proceeds for operating deficits; therefore, potential Investors should understand that the use of the Offering proceeds will not be subject to budget allocations or limitations.

9. **Employees**

There is no assurance that the Company will be able to obtain and retain an adequate number of competent personnel, including persons seeking entry-level positions or that a shortage of operating personnel will not present a serious problem to the Company in the future.

10. **No Assurance of Distributions**

While the Company contemplates making annual distributions once the hotel is operational, there can be no assurance that the proposed operations of the Company will result in sufficient revenues, profits or cash flow so as to permit such distributions.

11. **Offering Price**

The offering price of the Units has been arbitrarily determined by the Company through the consideration of such factors deemed relevant by it. Each prospective Investor should make an independent valuation of the fairness of the price under the circumstances.

12. **Uninsured Losses**

Consistent with general business practices and the available Company funds, the Company will carry casualty, public liability and workers' compensation insurance as may be required by law and as it deems appropriate, but such insurance may be insufficient to cover all liabilities. The Company reserves the right, in its sole discretion, to increase or decrease any policy limits and types of insurance from time-to-time as it deems appropriate under the circumstances. Further, certain types of losses, generally of a catastrophic nature, may be either uninsurable or not economically insurable. Such risks generally include war, earthquakes and floods in addition to punitive damage awards resulting from lawsuits. Should such a catastrophic disaster occur and not be covered by insurance, the Company's financial condition could be materially affected.

13. **Dilution**

Certain Investors who are not limited guarantors of the Company's loans will experience immediate dilution. The purchase price of the Units offered hereby will exceed the net tangible book value of the Units immediately following the closing of the Offering. Further, if the maximum amount of membership is capitalized, each Investor will acquire only up to 10% ownership of the Company.

14. **Proforma Operating Statement**

Attached as Appendix "D" is the proforma operating statement of the Project prepared by the Manager which suggests the income and expenses of the Company for the first five (5) full years of operation. The operating statement is the representation of management and has not been reviewed or audited by any third party accounting or financial analyst. The operating statement makes assumptions as to revenues and expenses which may not be realized upon by the Company. The Prospective Investor is encouraged to carefully review such assumptions and the operating statement to determine in the Investor's sole discretion whether or not the assumptions constitute reasonable expectations for the results of operations for the years projected. If the Prospective Investor is not satisfied, then an investment should not be made.

NOTE: IN ADDITION TO THE ABOVE RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY MANAGEMENT. IN REVIEWING THIS MEMORANDUM, INVESTORS SHOULD KEEP IN MIND OTHER POSSIBLE RISKS THAT COULD BE IMPORTANT.

TERMS OF THE OFFERING

1. **Capital Contributions**

All individuals or entities that invest in the Company will become Members of the Company.

Membership interests totaling \$875,000 are being offered in Units of \$87,500 each. The minimum investment per Investor will be \$87,500 for one Unit. Full capitalization will be realized with the aggregated sale of ten (10) Units which would represent 100% ownership of the Company. The Manager, and its officers and directors, reserve the rights to purchase Membership Units at the same price and terms contained in this memorandum. See "*Conditions to Closing*" below.

2. **Method of Purchasing Units**

All monies invested in the Company will be accepted and deposited by the Manager in an interest-bearing escrow account. Each capital contribution must be accompanied by a completed and signed Subscription Agreement (including a signed signature page for the Operating Agreement) by the participating Member. All payments shall be made by certified check or bank check payable to the Company in the amount of the required capital contribution for the total number of units to be purchased. The Manager reserves the right to reject any Subscription Agreement in its entirety or in part for any reason.

3. **Conditions to Closing**

The Offering will close (the Closing) upon the satisfaction of the following conditions precedent on or before March 31, 2012: A minimum of ten (10) Unit (\$875,000) must have been subscribed and paid for by Investors and accepted by the Manager. At that point, the Manager, at its sole discretion, may close the Offering.

4. **Closing**

In the event that all conditions to the closing have occurred, the funds of all the Investors shall be released to the Company on the Closing date.

5. **Speculative Nature of the Business**

The hotel business is highly competitive, capital intensive, speculative and potentially involves risks beyond the control of its Manager. Accordingly, there can be no assurance that the Company will enable the Members to recoup all or any portion of their capital contributions or to yield a profit to them.

6. **Construction Process**

The Company will be subject to the risks inherent in the ongoing construction and equipping of the hotel. These may include delays in adhering to the construction timetable and budgetary cost overruns during that time. Accordingly, additional capital may have to be raised through further investment proposals, loans, advances, or deferments of certain costs. These actions may further delay return of capital contributions and potential future profits to the Members.

7. **Indemnification of Manager**

The Company's Operating Agreement provides that the Company will hold the Manager harmless against certain claims or lawsuits arising out of his activities and the operations of the Company. If the Company is required to perform under its indemnification agreement, any of its assets expended for such purposes will reduce the amounts otherwise available for its operations.

