



REDWOOD PARKS LODGE CO., INC.

PRIVATE PLACEMENT MEMORANDUM

\$5,000,000

3,333,333 shares of Common Stock at \$1.50 per share

No Minimum Offering Amount

10,000 shares (\$15,000.00) Minimum Subscription

The date of this Memorandum is [_____], 2007

This private placement memorandum is being furnished in connection with the sale by Redwood Parks Lodge Co., Inc., a California Corporation, of up to 3,333,333 shares of Common Stock at \$1.50 per share. Management of the Company has arbitrarily determined the offering price per share. See Risk Factors.

THESE ARE SPECULATIVE SECURITIES WHICH INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE INVESTORS WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST IN THESE SHARES.

THE SHARES OFFERED BY THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH LAWS. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM, AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

REDWOOD PARKS LODGE CO., INC.

120465 Highway 101, PO Box 66, Orick, CA 95555-0066,

Tel: (707) 488-2222

IMPORTANT NOTICE TO ALL INVESTORS

THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 (THE “ACT”). IN PARTICULAR, WHEN USED IN THE DOCUMENT, THE WORDS “PLANS,” “CONFIDENT THAT,” “BELIEVES,” “EXPECTS,” “INTENDS TO,” “WILL,” AND SIMILAR CONDITIONAL EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE ACT AND ARE SUBJECT TO THE SAFE HARBOR CREATED BY THE ACT. SUCH STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES, AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS. SUCH RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, MARKET CONDITIONS, COMPETITIVE FACTORS, THE ABILITY TO SUCCESSFULLY COMPLETE ADDITIONAL FINANCING, AND OTHER RISKS.

THIS OFFERING IS NOT UNDERWRITTEN. THE MANAGEMENT OF THE COMPANY HAS ARBITRARILY SET THE OFFERING PRICE. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR WILL BE SUBJECT TO CERTAIN RESTRICTIONS. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE RESOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY’S SHARES OF COMMON STOCK AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE SHARES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE SHARES IS BEING UNDERTAKEN PURSUANT TO CALIFORNIA CORPORATIONS CODE SECTION 25102(N). THE MANAGEMENT OF THE COMPANY HAS ARBITRARILY ESTABLISHED THE OFFERING PRICE OF THE SECURITIES AND IT DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

No person is authorized to give any information or make any representation not contained in the Memorandum and you must not rely on any information or representation not contained herein.

The Management of the Company has provided all of the information provided herein. We make no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and we expect that each prospective investor will pursue his, her, or its own independent investigation. You must recognize that estimates of our performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

This offering is made subject to withdrawal, cancellation, or modification by us without notice and solely at our discretion. We reserve the right to reject any subscription or to allot to any prospective investor less than the number of shares subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by us or on our behalf. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by us and those persons retained to advise us

with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without our prior written consent is strictly prohibited. By accepting delivery of this Memorandum, you agree to return it and all other documents received by you to us if your subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, you recognize and accept the need to conduct your own thorough investigation and due diligence before considering a purchase of the Shares. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and you should consult with your own counsel and advisors as to all matters concerning an investment in this Offering.

The securities offered hereby are being offered and sold pursuant to the exemption from permit requirements of the California Securities Law afforded in Section 25102(n) of such Law. The securities are offered solely to persons who meet or exceed the minimum standards set forth in Section 25102(n) for persons eligible to participate in such an offering. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so.

TABLE OF CONTENTS

PART A

Glossary of Terms	1
Summary of the Offering	4
Requirements for Investors	8
Forward Looking Information	9
Risk Factors	10
Use of Proceeds.....	15
Description of the Business	16
Management of the Company	20
Executive Compensation	23
Principal Shareholders	24
Certain Transactions	24
Legal Proceedings.....	28
Description of Capital Stock.....	28
Legal Matters	32
Plan of Placement	32
Transfer Agent and Registrar.....	32
Additional Information	32

PART B

Financial Documents

EXHIBITS

EXHIBIT A:	Properties Owned By Redwood Parks Lodge Co., Inc.
EXHIBIT B:	Broker Opinion of Value
EXHIBIT C:	Company Publicity
EXHIBIT D:	Company's First Amended and Restated Articles of Incorporation

PART C

Subscription Agreement and Investor Suitability Questionnaire

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used throughout the Summary of the Offering, this Offering Memorandum, and the exhibits attached to the Memorandum.

“Articles of Incorporation” means the Articles of Incorporation of Redwood Parks Lodge Co., Inc., as amended.

“B&I Guaranteed Loan Program” means the Business and Industry Guaranteed Loan Program under the United States Department of Agriculture Rural Development Program.

“Board of Directors” means the directors of the Company.

“Broker Opinion of Value” means the letter, dated on or about July 15, 2004, reflecting the value of the real properties owned by Redwood Parks Lodge Co., Inc., in the opinion of Marcus and Millichap, LLC.

“Cabin” or “Cabins” means the six luxury rental cabins located on the Redwood Adventures Vacation Village site.

“Common Stock” means the Common Stock (no par value) of Redwood Parks Lodge Co., Inc.

“Company” means Redwood Parks Lodge Co., Inc.

“Financial Documents” means the Financial Documents prepared by Management of the Company regarding the Company’s business operations.

“Founders” means the remaining original founders of the Company, John Russavage and Mary Beswick, who are equity owners of the Company.

“Hotel” means the full-service Holiday Inn Resort hotel to be constructed by the Company on the Redwood Beach Trails site.

“Investor” or “Investors” means the potential purchasers, including individuals or entities, of shares of Common Stock of Redwood Parks Lodge Co., Inc., offered hereunder, also referred to as “Purchaser” or “Purchasers.”

“M&M” means Marcus and Millichap, LLC, a leading national real estate broker firm engaged in the sale of hotel and lodge real estate assets, which issued the Broker Opinion of Value.

“Management” means the officers and directors of the Company.

“Memorandum” means this document describing the terms and conditions of the offering of shares of Common Stock, also referred to as the “Private Placement Memorandum.”

“Offering” means the offer and sale of up to 3,333,333 shares of Common Stock of Redwood Parks Lodge Co., Inc.

“Offering Price” means the price per share of the Common Stock as arbitrarily set by Management of the Company.

“Private Placement Memorandum” means this document describing the terms and conditions of the offering of shares of Common Stock, also referred to as the “Memorandum.”

“Property” or “Properties” means the three parcels currently owned by the Company - the Redwood Parks Lodge Complex site, the Redwood Adventures Vacation Village site and the Redwood Beach Trails site.

“Purchaser” or “Purchasers” means the potential purchasers, including individuals or entities, of shares of Common Stock offered hereunder, also referred to as “Investor” or “Investors.”

“Qualified Purchaser” means an investor meeting certain requirements set forth in Section 25102(n).

“Redwood Adventures Vacation Village” means one of the three Properties of the Company as more fully and specifically described under DESCRIPTION OF BUSINESS: THE PROPERTY.

“Redwood Beach Trails” means one of the three Properties of the Company as more fully and specifically described under DESCRIPTION OF BUSINESS: THE PROPERTY.

“Redwood Parks” means the Redwood National and State Parks in Northern California.

“Redwood Parks Lodge Complex” means one of the three Properties of the Company as more fully and specifically described under DESCRIPTION OF BUSINESS: THE PROPERTY.

“Redwoods League” means Save the Redwoods League, a California organization founded in 1918 for the purpose of saving coast redwood and giant sequoia.

“Related Party” means, with respect to any person or company, promoters, officers, directors or other insiders of that person and associates or affiliates of these persons or companies.

“Section 25102(n)” means Section 25102(n) of the California Corporations Code.

“Securities” means the 3,333,333 shares of Common Stock offered hereby, also referred to as the “Shares.”

“Securities Act” means the Securities Act of 1933, as amended.

“Series A Preferred Stock” means the non-voting Series A Preferred Stock currently authorized by the Company.

“Shareholders” means the current and prospective shareholders of the Company.

“Shares” means the 3,333,333 shares of Common Stock offered hereby, also referred to as the “Securities.”

“Subscription Agreement and Investor Suitability Questionnaire” means the subscription agreement for shares of the Common Stock of the Company attached hereto as Part C.

“USDA” means the United States Department of Agriculture.

SUMMARY OF THE OFFERING

This summary of the Offering has been prepared to assist Investors in their review of this Memorandum. This summary highlights what Management of the Company believes are the most significant aspects of the Company's business and this Offering. However, this summary does not include all of the information that may be important to Investors. Investors should carefully read the entire Memorandum, including the specific risks described in the section entitled "Risk Factors" and the other documents referred to in this Memorandum.

Overview

Responding to a belief that tourist facilities such as lodges, RV parking sites and campgrounds in or near state and national parks are part of a time-tested American tradition, the founders of Redwood Parks Lodge Co., Inc. decided to be the first to provide such services on a grand scale to visitors to the Redwood National and State Parks in Northern California. A national survey conducted in April 28, 2005 by the Travel Industry Association of America provides that the "redwood forest" ranks as number 8 among the top "American treasures [Americans] would like to visit." While such survey results refer to the "redwood forest" in general, and not specifically the Redwood Parks located adjacent to our Properties, we believe that this national appreciation for these majestic trees provides ample opportunity to supply camping and lodging facilities to those interested in visiting the Redwood Parks.

Since the Redwood Parks include the newest major national park, the infrastructure to serve tourists has not yet had time to develop. We are in the unique position of providing the only commercial lodging on property surrounded entirely by the Redwood Parks.

Since the inception of our business, we purchased and now own three Properties totaling approximately 68 acres adjacent to, and surrounded by, the Redwood Parks. Our ultimate objective is, and has always been, to build "The Next Great National Park Lodge" on our Redwood Parks Lodge Complex site. We have laid the foundation for achieving this objective by completely refurbishing six historic redwood logger Cabins into stunning vacation rental homes on our Redwood Adventures Vacation Village site. Each Cabin has three bedrooms, a fully equipped kitchen, two bathrooms, living room and an attached garage. Our next major goals will be to construct a Holiday Inn family hotel on our Redwood Beach Trails site, and to provide temporary campground and recreational vehicle facilities, as well as retail, tourism and entertainment facilities, on our Redwood Parks Lodge Complex site.

We have recently purchased a franchise from the Intercontinental Hotel Group to open a full-service Holiday Inn Resort hotel on the Redwood Beach Trails site. The principal purpose of this Offering is to fund the development of the Hotel.

Our other short term goals are (i) to complete development of the Redwood Adventures Special Event Campground, a temporary campground and RV park facility with minimal permanent infrastructure to be used initially only for special events, (ii) to launch the Redwood Adventures Center business, which involves converting a warehouse on the site of a historic sawmill into a retail, tourism and entertainment center offering guided tours throughout the Redwood Parks, outdoor equipment sales and rental and other

entertainment facilities, and (iii) to complete the design, development, landscaping and architectural plans for the Redwood Parks Lodge Complex featuring the Redwood Parks Lodge. Management believes that the proceeds from this Offering will accelerate our ability to achieve these short term objectives.

One of our long term goals is to have a public offering consistent with the objective of having the general public be able to own some of the facilities supporting their National Parks.

The Company

Redwood Parks Lodge Co., Inc. was formed in January 2002. The impetus for the Company was to build “The Next Great National Park Lodge” for the Redwood Parks. This led to our acquisition of 68 acres of land adjacent to the Redwood Parks and early stage planning for cabins, a campground and RV park facilities, a family hotel, the Redwood Adventures Center, and eventually, the Redwood Parks Lodge. The Company’s principal offices are presently located at 120465 Highway 101, Orick CA 95555. The Company’s telephone number is (707) 488-2222. The Chief Executive Officer of the Company is John Russavage.

Current Operations

We currently own three sites which total approximately 68 acres of land adjacent to, and surrounded by, the Redwood Parks. We have already started to add value to the sites by completely refurbishing six historic logger houses which are now year-round vacation rental Cabins, purchasing a Holiday Inn franchise and implementing the early plans for the Redwood Adventures Center. See “DESCRIPTION OF BUSINESS.”

Our current operations are concentrated on promoting the rental of our Cabins. Revenue operations of the Cabins commenced June 2006. We are in the planning stage of a full-service Holiday Inn Resort hotel, which Management expects to open in 2010. We are also developing a temporary campground and RV park facility, which Management expects to open to the general public in [2008]. We have developed and are operating Redwoodadventures.com, a website that assists travelers to the Redwood Parks with coordinating and booking lodging, equipment rentals, tours and other services related to the Redwood Parks. Finally, we are developing the Redwood Adventures Center as a combination guided tour base and outdoor equipment sales and rental center, along with other retail and entertainment facilities.

Financial Documents

The Financial Documents in Part B of this Memorandum were prepared by the Management of the Company using the assumptions set forth therein and herein. Each prospective Investor should carefully review the Financial Documents together with this Memorandum before purchasing Shares. Management cannot guarantee the accuracy or achievability of the underlying assumptions contained herein or in the Financial Documents. See PART B: FINANCIAL DOCUMENTS.

Risk Factors

The Securities offered hereby are subject to numerous and significant risks. Prospective Investors should carefully review all of the information contained in this Memorandum and in particular the information set forth in “RISK FACTORS.”

Registrar

We will serve as our own registrar and transfer agent with respect to our Common Stock.

Terms of the Offering

Securities Offered	3,333,333 shares of Common Stock of the Company, offered solely on a best efforts basis.
Price	\$1.50 per share; the Offering Price has been arbitrarily set by the Management of the Company.
Minimum Subscription	10,000 shares (\$15,000). We reserve the right to waive the 10,000 Share minimum subscription for any Investor.
Estimated Proceeds	\$5,000,000, if the maximum Offering is sold. There is no assurance that the maximum amount of Shares will be sold. All subscription funds received may be used immediately upon acceptance by us.
Use of Proceeds.....	(i) To fund the development of the Redwood Adventures Center; (ii) to fund the pre-development work and provide equity for the Hotel; (iii) to fund the pre-development work and plans for the Redwood Parks Lodge Complex, featuring the Redwood Parks Lodge; (iv) to complete the planning and development of the temporary campground and RV park facilities; and (v) to provide for our general working capital. See “USE OF PROCEEDS.”
Investor Qualifications.....	The Shares will be offered to investors qualifying under the definition of “Qualified Purchaser”. See “REQUIREMENTS FOR INVESTORS.”
Subscription Period.....	The Offering will terminate on the earliest of: (a) the date we, in our discretion, elect to terminate the Offering, or (b) the date upon which all Shares have been sold, or (c) [____], 2007, or such date as may be extended from time to time by us, but not later than 180 days thereafter.

Common Stock Outstanding:

Prior to the Offering.....11,894,106 shares.¹

After the Offering15,227,439 shares.²

¹ On a fully diluted basis, assuming that all issued and outstanding shares of Series A Preferred Stock are converted to Common Stock.

Voting RightsThe holders of Common Stock have one vote per share on all matters. Unless and until converted into shares of Common Stock, the holders of Series A Preferred Stock have no voting rights except for those rights required by California law.

² On a fully diluted basis, assuming that the maximum number of Shares offered hereby is sold and all shares of Series A Preferred Stock then outstanding are converted to Common Stock.

REQUIREMENTS FOR INVESTORS

The securities offered by us have not been registered under the Securities Act or the securities laws of any state and are being offered and will be sold without registration under such laws by reason of a specific exemption from registration provided by Section 25102(n). The exemption requires, in part, that the Offering is made available only to suitable “Qualified Purchasers,” as that term is defined in Section 25102(n). Only Investors having adequate means to assume the financial risks of the investment and of otherwise providing for their current needs and contingencies should consider purchasing Shares.

General Suitability Standards

The Shares will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to us in a Subscription Agreement and Investor Suitability Questionnaire that: (a) the prospective purchaser has adequate means of providing for his, her or its current needs and personal contingencies and has no need for liquidity in the investment of the Shares; (b) the prospective purchaser’s overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Shares will not cause such overall commitment to become excessive; and (c) the prospective purchaser is a “Qualified Purchaser” (as defined below) and a suitable purchaser of the Shares. See PART C: SUBSCRIPTION AGREEMENT AND INVESTOR SUITABILITY QUESTIONNAIRE.

Qualified Purchaser

A prospective Investor will qualify as a “Qualified Purchaser” if, at the time of purchase, she or he is any natural person who, either individually or jointly with the person’s spouse, (i) has a minimum net worth of \$250,000 and had, during the immediately preceding tax year, gross income in excess of \$100,000 and has a reasonable expectation of reaching the same income level in the current year or (ii) has a minimum net worth of \$500,000. “Net worth” shall be determined exclusive of home, home furnishings, and automobiles. A business entity investor will be deemed a “Qualified Purchaser” if it is a corporation, partnership, or one of certain other business entities with total assets in excess of \$5,000,000. The amount of the investment of each natural person shall not exceed 10 percent of the net worth of that natural person.

Restrictions on Transfer

Because the securities offered by us are exempt from registration under the Securities Act and applicable state securities laws by virtue of the aforementioned exemption, each Investor must represent to us that he, she or it is acquiring the shares for his, her, or its own account for investment purposes only and not with a view to distribution. Consequently, the securities offered hereby will be “restricted securities” as that term is defined in Rule 144 under the Securities Act. As such, the securities offered hereunder

may not be transferred, sold or assigned for at least one year, and, following that time, the securities may only be sold if certain requirements of Rule 144 under the Securities Act are met, or, if a legal opinion, satisfactory to us, provides that the securities may be sold. Each certificate representing shares of our Common Stock sold hereby will bear a legend stating the following:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED ("THE ACT") OR QUALIFIED UNDER THE CALIFORNIA CORPORATE SECURITIES LAW OF 1968, AS AMENDED ("THE LAW") OR ANY OTHER STATE SECURITIES LAW. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NEITHER SAID SECURITIES NOR ANY INTEREST THEREIN MAY BE TRANSFERRED, SOLD OR OFFERED FOR SALE UNLESS (1) THERE IS AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE ACT AND QUALIFICATION UNDER THE LAW AND ANY OTHER APPLICABLE STATE SECURITIES LAW, (2) SUCH TRANSFER IS MADE IN COMPLIANCE WITH RULE 144 UNDER THE ACT AND PURSUANT TO QUALIFICATION UNDER THE LAW AND ANY OTHER APPLICABLE STATE SECURITIES LAW OR EXEMPTION THEREFROM, OR (3) THERE IS AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED AS TO SAID TRANSFER, SALE OR OFFER.

FORWARD LOOKING INFORMATION

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations or state other forward looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond our control, that could cause the actual results to differ materially from those contemplated by the statements. The forward looking information is based on various factors and numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward looking information contained in this Memorandum will in fact transpire or prove to be accurate.

Important factors that may cause the actual results to differ from those expressed within include, for example, our ability to successfully develop the Properties, our ability to attract, build, and maintain a customer base, our ability to attract and retain quality employees, our ability to obtain adequate debt financing, the effect of changing economic conditions, and other risks which are described under "RISK FACTORS" and which may be described in future communications to shareholders. We make no representation and undertake no obligation to update the forward looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

RISK FACTORS

Investing in our Shares is very risky. Each Investor should be able to bear a complete loss of the investment in the securities offered hereby and should carefully consider the following factors, among others.

RISKS RELATED TO OUR BUSINESS

Development Stage of Business

We are a development stage company. A development stage company is one in which substantial efforts are devoted to establishing a new business, but the planned principal business has not commenced, or, has commenced but has not generated significant revenues. As a result, we have a limited history upon which an evaluation of our prospects and future performance can be made. Our proposed operations are subject to all business risks associated with new enterprises. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry, and the development of a customer base. We have not generated significant revenue to date and are unlikely to become profitable for some time. It is expected that we will sustain losses in the future. As a new Company with plans for major development activity, Management will face the challenge of raising capital as well as building a management team able to execute our plans. There can be no assurance that these challenges will be met and overcome.

Dependence on Future Financings

The maximum gross proceeds of this Offering is \$5,000,000. Management believes that such proceeds will accelerate our short and long term development plans. See “USE OF PROCEEDS.” If only a fraction of this Offering is sold, or if certain assumptions contained in Management’s business plans prove to be incorrect, our development may be halted or significantly delayed. In any case, we will need debt financing or additional capital investment to fully implement our business plans, including, but not limited to, construction of the Hotel. There can be no assurance that such funds will be available to us, or if available, will be provided on terms acceptable to us.

Dependence on Management

Our business is significantly dependent on the efforts and skills of our current officers and directors. The success of the business is particularly dependent upon John Russavage, our Chief Executive Officer, principal executive officer, founder and developer of the Company’s operations and business plans. We have obtained key man life insurance on Mr. Russavage. Nevertheless, the loss of Mr. Russavage could have a material adverse effect on the Company. See “MANAGEMENT.”

Opposition From Community or Interest Groups

We plan to expand our business through the development and improvement of our Properties. Such development will entail the risk that one or more community or special interests groups may oppose, and may seek to hinder or completely prevent, such development. Without limitation, such community or special interests groups may include environmental groups opposed to development in the area or local business and/or labor groups opposed to our demand on local labor supplies.

Risks Associated with Expansion

We plan to expand our business through the development and improvement of our Properties and associated marketing campaigns. Any expansion of operations we may undertake will entail risks. Such actions may involve specific operational activities which may negatively impact our profitability. Consequently, shareholders must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to us at that time, (ii) governmental authorities may require permits and approvals that may not be forthcoming or may take a long time to obtain, and (iii) implementation of such expanded operations may divert Management's attention and resources away from its existing operations, all of which may have a material adverse effect on our present and prospective business activities.

Customer Base and Market Acceptance

While we believe we can further develop our existing Properties and develop a customer base through our marketing efforts, our inability to do so could have a material adverse effect on us. Although we believe that our sites offer advantages over competitive companies and services, no assurance can be given that our Properties and services will attain a degree of market acceptance on a sustained basis or that they will generate revenues sufficient for sustained profitable operations. As of the date of this Memorandum, we have commenced only limited revenue operations and, consequently, there is little historical basis upon which to predict whether our proposed offerings will appeal to a sufficiently broad customer group to allow us to achieve profitable operations.

Dependence on Raw Materials

To maintain competitive operations, we will depend on our suppliers' timely delivery of quality inputs in sufficient quantities and at acceptable prices. The location of the Properties in a rural area may lead to late delivery and supply shortages, which could result in delayed development of our Properties, damaged customer relationships and decreased revenues.

Dependence on Adequate Labor Force and Skilled Personnel

Our future success depends, to a significant extent, on our ability to attract, train and retain skilled and qualified management, sales, and marketing personnel, as well as an

adequate labor supply in the building, construction and hospitality industries. Recruiting and retaining capable personnel, particularly those with expertise in our industry, are vital to our success. There is substantial competition for qualified personnel, and there can be no assurance that we will be able to attract or retain such personnel, especially as our Properties are located in a rural area far from a large population center. If we are unable to attract and retain qualified employees, we may face construction delays and our development plans and business may be materially and adversely affected.

Competition

Competition from hospitality service providers in and around the Redwood Parks is minimal, consisting of a small number of motels and bed and breakfast sites, none of which have significant market penetration or brand recognition. Other competitors include the Red Lion Hotel, which is over fifty miles away in Eureka, accommodations in Crescent City, which is forty-five miles to the north and about an hour's drive away, and other roadside chain motels, but these are not as conveniently located to the Redwood Parks as we are. However, there is the possibility that new competitors could seize upon our ideas and develop competing properties at prices more favorable to prospective customers. Likewise, these new competitors could be better capitalized than us which could give them a significant competitive advantage. There is the possibility that the competitors could capture a significant share of our intended market with a significantly adverse effect on our financial performance.

A more significant source of competition for us comes from other national parks closer to major cities drawing visitors away from the Redwood Parks, such as Muir Woods National Monument which features coastal redwood forests twelve miles north of San Francisco. The Redwood Parks are located far from big population centers and other attractions. Access to the Redwood Parks takes approximately six hours of driving from the closest international airport in San Francisco or, alternatively, multiple flights into smaller airports. Once people are in the Redwood Parks, there are not many things to do other than outdoor activities in the redwood forest and on the beach trails. This may prevent some people from wanting to make the journey to the Redwood Parks, reducing the number of potential customers in need of our facilities. Although we plan to expand entertainment facilities in the Hotel and Redwood Adventures Center to provide activities that will appeal to a wider range of ages and types of people, there can be no assurance that such activities will provide sufficient attraction for a broad enough base of travelers to support profitable operations.

Possible Fluctuations in Operating Results

Our operating results may fluctuate significantly from period to period as a result of a variety of factors, including seasonal travel patterns, competitive pricing, debt service, and general economic conditions. Consequently, our revenues may vary by quarter and our operating results may experience fluctuations.

Seasonality in Rentals

We expect to experience seasonal fluctuations in the rentals offered to visitors. We anticipate rentals to be higher in the summer season due to warmer weather and increased travel to the Redwood Parks. We also expect that rentals may decline during the winter months because of typically colder weather and less travel to the Redwood Parks. These seasonal variations in our rentals may lead to fluctuations in our quarterly operating results.

Risks of Borrowing

We currently have indebtedness from a variety of sources, and will require secured financing for the construction of the Hotel. The size of our indebtedness may restrict our growth. We have to use a portion of our cash flow to pay principal and interest on such indebtedness, which may prevent us from pursuing certain new business opportunities. Some loan agreements may contain restrictive covenants which may impair our operating flexibility. Failure to meet certain financial covenants could cause us to violate the terms of loan agreements obtained in the future, if any, and thereby result in acceleration of our indebtedness, impair our liquidity and limit our ability to raise additional capital. Our failure to make required debt payments could result in an acceleration of our indebtedness, and, if unpaid, a judgment in favor of such lender would be senior to the rights of holders of Common Stock. A judgment creditor would have the right to foreclose on any of our assets resulting in a material adverse effect on our business, operating results or financial condition.

Unanticipated Obstacles to Execution of Our Business Plans

Our business plans may change significantly. Our potential business endeavors are capital intensive and are subject to statutory and regulatory requirements. Management believes that our chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of our principals and advisors. However, Management reserves the right to make significant modifications to our stated strategies depending on future events. Such changes may have a significantly adverse effect on our ability to attain or sustain profitable operations.

Permits and Licenses

Our business, like any real estate development near an environmentally sensitive area, is significantly dependent on our ability to obtain certain permits, variances and licenses from various government agencies. These may include, but are not limited to, a conditional use permit from Humboldt County, a state permit required for the Company's operations, permits issued by the California Department of Transportation, a coastal development and building permit for the Hotel, a business license for the Redwood Adventures Center, an annual federal permit to conduct guided tours in the Redwood Parks, and a special park use permit for filming activity in the Redwood Parks. Certain of our projects will be required to comply with the California Environmental Quality Act (CEQA) which may require completion of an environmental impact study. There is no assurance that Management will be successful in obtaining any such permits, variances and licenses that we need to conduct our business.

Changing Requirements Imposed by Governmental Regulations

We are subject to governmental regulation at the federal, state and local level in many areas of our proposed business, such as food safety and sanitation, the sale of alcoholic beverages, environmental issues, recreational services and possibly childcare services. While we endeavor to attain and maintain compliance with all applicable laws and regulations, governmental units may make changes in the regulatory frameworks within which we operate that may require us to incur substantial increases in costs in order to comply with such laws and regulations. While we attempt to comply with all applicable laws and regulations, we cannot assure you that we will be in full compliance with all applicable laws and regulations or interpretations thereof at all times or that we will be able to comply with any future laws, regulations or interpretations thereof. If we fail to comply with applicable laws and regulations, we may be subject to criminal sanctions or civil remedies, including fines or injunctions. The cost of compliance or the consequences of non-compliance could have a material adverse effect on our business and results of operations.