8. **Limited Liability of Members**

The Operating Agreement provides that Members are granted rights, on withdrawal of the Manager, to elect any successor manager(s) and to continue the Company, to terminate the Company, to amend the Operating Agreement and to consent to the sale, assignment, transfer, exchange, license or other disposition of all or part of the assets of the Company. While the existence of these powers will not adversely affect the limited liability of the Members in the state of Colorado, the law is subject to modification at any time by legislative or judicial action, as the effect of the existence of these powers has not been clearly established in other jurisdictions.

The Manager will take such reasonable actions as it deems appropriate to preserve the limited liability of the Members where the Company operates.

9. **Limited Transferability of Units**

Each Investor must represent to the Company in his, her, or its Subscription Agreement that the Unit(s) that he, she, or it proposes to purchase will be solely for his or her own account, are for investment purposes only and are not purchased with a view for resale in connection with any distribution thereof. The Units will not be registered under the Act in reliance upon the exemptions provided in the Act and Regulation D, Rule 504 promulgated thereunder.

The Investors will have no right to require registration of the Units, nor is it likely or contemplated that such registration will take place. The transfer of units by an Investor to a new Investor may be made only with the consent of the Manager and only to persons who meet suitability standards. The Manager has no obligation or commitment to repurchase units from other Members at any time.

10. **Principal Tax Risks**

The federal, state and other income tax consequences of an investment in the Company are uncertain and complex and will not be the same for all Members. A discussion of the federal income tax consequences of an investment in the Company is beyond the scope of this Memorandum and no tax opinion is expressed herein. The Company and its members may be subject to various state and local taxes imposed by the jurisdiction where he or she resides or has contacts.

The tax benefits to be derived from the purchase, ownership or sale of Units may not compensate any member for the total loss of his, her or its Investment. No prospective Investor should purchase units unless he or she has a reasonable expectation of an economic profit apart from the tax benefits from the purchase, ownership or sale of Units. Therefore, each prospective Investor is urged to consult with his or her own tax advisor with respect to such ramifications.

11. **Distribution Arrangements**

If the Manager is unsuccessful in its efforts to effectively operate the business or if the Company expenses exceed its revenues, the Members may never receive any distributions from the Company. Furthermore, the use of cash of the Company to pay the costs of any borrowing of the Company will defer Company distributions to the Members, and the Company and its Members may have to report income and incur federal and state income taxes in amounts in excess of the amount of cash, and other property, if any, distributed to them.

If the Manager is successful in its efforts to successfully operate the business, the Members may receive distributions.

12. **Loans, Deferments and Advances**

If the Manager believes that the funds raised through the Offering are insufficient for the purposes of the Capitalization of the business, it may advance, defer costs or borrow on behalf of the Company whatever funds he deems to be necessary.

Such loans, deferments or advances are to be repaid prior to the repayment of the

capital contributions of any Investor. Such loans, deferments or advances, if made, might result in the delay in the repayment of a Member's contribution, since such loans, deferments and advances may exceed the Company's revenues.

13. **Financial Statements**

There are no prior financial statements for the Company since it has just been formed.

The Manager will furnish unaudited financial statements of operations to the Members no less frequently than once each year. The Members will be relying on the Manager concerning the accuracy thereof.

Based on these financial statements, the Manager intends to make an annual determination of the cash position of the Company. Subject to outstanding loans, deferments and advances, the Manager will distribute available cash to the Members, in accordance with the procedures set forth in this Memorandum.

14. **Access to Information**

Prospective Members and their representatives are invited to make inquiries or review, with reasonable prior notice, all matters, information and operations related, within reason, to the Company business. In addition, the Manager will afford prospective Members and their representatives any additional information necessary to verify the accuracy of the representations set forth in this Memorandum.

15. **Loss on Dissolution and Termination**

In the event of a dissolution of the Company, the proceeds realized from the liquidation of its assets, if any, will be distributed to the Members only after satisfaction of all claims of its creditors. Accordingly, the ability of a Member to recover all or any of his or her investment in the Company in that circumstance will depend on the amount of funds so realized, and only after all claims and liabilities are satisfied therefrom.

16. **How These Securities Will Be Offered and Sold**

These securities shall be offered and sold only through the Manager. The Manager shall receive no additional compensation or commission for the sale of the Units other than its management fees. No other person shall act as a sales person or a finder related to the offer or sale of these securities, and no other commission shall be paid.