Environmental Regulations

Environmental laws, ordinances and regulations of various federal, state and local governments regulate our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under, or in property we currently own or operate or that we previously owned or operated. Although Management does not believe that there are presently any hazardous or toxic substances on, under, or in our Properties, these laws could impose liability without regard to whether we knew of, or were responsible for, the presence of such substances. The presence of such substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop or use the real property or to borrow funds using the real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Other laws, ordinances and regulations could require us to manage, abate or remove materials containing lead or asbestos. Certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could also limit our ability to develop and use our real property.

As described under “DESCRIPTION OF BUSINESS”, we intend to build the Hotel and any other major projects as certified LEED buildings, a nationally accepted benchmark for the design, construction, and operation of high performance green buildings. Compliance with the requirements of LEED may incur additional costs which will have a negative impact on our profitability.

Reliance on Technology

The hospitality industry continues to demand the use of sophisticated technology and systems including technology utilized for property management, procurement, reservation systems, distribution and guest amenities. These technologies can be expected to require refinements and there is a risk that advanced new technologies will be introduced. Further, the development and maintenance of these technologies may require significant capital. There can be no assurance that as various systems and technologies become outdated, or new technology is required, we will be able to replace or introduce them as quickly as our competition or within budgeted costs and timeframes for such technology. Further, there can be no assurance that we will achieve the benefits that may have been anticipated from any new technology or system.

Operating Risks and Costs of Capital Improvements

Our Properties are subject to operating risks common to the lodging industry in general. If a property's rental rates drop to the point where its revenues are insufficient to cover its operating expenses, then we could be required to spend additional funds for that property's operating expenses. In the future, our Properties will be subject to increases in real estate and other tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses, which could reduce our cash flow, revenues, and funds available for other purposes.

Once all of our Properties are fully developed, they will have an ongoing need for renovations and other capital improvements, including replacements, from time to time, of furniture, fixtures and equipment. Some of these capital improvements are mandated by health, safety or other regulations. These capital improvements may give rise to (i) a possible shortage of available cash to fund capital improvements, (ii) the possibility that financing for these capital improvements may not be available to us on affordable terms and (iii) uncertainties as to market demand or a loss of market demand after capital improvements have begun. The costs of these capital improvements could adversely affect our financial condition and funds available for other purposes.

Delayed or Abandoned Development Activities

Capital projects and other development and redevelopment activities, including the development of the Hotel, may be delayed, abandoned or otherwise may not achieve expected results. We are in the process of developing and redeveloping our Properties and expect to continue similar activities in the future. In this regard, we currently, and may continue to, bear certain risks, including those relating to:

- construction delays or cost overruns that may increase project costs and, as a result, make the project uneconomical;
- insufficient occupancy rates at a completed project, impeding our ability to pay operating expenses or achieve targeted rates of return on investment; and
- the incurrence of predevelopment costs in connection with projects that are delayed or not pursued to completion.

Capital projects and other development and redevelopment activities generally are also subject to governmental permits and approvals, which may be delayed, may not be obtained or may be conditioned on terms unfavorable to us. In the case of an unsuccessful project, we may be required to write off capitalized predevelopment costs associated with the project and such write-offs may be significant and may adversely affect our results of operations.

Risks of Serving Food and Alcoholic Beverages

Claims of illness or injury relating to food quality or food handling are common in the food service industry, and a number of these claims may exist at any given time. As a result, we could in the future be adversely affected by negative publicity resulting from food quality or handling claims at our facilities. In addition to decreasing our sales and profitability at our facilities, adverse publicity could negatively impact our service reputation, hindering our ability to renew contracts on favorable terms or to obtain new business.

In the future, we may serve alcoholic beverages at our facilities. If we do, we must comply with applicable licensing laws, as well as state and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as an individual who is intoxicated or a minor. If we violate dram shop laws, we may be liable to third parties for the acts of the patron. Although we will make every attempt to adhere to such laws, we cannot guarantee that intoxicated or minor patrons will not be served or that liability for their acts will not be imposed on us. There can be no assurance that additional regulation in this area would not limit our activities in the future or significantly increase the cost of regulatory compliance. We must also obtain and comply with the terms of licenses in order to sell alcoholic beverages.

RISKS RELATED TO OUR INDUSTRY

General Economic Conditions

The performance of the lodging industry has traditionally been closely linked with the general economy. Changes in general economic conditions in the United States, such as recession, inflation, unemployment, and fluctuating interest rates, may adversely affect our financial success. Such changing conditions could reduce demand in the marketplace for our products and services and result in declines in average daily room rates or occupancy. The business of providing outdoor recreational goods and services is also sensitive to an economic downturn, as expenditures to participate in such outdoor recreation is funded to a partial or total extent by discretionary income. A decrease in such discretionary income on the part of potential attendees at our facilities could result in a reduction in our sales. However, Management believes that the Properties we are developing will serve a niche market and the variety of accommodations we will offer will insulate us from excessive demand shortages.

Our business will be almost entirely dependent upon customers arriving by automobile or RV's, with some business expected to come by autobus. Severe shortages of petroleum products, or rapidly rising prices of such products, could seriously and adversely affect our business. We have no control over these conditions and may suffer serious losses in the event of substantial changes in the current economic conditions.

In addition, California has historically been subject to a more pronounced economic downturn than other regions of the country. Our business, financial condition and results of operations may be susceptible to a downturn or changes in the California economy where we operate.

Risks Related to the Lodging and Real Estate Industries

A number of factors, many of which are common to the lodging industry and beyond our control, could adversely affect our business and results of operation, including those described elsewhere in this section as well as the following:

- increased competition from new or existing lodging properties or other tourist facilities in our market, which adversely affects occupancy and revenues at our Properties;
- dependence on business, commercial and leisure travelers and tourism; and
- dependence on group and meeting/conference business.

Natural Disasters

Natural disasters could have an adverse impact on our business and operating results. In most cases, we have insurance that covers portions of any losses from a natural disaster, but such insurance is generally subject to deductibles and maximum payouts. Although our insurance may cover us for damage caused by natural disasters, the timing of our receipt of insurance proceeds, if any, is out of our control. Moreover, our potential inability to obtain insurance coverage in the future may adversely affect our financial position. California is at greater risk of certain acts of nature, such as floods and earthquakes, than other states.

Similarly, war, terrorist activity, epidemics, travel-related accidents, as well as geopolitical uncertainty and international conflict, which impact domestic and international travel, may cause our results to differ materially from anticipated results.

RISKS RELATED TO THIS OFFERING

Management Discretion as to Use of Proceeds

The net proceeds from this Offering will be used for the purposes described under "USE OF PROCEEDS." However, we reserve the right to use the funds obtained from this

Offering for other similar purposes not presently contemplated which we may in the future deem to be in the best interests of the Company and its shareholders in order to address changed circumstances or opportunities. As a result of the foregoing, our success will be substantially dependent upon the discretion and judgment of Management with respect to the application and allocation of the net proceeds of this Offering. Investors in the Common Stock offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion the investors must depend.

Control By Management

Currently, our Founders, officers and directors own almost all of the Company's outstanding shares. Upon completion of this Offering, even if all Shares are sold and issued, our Founders, officers and directors will still own the vast majority of the then issued and outstanding shares, and will be able to elect all of the directors and continue to control the Company. Investors will own a minority percentage of our entire voting stock and will have minority voting rights. Investors will not have the ability to control either a vote of our Shareholders or Board of Directors. See "PRINCIPAL SHAREHOLDERS."

Dividend Policy

For the foreseeable future, we intend to retain any earnings to fund operations and expand our business. See "DESCRIPTION OF CAPITAL STOCK."

Dilution

Purchasers of Shares will experience immediate and substantial dilution of \$[1.09] in net tangible book value per share, or approximately [73]% of the assumed Offering Price of \$1.50 per share (assuming maximum offering proceeds are achieved). Additional Shares issued by us in the future will also dilute a purchaser's investment in the Shares. See "DESCRIPTION OF CAPITAL STOCK." Net tangible book value per share is computed on the basis of generally accepted accounting principles. We believe the value of our land, dedicated to hospitality uses, greatly exceeds the book value of such land in our financial statements. See EXHIBIT A: PROPERTIES OWNED BY REDWOOD PARKS LODGE CO., INC.

Limited Transferability and Liquidity; No Trading Market for Shares

To conform with applicable state securities laws, each Investor must acquire his Shares for investment purposes only and not with a view towards distribution. Certain conditions of the Securities Act may need to be satisfied prior to any sale, transfer, or other disposition of the Shares. Some of these conditions may include a minimum holding period, availability of certain reports, including our financial statements, limitations on the percentage of Shares sold and the manner in which they are sold. We can prohibit any sale, transfer or disposition unless it receives an opinion of counsel provided at the holder's expense, in a form satisfactory to us, stating that the proposed sale, transfer or other disposition will not result in a violation of applicable federal or state securities laws and regulations. No public market exists for the Shares and no market is expected to develop in the foreseeable future. Consequently, owners of the

Shares may have to hold their investment indefinitely and may not be able to liquidate their investments in the Company or make effective use of such Shares as a pledge for a loan in the event of an emergency.

Arbitrary Determination of Offering Price

The price of the Shares offered has been arbitrarily established by Management considering such matters as the state of our business development, the value of our Properties and the general condition of the hospitality industry. The Offering Price bears little relationship to the book value of the assets, net worth, or any other objective criteria of value applicable to us. It is influenced in large part by our assumptions regarding the resale value of our real estate. See EXHIBIT A: PROPERTIES OWNED BY REDWOOD PARKS LODGE CO., INC.

Lack of Underwriter

The Shares are offered on a “best efforts” basis by Management without compensation. Accordingly, there is no assurance that we will sell the maximum Shares offered or any lesser amount.

Unaudited Financial Statements

Our internally prepared, unaudited, current financial statements enclosed in this Memorandum were prepared by us to aid prospective Investors in understanding our economic assumptions and possible results we believe to be reasonable. Once audited, our financial statements may be materially different from the internally prepared materials distributed to prospective Investors in this Offering.

Forward Looking Information

This Memorandum includes forward-looking statements concerning our operations, economic performance and financial condition. Such forward-looking statements are subject to various risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including the “Risk Factors” specifically identified herein. In addition to the above risks, businesses are often subject to risks not foreseen or fully appreciated by management. In reviewing this Memorandum, potential Investors should understand that other possible risks could be important to our future operations and ability to achieve profitability.

USE OF PROCEEDS

We seek to raise a maximum of \$5,000,000 in gross proceeds from the sale of the Shares in this Offering. The net proceeds of the Offering will be used: (i) to fund the development of the Redwood Adventures Center; (ii) to fund the pre-development work and equity investment for the Hotel; (iii) to fund the pre-development work and plans for

the Redwood Parks Lodge Complex, featuring the Redwood Parks Lodge; (iv) to complete the planning and development of the temporary campground and RV park facilities; and (v) to provide for our general working capital. Details of the anticipated use of the proceeds are set forth in the table below subject to reallocation by Management in the best interests of the Company.

12-MONTH USE OF PROCEEDS		
<u>Sources</u>	Maximum Offering Amount	Percent of Proceeds
Proceeds from Offering	\$5,000,000	100%
Offering Expenses (1)	(\$50,000)	(1%)
Net Offering Proceeds	\$4,950,000	99%
<u>Uses</u> (2)		
Redwood Adventures Center	\$150,000	3%
Hotel Pre-Development Work	\$250,000	5%
Equity Investment in Hotel	\$2,000,000	40%
Redwood Parks Lodge Complex Design Fees Pre-Development (3)	\$500,000	10%
Temporary Campground and RV Park Facility	\$1,500,000	30%
Working Capital	\$550,000	11%
Total Application of Proceeds	\$ 5,000,000	100%

- (1) Includes estimated memorandum preparation, filing, printing, legal, securities filings, accounting and other fees and expenses related to the Offering.
- (2) Proceeds will generally be applied in the order of priority listed below. If less than \$5 million is raised, the uses described at the end of this list may not be funded.
- (3) Property design fees for the Redwood Parks Lodge Complex, featuring the Redwood Parks Lodge.

DESCRIPTION OF BUSINESS

The Company

The Company was formed in January 2002. The impetus for the Company was to build “The Next Great National Park Lodge” on land adjacent to the Redwood Parks. This led to our acquisition of 68 acres adjacent to and surrounded by the Redwood Parks and early stage planning for cabins, a campground and RV park facilities, a family hotel, the Redwood Adventures Center, and eventually, the Redwood Parks Lodge. While information centers, hiking, horse and biking trails, a few primitive campgrounds and a

hostel have been developed by the government to serve the Redwood Parks, no other National Park Lodge-themed tourist facilities are currently available.

See EXHIBIT C: COMPANY PUBLICITY for information on what people are saying about us and our facilities.