17. **Impounding of Proceeds of Offering**

The Company will escrow the proceeds of the Offering in an interest-bearing account until it raises the Offering proceeds (\$875,000). If the minimum of the Offering proceeds is **not** raised and escrowed by March 31, 2012, then the escrow will be closed and the funds, including accrued interest thereon, will be returned to the Investors. The Company does not reserve the right to extend the impound period. The proceeds will be escrowed with the following financial institution:

(Insert name of financial institution and any escrow terms)

LEGAL PROCEEDINGS

The Company is newly formed. As such, no petition for bankruptcy, receivership or a similar insolvency proceeding has been filed by or against the Company. Likewise, no petition for bankruptcy, receivership or similar insolvency proceeding has been filed by or against the Manager. No principal or key person has been an officer, director or key person in management for a business or entity that was the subject of a petition for bankruptcy, receivership or similar insolvency proceeding.

No principal of the Company has been convicted in a criminal proceeding, except for traffic violations and minor offenses, and no principal is the subject of a pending criminal proceeding. No criminal action has been threatened.

No principal of the Company has been the subject of a court order, judgment or decree related to his involvement in any type of business, securities or banking activity, and no principal is currently the subject of a pending civil proceeding. No civil action has been threatened against any such principal.

No principal of the Company has been the subject of an administrative finding, order, decree or sanction by any governmental agency, administrative agency or administrative court and no principal is the subject of a pending administrative proceeding. No administrative action has been threatened.

No principal of the Company has been the subject of a sanction from a self-regulatory agency, and no principal is the subject of a pending self-regulatory proceeding. No sanction

has been threatened.

There is no pending or threatened administrative, self-regulatory, civil or criminal proceeding against the Company, and none are threatened. There are no judgments of any kind against the Company.

DEMOGRAPHICS

1. Hayden, Colorado

Hayden, Colorado, is a municipality established by Colorado Statute located in the northwest corner of the State. The town is situated along US Highway 40 in the Yampa River Valley between the towns of Craig and Steamboat Springs, Colorado, and is in Routt County. Historically, Hayden was a center of coal mining activities and agricultural pursuits along the Yampa River. Today, it is a bedroom community to Steamboat Springs, Colorado (approximately 18 miles to the east), a well recognized ski, hunting, fishing, resort, and recreational center in Colorado. Hayden is adjacent to the Yampa Valley Regional Airport which serves Steamboat Springs and the Yampa Valley, generally.

As of the census of 2000, there were 1,634 people, 618 households, and 443 families residing in the town. The population density was 664.1 people per square mile. There were 658 housing units at an average density of 267.4 per square mile. The racial makeup of the town was 96.02% White, 0.12% African American, 0.61% Native American, 0.12% Asian, 0.06% Pacific Islander, 1.96% from other races, and 1.10% from two or more races. Hispanic or Latino of any race were 5.69% of the population.

There were 618 households out of which 42.1% had children under the age of 18 living with them, 57.1% were married couples living together, 9.4% had a female householder with no husband present, and 28.2% were non-families. 21.7% of all households were made up of individuals and 5.5% had someone living alone who was 65 years of age or older. The average household size was 2.63 and the average family size was 3.08.

In the town the population was spread out with 30.3% under the age of 18, 9.5% from 18 to 24, 33.1% from 25 to 44, 20.9% from 45 to 64, and 6.1% who were 65 years of age or older. The median age was 32 years. For every 100 females there were 104.5 males. For every 100 females age 18 and over, there were 100.2 males.

The median income for a household in the town was \$42,147, and the median income for a family was \$45,962. Males had a median income of \$38,150 versus \$23,359 for females. The per capita income for the town was \$18,574. About 5.4% of families and 7.0% of the population were below the poverty line, including 8.2% of those under age 18 and 7.4% of those age 65 or over.

2. History

The area was first settled in 1875, with the town established in 1894 and incorporated in 1906. Hayden was named for F.V. Hayden, head of survey party for the U.S. Geological & Geographic Survey in the late 1860s.

Investors are directed to the Uses of Proceeds section of this memorandum, below, for further financial details.

APPLICATION OF PROCEEDS

1. Use of Proceeds

All proceeds will go for the business purposes of the Company.

All proceeds will be used solely in connection with Company business, and are intended by the Manager to be allocated in the manner as set forth in the proforma operating statement (Appendix "D").

DISTRIBUTIONS

All Company profits and taxable losses, deductions and tax credits (*if any*) will be allocated 100% to the Investors in the ratio of their respective Units.

THE OPERATING AGREEMENT

As part of process of subscription, prospective Investors shall be required to sign and date a signature page to the Operating Agreement. Potential Investors should read and understand the Operating Agreement prior to execution and delivery of the signature page to the Manager. See "*Operating Agreement*" at Appendix "A".

SUBSCRIPTION AGREEMENT

An additional copy of the Subscription Agreement is included with this Memorandum. That document should be used by potential Investors to apply to purchase one or more Units. Potential Investors should read and understand the Subscription Agreement before execution and delivery. Potential Investors must follow the instructions related to the execution and delivery of Offer as the Manager will reject any Offer that is inconsistent or incomplete. See "*Subscription Agreement*" at Appendix "B".