Redwood National and State Parks

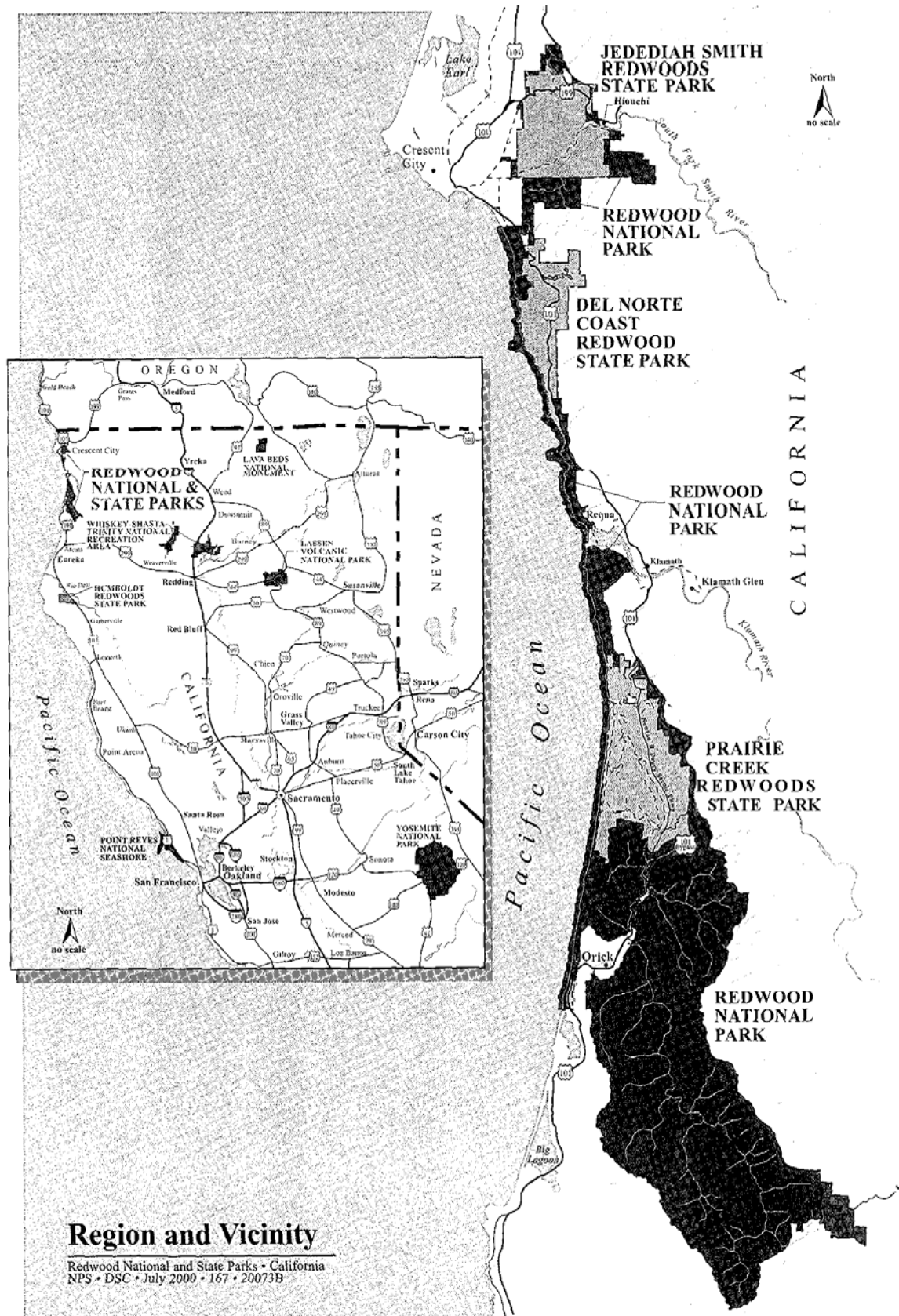
Redwood National and State Parks, founded in 1968, consist of 131,983 acres situated in Del Norte and Humboldt Counties on Northern California's scenic coast [and are the only national and state parks with sequoia redwood forests located by the sea and having a year-round temperate climate][John: what about Muir Woods National Monument?]. The Redwood Parks consist of Redwood National Park and three long-established California State Parks: Jedediah Smith Redwoods State Park, Prairie Creek Redwoods State Park, and Del Norte Coast Redwoods State Park. Through an agreement signed in 1994 and renewed in 1999, the National Park Service and the California Department of Parks and Recreation manage all four parks as a single unit. The cooperative management of these federal and state lands ensures the highest level of resource protection and visitor enjoyment. The Redwood Parks' Statement of Purpose is as follows: "The Redwood Parks were established to preserve significant examples of the primeval coastal redwood forests and the prairies, streams, seashore, and woodlands with which they are associated for purposes of public inspiration, enjoyment, and scientific study, and to preserve all related scenic, historical, and recreational values."

In recognition of the rare ecosystem and cultural history found in the Redwood Parks, they were designated as a UNESCO World Heritage site in 1980, forming part of the cultural and natural heritage which the World Heritage Committee considers as having outstanding universal value. The Redwood National Park was also designated as a US World Heritage site in the same year and as an International Biosphere Reserve in 1983.

The Redwood Parks preserve the largest remaining contiguous section of ancient coast redwood forest and protect 37 miles of scenic Pacific Ocean coastline. This ecosystem contains some of the world's tallest and oldest trees, and is renowned for its biotic diversity. The recent discovery of the three tallest trees in the world, all measuring over 370 feet, within the Redwood Parks has drawn much attention to the area. The mosaic of habitats within the Redwood Parks includes old-growth forests, prairies, oak woodlands, and riverine, coastal, littoral, and near-shore marine environments. These habitats are an increasingly important refuge for rare and endangered species.

Since the 1970s, the annual number of recreational visitors to the Redwood National Park has generally fluctuated between 350,000 and 650,000 each year, with approximately the same numbers for the Redwood State Parks, many of which duplicate visitors to the Redwood National Park.

For more information on the Redwood Parks, see <http://www.nps.gov/redw>.



The Property

Our property consists of three separate parcels totaling approximately 68 acres adjacent to the Redwood Parks. Our total acquisition price for the Properties was \$2,555,000 consisting of stock, notes and cash. Based upon the highest and best use of the Properties, we listed the Properties with Marcus and Millichap, LLC, a leading nationally-recognized real estate brokerage firm engaged in the sale of hotel and lodging real estate assets. In 2004, M&M listed the Properties for an aggregate price of \$11.5 Million. A copy of M&M's Opinion of Value issued on or about July 15, 2004 is attached hereto as Exhibit B. Prospective investors will have access to information concerning offers and indications of interest received during the period the Properties were listed by M&M. See EXHIBIT A: PROPERTIES OWNED BY REDWOOD PARKS LODGE CO., INC.

We believe our Properties are ideally suited for the construction of a central National Park Lodge building, family hotel, various restaurant, retail and meeting buildings, cabins, campgrounds, and recreational vehicle facilities to ultimately serve as many visitors, from all social and economic walks of life, as possible. Our Properties have the advantage of being situated adjacent to but outside the Redwood Parks on private property, allowing our guests to have complete access to the Redwood Parks, but giving us much more freedom to develop the Properties to be attractive to a range of ages and interests. Nevertheless, we value our good relationships with the state and federal managers of the Redwood Parks and will attempt to conform our development plans to uses consistent with their goals for the parks.

Our three Properties currently under development are known as Redwood Parks Lodge Complex, Redwood Adventures Vacation Village and Redwood Beach Trails.

Redwood Parks Lodge Complex

Redwood Parks Lodge Complex consists of approximately 33 acres adjacent to U.S. Highway 101 on the banks of Prairie Creek. It is bordered to the south by our Redwood Adventures Vacation Village and to the north by the site of a proposed California Department of Forestry Fire Station.

Our short term objectives for this site are to develop the Redwood Adventures Center, construct temporary campground and RV park facilities for special events, and complete the pre-development design, landscaping and architectural plans for the eventual resort complex, with the Redwood Parks Lodge as its centerpiece. Proceeds of this Offering will be used to fund these short term objectives. See "USE OF PROCEEDS".

The Redwood Parks Lodge Complex includes the historic Arcata Redwood Sawmill site. On the foundations of the historic sawmill now sits a warehouse of approximately 20,000 square feet which we are refurbishing into the Redwood Adventures Center, a combination guided tour base and outdoor equipment sales and rental center. This site is strategically located at the center of the Redwood Parks trail system from where visitors will be able to hike to almost anywhere in the Redwood Parks.

We have recently been granted a Commercial Use Authorization valid through May 17, 2008 by the US Department of Interior and California Department of Parks and Recreation. We are one of only a few organizations who have been granted this annual permit to conduct hiking and biking tours in the Redwood Parks. We intend to hire trained guides to lead visitors to some of the most interesting and beautiful sights in the Redwood Parks, including “the world’s three tallest trees”, and relate trivia and other interesting facts to visitors. All guides will be hired for their enthusiasm and expertise in the particular field, such as wildlife and plant identification. Initially, the tours will need to be pre-booked [on our website], at our office in Orick or at the Redwood Adventures Center. Eventually we plan to develop arrangements with local tourist offices that can promote and sell the tours for a fee.

Redwood Adventures Center will also offer the sale and rental of outdoor adventure equipment, such as camping and hiking gear, canoes and kayaks, to visitors to the Redwood Parks. We will hire a manager experienced in sporting and adventure goods and equipment to select products of the highest reliability and quality. We expect that the status of the Redwood Parks as an international destination spot for outdoor adventure enthusiasts will fuel the Redwood Adventures Center business. In many ways, the Redwood Adventures Center mimics the positioning of a ski lodge – selling and renting crucial gear while providing a place for guides and the public to meet and arrange their outings. The Redwood Adventures Center will also include retail space and possible entertainment facilities, such as a rock climbing wall and a tethered hot air balloon. We hope the Redwood Adventures Center will be used for a number of adventure, music and art festivals each year.

We will use internet advertising and sale programs to promote our Redwood Adventures Center business as well as a publicity campaign targeting nature, outdoor, adventure and consumer media. See our event website www.redwoodadventures.com.

We were the official organizer of the American Hiking Society’s fifteenth annual “National Trails Day” for Redwood Parks held in June 2007. National Trails Day is the only nationwide trails celebration inspiring people across the country to enjoy hiking trails on the same day. According to the American Hiking Society website, there were 1,210 registered events in 2006 nationwide. For National Trails Day 2007, we organized bird viewings and hiking tours in the Redwood Parks led by our director and local ornithologist Robert Hewitt, kayak trips, mountain biking and horseback riding, as well as musical entertainment on the Redwood Parks Lodge Complex property. Local historian Ray Hillman educated visitors on the history of Humboldt County and the historic sawmill site. Our visitors included the cub scouts from troops south of Eureka, and tourists from as far away as London, England and as close as Orick. Throughout the day 200 to 250 locals and visitors to the Redwood Parks stopped to view the vendors and participate in the guided tours. We were granted a temporary business license from Humboldt County allowing us to provide visitors’ tours and services and overnight camping during this event. Although we did not make a profit from this event

Management believes that the event had a positive effect by publicizing the Company's properties and services and strengthening business relationships with suppliers.

[We are also constructing a temporary special event campground and RV park facility and retail store on the Redwood Parks Lodge Complex property with minimal permanent infrastructure so that the Redwood Parks Lodge may later be constructed on the property. We intend to open the facility to the general public in 2008.]

In the long term we intend to further develop Redwood Parks Lodge Complex into a resort complex anchored by the Redwood Parks Lodge with a hotel and conference center. Initially operations on the Redwood Parks Lodge Complex site will be conducted out of the Redwood Adventures Center. As new facilities are developed, the Redwood Adventures Center business will be incorporated into the new facilities.

When completed, Redwood Parks Lodge Complex is anticipated to include [a luxury Redwood Parks Lodge, convention center, stage, nursery, gardening store, food court, restaurants, and other retail and entertainment facilities]. We also anticipate that development within the complex will be themed to the Redwood Parks by using native materials in the construction, and designed in a manner that reflects the beauty and natural setting of the area.

Figure 1 below shows the Redwood Parks Lodge Complex property with our preliminary development plans, and the proximity of our Redwood Adventures Vacation Village.

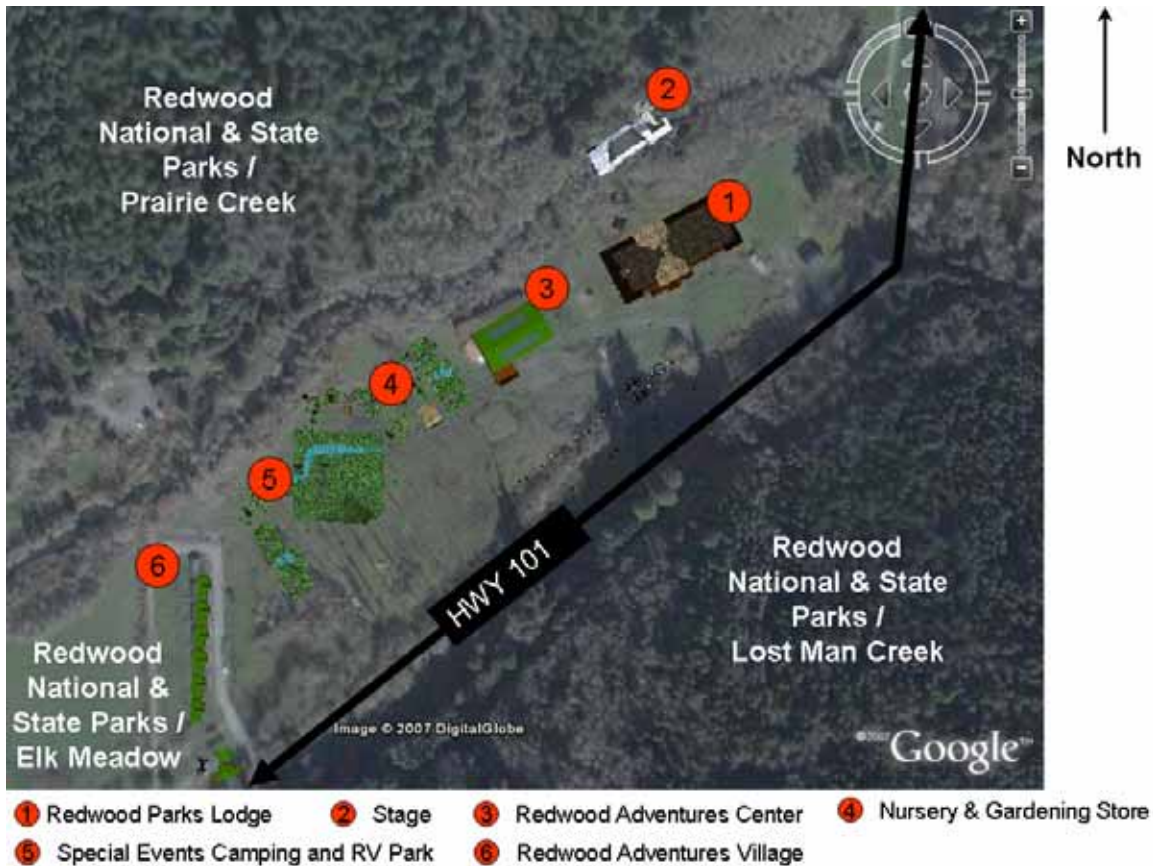


Figure 1

Redwood Adventures Vacation Village

Redwood Adventures Vacation Village is approximately 7 acres adjacent to Redwood Parks Lodge Complex to the north, fronted by U.S. Highway 101 to the East, Prairie Creek to the west and the Elk Meadow viewing area to the south. It is about 2.5 miles north of the historic lumber town of Orick.

Redwood Adventures Vacation Village consists of six authentic redwood logger homes adjacent to the pristine Prairie Creek, refurbished into stunning vacation rental Cabins. Each 1200 square foot Cabin has been extensively remodeled, is fully furnished and equipped with wireless internet access and entertainment like board games and DVDs, and features three bedrooms, two bathrooms, kitchen, living room and an attached garage. Each cabin can accommodate eight guests. The Cabins are adjacent to Elk Meadow, a popular spot for year-round easy viewing of large Roosevelt elk in their native habitat. Popular attractions are nearby and include Lost Man Creek, Fern Canyon, Ladybird Johnson Trail and Tall Trees Grove, as well as Trillium Falls Trail, where a pleasant hike through an active living redwood ecosystem leads to a waterfall and magnificent views.

We are completing an outdoor recreational area close to the Cabins to provide additional recreational activities for guests staying in the Cabins, including disc golf, horseshoe pits, badminton nets, footballs and soccer balls, magnetic dart games, croquet sets, ping pong

sets, a fire ring for storytelling and marshmallow roasting, a large barbecue, sink and food preparation area and a hot tub. The sporting equipment provided in the outdoor recreational area will also be available for sale to guests. [The games are available now, and Management believes that the hot tub, barbecue and sink will be completed in August.]

[Over time, we intend to add more cabins as the need arises to form a small village of cabins with its own small retail store, restaurant and office. When finished the complex could contain as many as fifty cabins or more and other tourist-serving facilities such as campsites.]

Set forth below is the bookings and sales information for the Cabins for first quarter of 2007.

<u>Date:</u>	<u>Bookings:</u>	<u>Cancellation:</u>
Jan-07	\$487.80 \$1,263.40 \$1,453.40	\$1,144.50
Feb-07	\$1,582.30 \$487.80 \$1,462.90 \$487.80 \$487.80 \$706.70 \$1,582.30 \$925.60	\$412.80 \$37.50
Mar-07	\$487.80 \$925.60 \$487.80 \$925.60 \$487.80 \$1,801.20 \$1,463.40 \$1,363.40 \$706.70 \$246.90 \$1,582.30	\$925.60 \$1,362.90 \$1,363.40
TOTALS	\$14,123.50	\$5,365.60

<u>Description:</u>	<u>Details:</u>	<u>Totals:</u>
Gross Sales for First Quarter 2007		\$8,757.90
Consumed in First Quarter:	8 nights @ \$199.00	\$1,592.00
Deferred Rentals on the Books:	107 nights @ \$199.00	\$21,293.00 (some were paid in 2006)
Paid in Advance for:	April \$2,388.00	

	May	\$1,990.00	
	June	\$5,771.00	
	July	\$8,159.00	
	August	\$3,184.00	

Figure 2 below shows Redwood Adventures Vacation Village [with our future development plans].

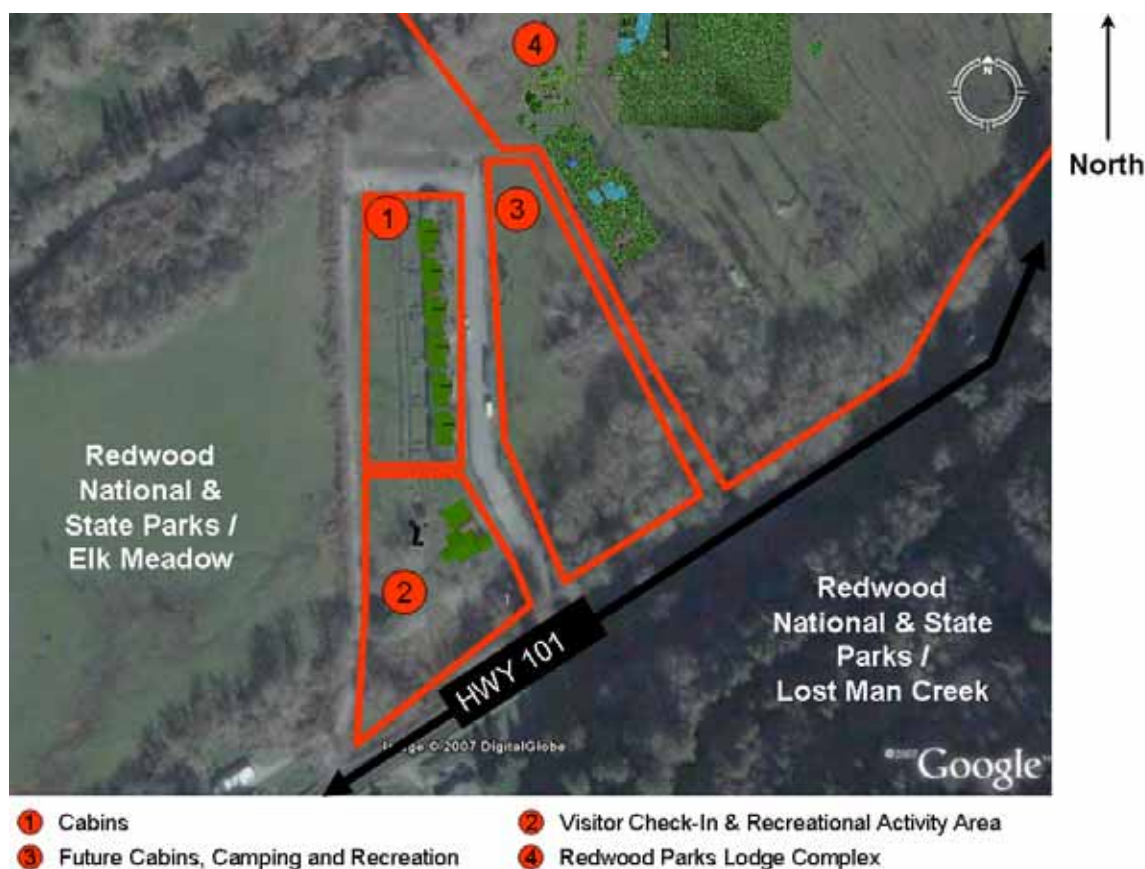


Figure 2

See our website www.redwoodadventures.com for photographs of the cabins and surroundings.

Redwood Beach Trails

Our Redwood Beach Trails property consists of approximately 28 acres and is located in the town of Orick near the southern entrance of the Redwood National Park and the Redwood National and State Park Visitor Center, and is approximately 2.3 miles south of our Redwood Parks Lodge Complex and our Redwood Adventures Vacation Village. It is on U.S. Highway 101 to the east and adjacent to Redwood Creek to the west. It is bordered by commercial properties to the north and south. The site is less than a mile from the Pacific Ocean and is the location of a former ranch.

In 2006 we retained PKF Consulting, a national firm of management consultants and appraisers specializing in the hospitality industry, to conduct a study of the potential market demand for a proposed Holiday Inn Express & Suites hotel to be located on the Redwood Beach Trails site. Management chose Holiday Inn for its market leadership and brand recognition. PKF Consulting concluded that the Hotel would be at a slight competitive disadvantage because its location is removed from weekday commercial demand. However, Management believes that the amount of traffic on U.S. Highway 101, coupled with the scarcity of hospitality facilities for visitors to the Redwood Parks, will offset any such disadvantage. The Hotel would be the only commercial family-oriented hotel within an hour's drive of the Redwood Parks.

Based on PKF Consulting's report, we were accepted as a Holiday Inn franchisee. We subsequently decided to construct an 80 room, full-service Holiday Inn Resort hotel with facilities appealing to the whole family, [including an attached restaurant and lounge, swimming pool enhanced with water features, fitness center, hot tub, gift shop, KidSuites units providing children with an entertainment/sleeping space within their parents' room, children's games and activities, video game room, free drive-in style movies, activities desk giving information on both on-site and off-site recreational activities, roof terrace, conference rooms and landscaped outdoor areas for wedding receptions and other private parties].

We then contacted Rim Hospitality ("Rim"), one of the nation's leading hotel management companies, who supported our decision to build a Holiday Inn Resort hotel on the Redwood Beach Trails property and agreed to oversee all phases of hotel construction, development and management. To this end, we signed a Construction Services Proposal and Hotel Management Agreement with Rim in July 2007.

Under the Construction Services Proposal, we are required to pay Rim (a) a one time start up fee of \$10,000, (b) \$5,000 per month in the first two phases of initial due diligence and project consultant coordination, and (c) three percent of hard construction costs during the remaining phases of construction, payable \$10,000 per month with the balance due upon receipt of the certificate of occupancy.

Under the Hotel Management Agreement, we are required to pay Rim a management fee of three percent of gross revenues from the Hotel's operations or \$5,000 per month, whichever is greater. The agreement also requires both parties to discuss and mutually agree within sixty days after the execution of the agreement a suitable performance fee. The agreement has a term of five years which is renewed automatically.

See www.rimhospitality.com for further information on Rim.

Under the Holiday Inn franchise agreement which we also signed in July 2007, we must begin construction of the Hotel no later than November 1, 2008, with an opening of the Hotel no later than March 1, 2010, although the agreement allows us to extend each of these deadlines for one year without charge so long as we can demonstrate that we have

been pursuing the development of the Hotel actively and in good faith. Once the Hotel is in operation, we will be required to pay a monthly royalty of 5% of the gross revenue from rental of guest rooms (discounted by 2% and 1% in the first two years of operation, respectively, as an advertising assistance allowance), a monthly services contribution of 2.5% of the gross revenue from rental of guest rooms to be used by the Intercontinental Hotel Group for marketing, reservations, and other related activities, as well as other miscellaneous fees and taxes. The term of the franchise is ten years with the option to renew for an additional five years.

The following table summarizes PKF Consulting's estimated annual performance of a Holiday Inn Express & Suites hotel, assuming an opening date of January 1, 2009. [We have been told by PKF Consulting that the results should be broadly similar for a full-service Holiday Inn Resort hotel.]

[insert PKF's projected market performance 2009 to 2013 with explanation of terms]

A copy of PKF Consulting's full report is available to investors upon request.

[In the long term, we plan to develop a first class RV resort and campground on the property with laundry and bathroom facilities, as well as retail stores.]

Figure 3 below shows the Redwood Beach Trails site with our preliminary development plans.



Figure 3

Current Development Project

We are developing the Redwood Adventures Center on the Redwood Parks Lodge Complex site as a combination guided tour base and outdoor equipment sales and rental center. Management anticipates that the cost of refurbishing the warehouse, building retail space, stocking the business with merchandise, hiring a manager skilled in dealing with adventure equipment, and hiring guides for the guided tours will total approximately \$150,000 [for the first year of operation].

We have purchased a franchise by the Intercontinental Hotel Group to construct a full-service Holiday Inn hotel on the Redwood Beach Trails site. The total cost to complete development of the Hotel is anticipated to be about \$9 million, which represents a capital requirement of approximately \$250,000 for pre-development work and \$2.7 million as equity to secure financing of the Hotel development.

We are currently in the pre-development stage in designing a master plan for our “Next Great National Park Lodge”, to be situated on the Redwood Parks Lodge Complex site. Management intends to use approximately \$500,000 of the proceeds from this Offering for this purpose.

[We are developing a temporary campground and RV park facility on the Redwood Parks Lodge Complex site for special events and anticipate the cost of completion to be approximately \$1,500,000.]

Redwoodadventures.com

We have developed and are operating Redwoodadventures.com, a website which assists travelers to the Redwood Parks with coordinating and booking lodging, equipment rentals, tours and other services related to the Redwood Parks. This website has been featured in several television and news articles nationally.

[Redwood Adventures Video Production Services]

[Our Redwood Adventures Video Production Services business offers video production services for visitors to the Redwood Parks as well as businesses wishing to film in the Redwood Parks. We are equipped to record crisp high-definition videos of visitors' events and memories while they are in the Redwood Parks. Businesses can store their vehicles or other products in our warehouse adjacent to the Redwood Adventures Vacation Village, stay in our Cabins, and spend a week or more doing video production work around our beautiful Properties. We are one of only a few organizations who have been granted a Special Park Use Permit for filming activity within the Redwood Parks. Our permit expires December 31, 2007 but we may apply for a subsequent permit.]

[Input from Chip Smith and Dave Losko]

See our website www.redwoodadventures.com for some samples of our video production for the web.

Potential Business and Industry Guaranteed Loans

The USDA has established the Business and Industry Guaranteed Loans Program to stimulate economic growth and job creation in rural economies by providing financial backing for businesses operating in such areas. Under this program, the USDA guarantees 60-80 percent of a loan made by a commercial or another authorized lender in a rural area. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing. The maximum aggregate amount available under the B&I Guaranteed Loans to any one borrower is \$25 million.

The geographic location of the Properties and the demographics of the surrounding community appear to satisfy the initial criteria for this type of loan guarantee. Our eligibility for this program should facilitate future debt financing and we will explore this potential funding avenue when we seek financing for the National Park Lodge.

Competition

Competition for visitors to the Redwood Parks is fragmented with direct competition coming from a small number of motels and bed and breakfast sites, as well as a hostel in the Redwood Parks twenty miles to the north, none of which have significant market penetration or brand recognition. Moreover the hostel may be differentiated from our offering by catering to bikers and people seeking communal living. Sites identified by Management as competitors do not have the mid-Redwood Park Highway 101 location that gives us an advantage in attracting motorists. Other competitors include the Red Lion Hotel, which is over fifty miles away in Eureka, accommodations in Crescent City, which is forty-five miles to the north and about an hour's drive away, and other roadside chain motels, but these are not as conveniently located to the Redwood Parks as we are. There are currently no facilities similar to the ones to be offered by the Redwood Adventures Center within the Redwood Parks or anywhere within forty miles of the Redwood Parks.

While there does exist some current competition, Management believes that our array of services will be unique in nature. We believe it will be difficult for competitors to match our location as almost all of the land in the area is owned by the Redwood Parks. We also believe that our involvement with the Redwood Parks gives us a competitive edge.

Environmental Sensitivity

We believe an attractive feature of our facilities will be our close ties with the Redwood Parks, and sensitivity to preserving our environment. We intend to build the Hotel and any other major projects undertaken in the future, including the National Park Lodge, consistent with certification of the end result as a LEED building. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. See <http://www.usgbc.org/DisplayPage.aspx?CategoryID=19> for further information about LEED.

MANAGEMENT OF THE COMPANY

At the present time, three individuals are actively involved in the management of the Company, John Russavage, Joseph Hufford, and Donna Hufford. Once Hotel financing has been arranged and construction is completed, Rim will provide a General Manager experienced in the hospitality industry to manage the day-to-day operations of the Hotel [and the Cabins]. We have established a Board of Directors, which includes highly qualified business and industry professionals assisting the Management team in making appropriate decisions and taking effective action.

John A. Russavage, 54, Chief Executive Officer, [President, Chief Operating Officer] and Chairman of the Board

John Russavage is a co-founder of the Company. He took an early retirement from a major Wall Street firm, where he was employed as a licensed securities broker and senior

financial advisor. Mr. Russavage has over 20 years of experience in structuring financings and has been involved in over \$1 billion dollars of real estate transactions and securities registrations. In 1989, Mr. Russavage became a member of the Capital Markets Sub-Committee of the Mortgage Bankers Association in Washington DC. In 1990, he became a member of the multi-agency Ethics in Real Estate Transactions Task Force in Washington DC and was listed in “Who’s Who” in the Real Estate and Development Industry. Mr. Russavage has attained an Associate of Arts degree in business from Orange Coast College and is a Certified Financial Manager as designated by the School of Advanced Financial Planning in Princeton, New Jersey. Mr. Russavage holds or has held the following licenses and designations: American Stock Exchange General Securities, California Investment Advisor, Chicago Board Options Exchange General Securities, National Association of Securities Dealers General Securities, Pacific Stock Exchange, Philadelphia Stock Exchange General Securities, California Life Agent, California Annuities Agent, and Department of Housing and Urban Development Federal Housing Administration Direct Endorsement Underwriter.

Donna M. Hufford, 60, [Senior] Vice President and Chief Financial Officer

Donna Hufford joined our staff in October 2003 as Vice President and Chief Financial Officer. Mrs. Hufford has been the partner and business manager of Hufford Construction since 1976. She has also served as Secretary, Treasurer and Chief Financial Officer of Redwood Creek Builders, a building construction company, since 1988. Mrs. Hufford graduated from Oregon College of Education (currently Oregon State Western College) with a Bachelor of Arts Degree in Music Education. She taught music in Oregon and California before becoming a full-time mother of three children and a part-time business manager. Community service has been a large part of Mrs. Hufford’s activities. She has served as President of the Orick Chamber of Commerce, Secretary for the Orick Economic Development Corporation and President of the Orick School Board. Currently, Mrs. Hufford is completing her 22nd year on the Orick School Board. She also holds the position of Secretary and Treasurer for the Orick Chamber of Commerce and is the Treasurer and Clerk of the Orick Presbyterian Church. Donna Hufford is the wife of Joseph Hufford.

Joseph Matthew Russavage, 28, Corporate Secretary, Vice President and Chief Technology Officer

Over the past four years Joseph Russavage has acted as our digital technologies manager. In 2002 he was the head of the IT and graphic design departments of The Monitor Group’s Chicago office. There he maintained the functionality of all internal systems and servers in an office of over thirty consultants. Mr. Russavage also produced digital communications media for all consultants from the office as well as overflow work from around the world. When Mr. Russavage came to work for us, he built up our digital technologies and organization infrastructure, as well as our collection of digital and printed promotional and internal materials. From January 2005 until December 2006 he ceased working for us to pursue his Master’s Degree in International Development Technology. Mr. Russavage has now returned to full-time work for us to help manage

the growing web of digital technologies needed by us and collecting digital media as part of building our content management system. Joseph Russavage is the son of John Russavage.

Joseph Hufford, 59, [Executive] Vice President – Construction and Director

Joseph Hufford has served on our Board of Directors since July 2003 and has been Executive Vice President and Chief Operating Officer since [] 2007. Joseph Hufford is a local general engineering contractor. He has owned and operated Hufford Sand & Gravel and Hufford Construction, companies based in Orick, California, since 1976. In 1969, Mr. Hufford attained an Associate of Engineering Degree in Surveying Engineering Technology from the Oregon Institute of Technology. From 1970 through 1971, Mr. Hufford served in Vietnam as a 2nd class Petty Officer in the Seabees, the engineering arm of the US Navy. Upon his return to Orick in 1972, Mr. Hufford acquired his California General Engineering Contractor's license and has been an active contractor since that time. He has developed sub-divisions, being responsible for street construction, drainage, sewer, water and electrical lines and sidewalks. He has performed ground work for RV Parks and office buildings. He performs construction work himself along with his employees and bids the jobs as well as manages the work. While operating a successful construction business, he has taken an active part in the political and social aspects of the Orick's community. In 1973, Mr. Hufford was the youngest person ever to be elected to the Orick Community Services District board of directors. He has been the Chairman of that board for most of the twenty-six years of his service on the board. While serving on the board, Mr. Hufford initiated the installation of the community water system and the construction of the sewer system for the community. Mr. Hufford also served as the representative to the Redwood Region Economic Development Commission and served as a chair of that group in 1986. He has also been active in the Orick Chamber of Commerce, serving on the Rodeo Committee. Mr. Hufford is a charter member of the Orick Economic Development Corporation and a member of the Yurok Tribe. In 1988, Mr. Hufford helped to form Redwood Creek Builders, Inc., for the purpose of building homes in Crescent City. Redwood Creek Builders continues to build custom homes in Del Norte County. Joseph Hufford is the husband of Donna Hufford.

Dr. Robert Schumacher, 77, Director

Dr. Robert Schumacher joined our Board of Directors in November 2005. Prior to his retirement in 1996, he was a practicing physician for thirty years in Long Beach, and the Medical Director for the Long Beach Community Hospital, a 501(c)(3) nonprofit corporation, for sixteen years. He has also served as director and Chair for the Community Hospital of Long Beach Foundation, President of the Long Beach Tuberculosis and Health Association (now Lung Association), Assistant Clinical Professor of Internal Medicine at the UCLA Medical School and camp program director for Camp Whitaker Diabetic Youth in King's Canyon National Park. Since retirement, he has spent his time with his family and pursuing his hobbies of travel, photography, golf and music. He has been active in fund raising for his local church and active in several community organizations.

John Koeberer, 63, Director

John Koeberer joined our Board of Directors in [] 2007. Mr. Koeberer's 38-year career in the hospitality industry has included ownership, skilled executive management, directorships and visionary, entrepreneurial leadership in privately and publicly owned companies, public agencies and non-profit public organizations. Since 1977, he has been the Co-Owner, Chief Executive Officer and President of The California Parks Company, which provides hospitality services in national, state and regional parks throughout California. This entity is involved in managing recreational enterprises statewide for public agencies, utility districts and non-profit organizations with emphasis on inland lake marinas, corporate event and catering venues, restaurants, RV and mobile home parks, campgrounds, gift and grocery retail operations, gas stations and a guest lodge in Lassen Volcanic National Park. Since 1991, Mr. Koeberer has been a Member Commissioner of the California Travel & Tourism Commission and Chairman of the Board of Directors of the California Parks Hospitality Association. In 2004 he was Chairman of the California State Chamber of Commerce. He is also the Founding Chairman of the Lassen National Park Foundation and a Member of the California State Roundtable on Parks, Recreation and Tourism, and he currently serves on the Advisory Council of the School of Parks, Recreation & Tourism at California State University, San Luis Obispo. Mr. Koeberer has previously served as Chairman of the Board for both Tehama and Humboldt Banks and is a past member of the Board of Fiberboard Corporation. John has been the recipient of many statewide and local community honors and was the winner of the Norman P. Clark California Tourism Entrepreneur of the Year Award for 2001. He was inducted into the California Tourism Hall of Fame in 1999.

Shelley Morrison, 57, Director

Shelley Morrison joined our Board of Directors in [] 2007. Mrs. Morrison is a lawyer who has been employed by Humboldt County as a Deputy County Counsel for nearly twenty years. She is very familiar with the area surrounding the Properties and has significant expertise in the land use laws and regulations applicable to development in Humboldt County. She is also the Vice President of the Jacoby Creek Land Trust, a nonprofit organization that acquires real property and holds conservation easements in an effort to protect and preserve environmentally sensitive habitats. She is a Commissioner on the Personnel Commission of the Humboldt County Office of Education, and currently serves as Associate Faculty in the field of business law at the College of the Redwoods. She is the wife of the former attorney for John Russavage in a prior litigation matter which is now dismissed, see "RELATED PARTY TRANSACTIONS".

David J. Losko, 53, Director

David Losko joined our Board of Directors in [] 2007 and has been providing services as a producer and director for Redwood Adventures Video Production Services. He has been a professional in the entertainment and broadcast industries for over 30

years. His early success in the San Francisco Bay Area led him to Hollywood, where he soon became known for both his creative talent and reliability in business while working on high-end TV commercials. Positions held include camera operator, sound mixer, props, art director and eventually assistant art director under Penn Smith, a well-known art director. With sound being his passion, Mr. Losko began his career in sound for film and started Location Recorders, a company that mixes sound for film and video, in 1987. Since 2005, he has been balancing Location Recorders with the demands of running one of Northern California's foremost sound recording studios, Audio Oasis. Some of his achievements have been an Emmy for audio work on the PBS special "Bodie: A Ghost Town" and a New York Film Festival silver medal for a Porsche video. Mr. Losko has also enjoyed specialized jobs like planning and implementing the sound for the California State Lottery Commission's "Big Spin" TV show, and serving as Studio Design Consultant for California State University-Sacramento. Ongoing recognition of his professionalism has been made by several government agencies, including the Department of Justice, the Student Aid Commission and the San Francisco Federal Reserve. Commercials for companies like Chevron, Saks Fifth Avenue, and the N.B.A. have given him the fun of working with celebrities such as Eddie Murphy, Chuck Yeager, Tina Turner, Robert Conrad, James Earl Jones, Jim Palmer, "Magic" Johnson, and Kenny Loggins. Mr. Losko was nominated for and accepted in the Cinema Audio Society (C.A.S.) in 2005. He was also a member of the Trinidad Chamber of Commerce in 2005.

Robert W. Hewitt, 43, Director

Robert Hewitt joined our Board of Directors in [] 2007. A professional wildlife biologist, Mr. Hewitt established himself as an independent biological consultant in 1996 after five years as Associate Wildlife Biologist at Natural Resources Management Corporation, Eureka, California. Since 1996 he has served as director and principal biologist of his own company LBJ Enterprises (Little Bird Jobs), which offers biological and botanical consulting services in the Eureka area, as well as birdwatching tours and classes, bird books and birding resources for Northern California and beyond. He has up to 20 seasonal wildlife biologists and technicians working for him at any given time. He is responsible for biological assessments and input on wildlife issues for various natural resources industries, research entities and government agencies. Work completed includes endangered species assessment, timber harvest plans, gravel extraction monitoring and bird censusing. He is an experienced surveyor for the Northern Spotted Owl (NSO) and Marbled Murrelet. He conducts surveys for numerous other wildlife species of concern. Mr. Hewitt is approved as a Private Consulting Biologist (PCB) by the California Department of Fish and Game and authorized to act as a CDF&G designee for timber harvest analysis related Northern Spotted Owl concerns. He is an approved murrelet evaluator and trainer with the State/Pacific Seabird Group approved program for the past ten years. His education, training, and particular area of expertise is avian biology. He is an active ornithologist in the local community, recently compiling a local birding guide, teaching classes and leading regular field trips. He is a former President of the Redwood Region Audubon Society and started the society's efforts to produce a Breeding Bird Atlas of Humboldt County (1995-1999). He has promoted birdwatching

throughout the area including both the Godwit Days and Aleutian Goose Migration Festivals. Mr. Hewitt has and will be providing nature guiding services to us from time to time.

EXECUTIVE COMPENSATION

Prior to 2007, to the extent compensation was paid to members of Management, it was generally in the form of shares of Common Stock. Currently, members of Management are paid cash salaries, as set forth in the table below.

Name	Paid Salary	Other Annual Compensation
John Russavage, President, CEO, Chairman of the Board	\$170,000/year	Life insurance benefit
Donna Hufford, SVP, CFO	\$36,000/year	Half of medical insurance premiums
Joseph Russavage, Secretary	\$25/hour, 40 hour weeks	Half of medical insurance premiums
Joseph Hufford, EVP, COO, Director	\$36,000/year	Half of medical insurance premiums

Except for outside directors as described below, no executive director receives any fees for his or her services as director. Each director is entitled to reimbursement of expenses incurred while conducting Company business. Each director may also be a shareholder in the Company and as such is entitled to share in the profits of the Company when and if dividends are paid.

For outside directors John Koeberer, Shelley Morrison, David Losko and Robert Hewitt, compensation is as follows: \$500 per Board of Directors meeting attended (either in person or by telephone), annual grants of 5,000 shares of Common Stock commencing upon acceptance of the position, and up to one calendar week per year use of a Cabin (subject to availability). Once an additional \$3 million of equity financing is raised through this Offering or other financings, outside directors will be paid \$2,500 per quarterly Board of Directors meeting attended in person, or \$1,500 if attended by telephone conference.

PRINCIPAL SHAREHOLDERS

The following table contains certain information as of May 18, 2007 as to the number of shares of Common Stock beneficially owned by (i) each person known by us to own beneficially more than 5% of our Common Stock, (ii) each person who is a director of the Company, (iii) all persons as a group who are directors and officers of the Company; and as to the percentage of the outstanding shares held by them on such date and as adjusted to give effect to this Offering.

PRINCIPAL SHAREHOLDERS			
Name	Shares	Current Percentage of Total Outstanding ³	Percentage of Total Outstanding After Offering (Maximum) ⁴
John Russavage	5,395,000 ⁵	[42.21]%	[32.97]%
Mary Beswick	4,703,800 ⁶	[39.55]%	[30.89]%
Donna Hufford	56,075	[0.47]%	[0.37]%
Joseph and Donna Hufford	63,494	[0.53]%	[0.42]%
Steven File	[897,121]	[7.54]%	[5.89]%
Dr. Robert Schumacher	40,000	[0.34]%	[0.26]%
Total	[10,780,490]	[90.64]%	[70.80]%

CERTAIN TRANSACTIONS

Stock Option Agreements

We have not entered into any stock option agreements at this time. It is, however, anticipated that stock options will be a part of our executive compensation package at some point in the future.

Stock for Services

We have agreed to compensate certain third parties for services to us in the form of Common Stock at \$5.00 per share (pre-split, or \$1.00 per share post-split equivalent) in lieu of cash. As of [] 2007, we have issued [235,000][need to add defense lawyer shares] shares of Common Stock for services in lieu of cash, which are reflected in the current number of outstanding shares of Common Stock. See also “Stock for Indemnification” below.

Related Party Transactions

³ On a fully diluted basis, assuming that the issued and outstanding shares of Series A Preferred Stock are converted to Common Stock.

⁴ On a fully diluted basis, assuming that the maximum number of Shares offered hereby is sold and all shares of Series A Preferred Stock then outstanding are converted to Common Stock.

⁵ Assumes conversion of 375,000 shares of Series A Preferred Stock to Common Stock.

⁶ Assumes conversion of 375,000 shares of Series A Preferred Stock to Common Stock.

Services Performed by Officers and Directors

We have and will likely continue to utilize the services of Redwood Creek Builders, Inc., and Hufford Construction in the development of our Properties. These licensed companies are owned completely, or in part, by Joseph and Donna Hufford who also jointly or individually own 279,075 shares of our Common Stock. Joseph Hufford is a director and our Chief Operating Officer and Donna Hufford is our Chief Financial Officer.

David Losko and Robert Hewitt, two of our directors, have and will be providing to us video production and nature guiding services, respectively, at their prevailing rates.

All such services have been and in the future will be performed at prices to us which Management believes are equal to or more favorable than those obtainable from other sources.

Issuance of Preferred Stock to the Founders for the right to Purchase Part of Our Property

In June 2003, the Founders, John Russavage and Mary Beswick, agreed to sell to us their rights to purchase part of the Redwood Parks Lodge Complex site and Redwood Adventures Vacation Village site for a total of 150,000 shares (pre-split, or 750,000 shares post-split equivalent) of Series A Preferred Stock at a price of \$10.00 per a share (pre-split, or \$2.00 per share post-split equivalent) with a cumulative dividend of 6%. In July 2003, we closed escrow on the two sites. In November 2003, we amended our Articles and issued the Series A Preferred Stock to the Founders.

Shares Issued to Family Members of Officers and Directors

As of April 18, 2007, 1,500 shares of Common Stock have been sold to Tyler David File, son of Steven J. File, 2,000 shares of Common Stock have been issued to Linzey File, daughter of Steven J. File, and 2,000 shares of Common Stock have been issued to Janet File, spouse of Steven J. File. 1,000 shares of Common Stock have also been issued to Kristina Combs, daughter of Joseph and Donna Hufford, 1,000 shares of Common Stock have been issued to Kimberly Hufford, daughter of Joseph and Donna Hufford, and 1,000 shares of Common Stock have been issued to Gregory Hufford, son of Joseph and Donna Hufford.

Steven File Financing

Mr. File has provided to us in excess of \$300,000 of financing for the purchase of furniture and materials to remodel the Cabins, as well as for general overhead like taxes, insurance and debt service. In exchange for providing these funds, Mr. File was issued a convertible subordinated promissory note. The note provides for 7% interest per annum and provides that the holder may convert the principal on the note together with accrued

and unpaid interest thereon into securities of the Company of like kind and tenor to those securities being offered to investors at the time of such conversion. The note also provides that the number of shares issuable upon conversion shall be equal to that number of shares as is calculated by dividing the principal amount of the note, together with interest, by 75% of the price per share at which the shares into which the principal and interest are to be converted were offered to investors. The majority of the outstanding balance on the note was subsequently converted into shares of Common Stock pursuant to the terms of the note. The Company currently owes \$95,589 to Steve File pursuant to such note.

Minority Shareholder Financing

We have incurred, and continue to incur, legal costs associated with the general corporate governance of the Company, this Offering and various other financing options. On June 15, 2005, a minority shareholder provided \$100,000 to us for payment of ongoing legal fees. In exchange for providing these funds, the minority shareholder has been issued a convertible subordinated promissory note. The note provides for 7% interest per annum and provides that the holder may convert the principal on the note together with accrued and unpaid interest thereon into securities of the Company of like kind and tenor to those securities being offered to investors at the time of such conversion. The note also provides that the number of shares issuable upon conversion shall be equal to that number of shares as is calculated by dividing the principal amount of the note, together with interest, by 75% of the price per share at which the shares into which the principal and interest are to be converted were offered to investors. The note is payable upon demand by the minority shareholder at any time after June 14, 2010.

On May 3, 2006, the minority shareholder provided a \$350,000 secured bridge loan to us to be used for the renovation of the Cabins. In exchange for providing these funds, the minority shareholder has been issued a promissory note secured by the Redwood Parks Lodge Complex property which provides for 9% interest per annum, accruing from May 3, 2006. The note was due January 31, 2007 and has been rolled over into the revolving line of credit note described below. As part of the same secured bridge loan, we also issued warrants to the minority shareholder to purchase 400,000 shares of Common Stock at an exercise price of \$0.25 per share at any time through May 3, 2011.

On March 23, 2007, we executed a secured convertible revolving line of credit note in favor of the minority shareholder under which advances may be made by the minority shareholder to us from time to time, at the minority shareholder's option. The note is also secured by the Redwood Parks Lodge Complex property. The note provides for 9% interest per annum, accruing from the date of each advance, as to any individual advance. The funds are to be used to finish construction and furnishing of the Cabins and to sustain our overhead expenses, such as debt payments and Management salaries, as well as certain special projects including the Redwood Adventures Center, the Hotel franchise fee, engineering, accounting, legal and advertising expenses. As of May 2, 2007, the minority shareholder has advanced \$949,229, which includes the prior \$350,000 bridge

loan with accrued interest. The note is payable upon demand by the minority shareholder at any time after December 2011.

Stock for Indemnification

In 2004, the Del Norte County District Attorney initiated legal proceedings against John Russavage and certain other individuals. These legal proceedings were subsequently dismissed. We have an obligation to indemnify Mr. Russavage for his legal fees in the amount of \$[126,897/100,907]. Mike Morrison, the defense lawyer for Mr. Russavage, has agreed to accept as payment of his legal fees [102,571] shares of Common Stock and \$[47,969] in cash.

LEGAL PROCEEDINGS

On June 29, 2006, Hans Overturf filed a cross-complaint against us in the California Superior Court for the county of Humboldt seeking indemnification for costs relating to certain legal proceedings instituted against Hans Overturf, one of the Company's founders and another individual associated with the Company, which proceedings were subsequently dismissed with respect to all parties except Hans Overturf. See "RELATED PARTY TRANSACTIONS." Management does not believe that the cross-complaint will have any material adverse effect on our financial position and believes that we have no financial exposure from this case other than legal fees that may be incurred in the defense of the case.

Other than the foregoing, Management is not aware of any legal proceedings pending or threatened against us, and is not aware of any regulatory matters having any material impact on us or on our business plan.

DESCRIPTION OF CAPITAL STOCK

Our First Amended and Restated Articles of Incorporation authorize two classes of stock, Common Stock with no par value and Preferred Stock with no par value. 2,000,000 shares of the Preferred Stock are designated as Series A Preferred Stock. The description of the Company's capital stock set forth below is qualified in its entirety by reference to EXHIBIT D.

Common Stock

We have authorized 40,000,000 shares of Common Stock of which [11,144,106] shares are currently issued and outstanding. All issued and outstanding shares of our Common Stock have been validly issued and are fully paid and nonassessable. Upon completion of the Offering, and assuming (1) subscription of all 3,333,333 shares of Common Stock offered in this Offering, and (2) conversion of all of our Series A Preferred Stock into shares of our Common Stock, [15,227,439] shares of Common Stock will be issued and outstanding on a fully diluted basis.

Voting, Redemption, Conversion and Liquidation Rights

Each holder of Common Stock is entitled to one vote for each share held on each matter submitted to the Shareholders for vote. Shares of Common Stock are not redeemable and do not have conversion rights. In the event of the dissolution, liquidation or winding up of the Company, as defined below, the holders of Common Stock will be entitled to receive liquidation proceeds in subordination to the liquidation preference of Series A Preferred Stock. All assets available after the liquidation preference of Series A Preferred Stock has been complied with, if any, shall be distributed among the holders of Common Stock in proportion to the shares held by them.

Dividends

Holders of Common Stock are only entitled to dividends when, as and if declared by the Board of Directors out of funds legally available thereof. In addition, no dividends or other distributions on the Common Stock shall be set aside or paid until we have paid, or declared and set apart, a dividend on each outstanding share of Series A Preferred Stock of six cents per fiscal year. We have never paid any such dividends. Payments of dividends are subject to the discretion of the Board of Directors and will depend upon a number of factors, including among other things, our capital requirements and financial condition.

Series A Preferred Stock

We have authorized 2,000,000 shares of Series A Preferred Stock of which 750,000 shares are currently issued and outstanding. All issued and outstanding shares of Series A Preferred Stock have been validly issued and are fully paid and nonassessable.

Liquidation Preference

In the event of any liquidation or winding up of the Company, the holders of Series A Preferred Stock will be entitled to receive, in preference to the holders of Common Stock, liquidation proceeds in the amount of \$2.00 per each share of Series A Preferred Stock plus any declared and unpaid dividends. All assets available after the liquidation preference of Series A Preferred Stock has been complied with, if any, shall be distributed among the holders of Common Stock in proportion to the shares held by them.

Liquidation Event Defined

A merger, acquisition, sale of voting control or sale of substantially all of the assets of the Company in which the shareholders of the Company do not own a majority of the outstanding shares of the surviving corporation, or the sale, lease or other disposition of all or substantially all of the assets of the Company, shall be deemed to be a liquidation.

Voting Rights

The shares of Series A Preferred Stock have no voting rights, except those required by California law.

Conversion

At any time after the occurrence of a Shareholder's Equity Event (as defined below), the holders of Series A Preferred Stock may convert their shares of Series A Preferred Stock into shares of Common Stock. Such election to convert is subject to our option to redeem such shares as provided below. Each share of Series A Preferred Stock will initially convert into one share of Common Stock, subject to adjustments as provided below. A **"Shareholder's Equity Event"** will be deemed to have occurred when and if our shareholders' equity equals or exceeds \$10,000,000 (as determined by United States Generally Accepted Accounting Principles (GAAP)).

Redemption

At any time after any holder of shares of Series A Preferred Stock elects to exercise such holder's conversion rights, as provided above, and provided that we may lawfully do so, we may, at the sole option of the Board of Directors, redeem all of the shares of Series A Preferred Stock by paying in cash therefor \$2.00 per share together with any dividends due thereon.

Adjustments

Shares of Series A Preferred Stock will be subject to proportional adjustment upon any stock split, dividend or other event in which holders of our outstanding stock receive additional shares for no consideration.

Dilution

Upon completion of this Offering, Investors will realize immediate dilution in the book value of their stock based on the fact that existing shareholders acquired their shares at prices lower than the Offering Price of the Shares offered hereby. The Offering Price per share is set arbitrarily by Management and is not related to our earnings, asset value, or net worth. The pro-forma net tangible book value per share of Common Stock immediately after this Offering, assuming all 3,333,333 shares offered hereby are sold, will be significantly less than \$1.50 per share. Investors should expect to experience dilution of \$[1.09] in net tangible book value per share, or approximately [73]% of the assumed offering price of \$1.50 per share. Net tangible book value per share is computed on the basis of generally accepted accounting principles. The following table illustrates this dilution on a per share basis:

Offering Price	\$1.50
Total consideration paid for 11,934,106 shares ⁷ as of [December 31, 2006][update to June 30]	\$[1,228,055]
Net tangible book value per share as of [December 31, 2006][update to June 30]	\$[0.10]

⁷ On a fully diluted basis, assuming that the issued and outstanding shares of Series A Preferred Stock are converted to Common Stock.

Total consideration paid for 15,267,439 shares after this Offering ⁸	\$[6,228,055]
Net tangible book value per share after this Offering	\$[0.41]
Increase in net tangible book value per share attributable to new investors	\$[0.31]
Net tangible book value dilution per share to new investors	\$[1.09]

As of [December 31, 2006][update to June 30], total stockholders' equity was negative \$[876,531] because the book value of our land in our financial statements is based on the acquisition cost of the land. However, we believe the current market value of our land, dedicated to hospitality uses, greatly exceeds the book value of such land in our financial statements. See EXHIBIT A: PROPERTIES OWNED BY REDWOOD PARKS LODGE CO., INC. Following this Offering, assuming all 3,333,333 shares offered hereby are sold, total stockholders' equity will be \$[4,123,469].

Investors' proportionate equity ownership may be diluted further upon: (i) creation of a stock option pool, (ii) additional stock issued upon conversion of convertible promissory notes, (iii) exercise of stock options and rights to purchase stock granted under stock option plans, if and when, stock options become part of executive and/or employee compensation; (iv) additional stock issued for services to be rendered; and (v) issuance of shares of Common Stock or other series of Preferred Stock in future private equity financings.

Stock Split

At a Special Meeting of the Board of Directors held on October 20, 2003, our Board of Directors declared a five-to-one (5-to-1) split of all common shares of our stock issued as of December 31, 2003. On July 20, 2005, we amended and restated our Articles of Incorporation. See Exhibit D. With this amendment and restatement, we effectuated a five-to-one (5-to-1) split of all issued and outstanding shares of Common Stock, as well as all issued and outstanding shares of Series A Preferred Stock.

LEGAL MATTERS

The issuance of shares of Common Stock and certain related legal matters concerning the Offering will be passed on for us by the law firm of Niesar Curls Bartling & Whyte, LLP. Such Firm, and one of its partners, own 33,333 and 20,000 shares of our Common Stock, respectively.

PLAN OF PLACEMENT

The Shares are offered directly by our officers and directors on a "best efforts" basis and on the terms and conditions set forth in this Memorandum. There can be no assurance

⁸ Assuming all 3,333,333 shares offered hereby are sold.

that all or any of the Shares offered hereby will be sold. All proceeds from the sale of Shares will be delivered directly to us and be available for our use.

How to Subscribe for Shares

A purchaser of Shares must complete, date, execute, and deliver to us the following:

- (1) An original signed copy of the Subscription Agreement and Investor Suitability Questionnaire attached hereto as Part C;
- (2) A check payable to “REDWOOD PARKS LODGE CO., INC.” in the amount of \$1.50 per Share for each Share purchased as called for in the Subscription Agreement (minimum purchase 10,000 Shares or \$15,000).

Upon receipt of the executed Subscription Agreement and the funds, each Investor will receive by return mail a copy of the Subscription Agreement executed by us. **Subscribers may not withdraw subscriptions that are tendered to us.**

TRANSFER AGENT AND REGISTRAR

We will act as our own transfer agent and registrar for our shares of Common Stock.

ADDITIONAL INFORMATION

Each prospective Investor may ask questions and receive answers concerning the terms and conditions of this Offering and obtain any additional information which we possess, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum. Our principal executive offices are located at 120465 Highway 101, Orick CA 95555, and the telephone number is (707) 488-2222. Each prospective Investor may contact John Russavage or our legal counsel, Niesar Curls Bartling & Whyte LLP, with any such questions or requests for additional information. See also our website www.redwoodadventures.com.

PART B
FINANCIAL DOCUMENTS

The accompanying Financial Documents have been prepared by Management without audit. The information in the Financial Documents reflects actual results and, although not audited, is believed by Management to reflect accurately the actual results of activities for the periods stated, and our financial condition at the balance sheet date December 31, 2006. We intend to provide audited financial statements for 2007 and subsequent years.

[To be updated and supplemented by the Company]

STATEMENT OF CASH FLOWS
JANUARY THROUGH NOVEMBER 28, 2006

OPERATING ACTIVITIES

Net Income	
Adjustments to reconcile Net Income	-290,535.71
To net cash provided by operations:	
1200 · Accounts Receivable	4,428.91
2000 · Accounts Payable	93,888.58
American Express	-875.52
Citi Business	2,703.07
Deposits on Rentals	3,263.93
Stockholder Advance: File	66,845.48
Stockholder Advance: Page	360,000.00
2100 · Payroll Liabilities	-638.58
2110 · TOT	-70.00
2200 · Sales Tax Payable	419.80
Net cash provided by Operating Activities	229,429.96

INVESTING ACTIVITIES

Equipment	-2,453.77
Equipment: Cameras	-6,096.04
Equipment: Water System	-5,085.46
Equipment: Sat. TV	-467.17
Gold Rush Cabin	-30,000.00
Gold Rush Cabin: CIP	-165,238.51
Gold Rush Cabin: Furnishings	-27,725.95
RV Park: CIP	2,314.25
Net cash provided by Investing Activities	-233,751.65

FINANCING ACTIVITIES

Accrued Payroll	-7,500.00
Contingent Legal Fees	4,125.23
3100 · Common Stock	10,155.34
Net cash provided by Financing Activities	6,780.57

Net cash Increase for period	2,458.88
Cash at beginning period	453.33
Cash at end of period	<u>2,912.21</u>

PROFIT AND LOSS
JANUARY THROUGH DECEMBER 2006

Ordinary Income/Expense

Income

Refunds	
Insurance Premium	3,638.17
Total Refunds	<u>3,638.17</u>
Sales	2,029.50
7020 · Home Rental Sales	<u>9,785.20</u>
Total Income	15,452.87

Expense

Advertising	4,626.65
Cleaning Expense	450.80
Credit Card Expense	
AMX	108.34
V/MC	302.45
Discover	12.04
Credit Card Expense – Other	<u>210.08</u>
Total Credit Card Expense	632.91
Office expense	1,199.84
Penalties	849.75
Tax	
FBN	800.00
Property Tax Expense	<u>6,814.47</u>
Total Tax	7,614.47
Yard Maintenance	110.26
6110 · Automobile Expense	402.00
6115 · Promotion Expenses	
Booking Exp	59.70
6115 · Promotion Expenses – Other	<u>532.02</u>
Total 6115 · Promotion Expenses	591.72
6120 · Bank Service Charges	59.00
6180 · Insurance	
Medical Insurance	6,186.50
6180 · Insurance – Other	<u>8,265.85</u>

Total 6180 · Insurance	14,452.35
6200 · Interest Expense	
RV Property	11,000.00
6220 · Loan Interest	52,488.37
6200 · Interest Expense – Other	11,731.77
Total 6200 · Interest Expense	75,220.14
6230 · Licenses and Permits	855.00
6250 · Postage and Delivery	209.60
6270 · Professional Fees	
Accounting Fees	10,576.70
6280 · Legal Fees	86,141.07
6270 · Professional Fees – Other	10,630.00
Total 6270 · Professional Fees	107,347.77
6300 Repairs	
6310 · Building Repairs	25.00
6330 · Equipment Repairs	1,387.67
Total 6300 · Repairs	1,412.67
6340 · Telephone	1,269.72
6390 · Utilities	
Cable TV	185.14
Internet	846.25
6400 · Gas and Electric	5,754.45
6410 · Water	269.50
6390 · Utilities – Other	564.60
Total 6380 · Utilities	7,619.94
6560 · Payroll Expenses	83,919.55
6586 · Payroll Advance	-39.99
Total Expense	308,803.15
Net Ordinary Income	-293,350.28
Other Income/Expense	
Other Income	
7010 Interest Income	1,885.88
Total Other Income	1,885.88
Net Other Income	1,885.88
Net Income	-291,464.40

PROFIT AND LOSS
JANUARY THROUGH MARCH 2007

Ordinary Income/Expense

Income

4000 · Sales	287.50
4100 · Refunds	225.00
7020 · Home Rental Sales	751.00
Total Income	<u>1,263.50</u>

Expense

5000 · Credit Card Expense	
V/MC	28.90
Credit Card Expense – Other	129.40
Total 5000 · Credit Card Expense	<u>158.30</u>

5005 · Advertising	2,487.42
5010 · Cleaning Expense	1,180.35
5200 · Office expense	1,422.08
5300 · Penalties	17.66
6110 · Automobile Expense	30.00
6150 · Contractor Expense	275.00
6160 · Dues and Subscriptions	89.00
6180 · Insurance	
Medical Insurance	602.00
6180 · Insurance – Other	2,880.47
Total 6180 · Insurance	<u>3,482.47</u>

6200 · Interest Expense	
6201 · Nasset Interest Expense	3,000.00
6220 · Loan Interest/Reams	14,315.01
6200 · Interest Expense – Other	2,480.45
Total 6200 · Interest Expense	<u>19,795.46</u>

6230 · Licenses and Permits	343.75
6250 · Postage and Delivery	89.06
6270 · Professional Fees	
6280 · Legal Fees	30,858.05
6290 · Accounting fees	15,952.46
6295 · Marketing	15,000.00
6270 · Professional Fees – Other	7,500.00
Total 6270 · Professional Fees	<u>69,310.51</u>

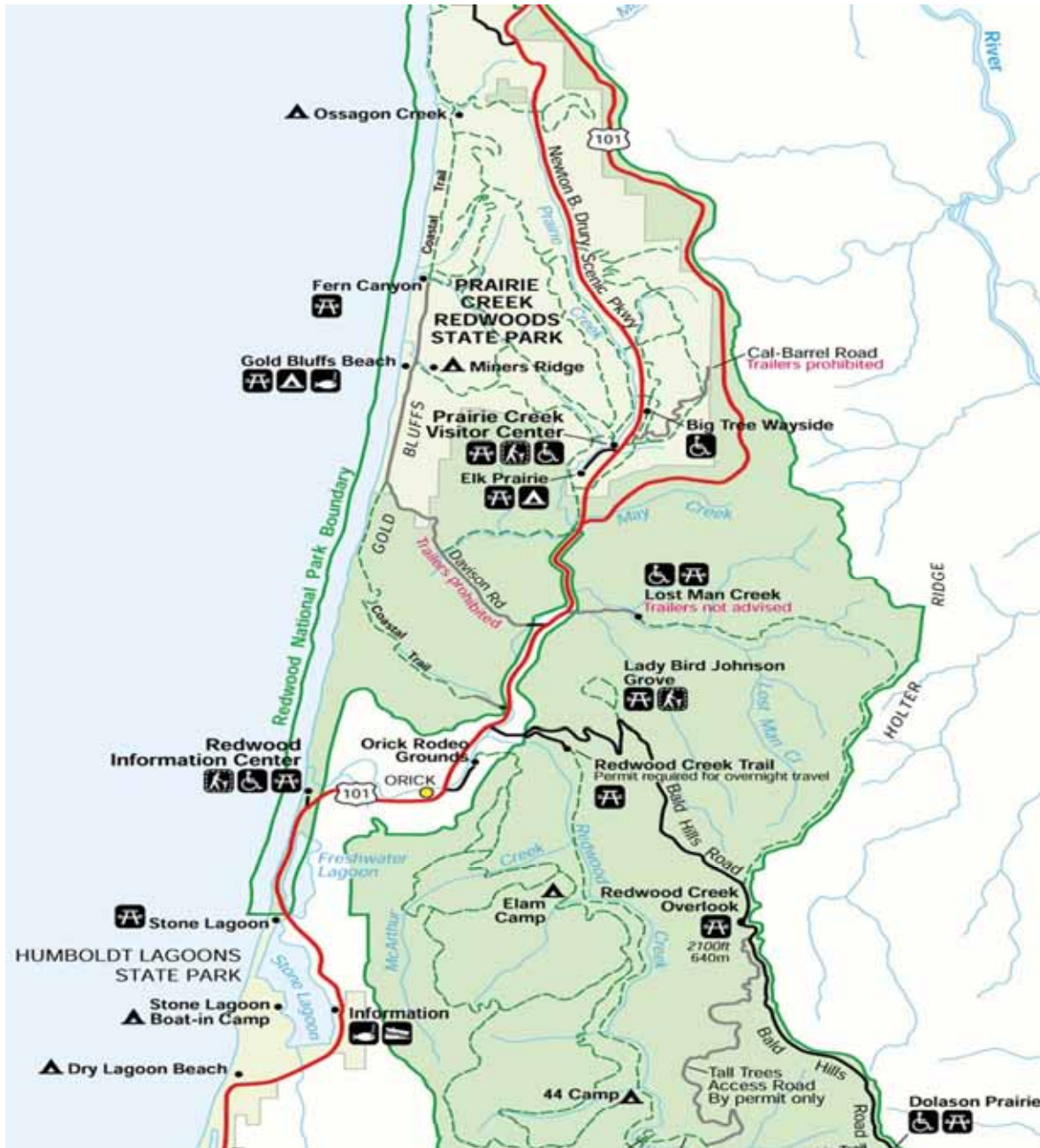
6300 · Repairs	
6330 · Equipment Repairs	89.82
6300 · Repairs – Other	19.00
Total 6300 · Repairs	<u>108.82</u>

6340 · Telephone	464.22
6390 · Utilities	
6400 · Gas and Electric	4,047.11
6410 · Water	67.80
6420 · internet	288.65
6430 · Cabin TV	181.11
6390 · Utilities – Other	71.42
Total 6390 · Utilities	<u>4,656.09</u>
6500 · Yard Maintenance	200.00
6560 · Payroll Expenses	57,630.82
6565 · Payroll Advance	100.00
Total Expense	<u>161,841.01</u>
Net Ordinary Income	-160,577.51
Other Income/Expense	
Other Income	
7010 · Interest Income	<u>393.69</u>
Total Other Income	<u>393.69</u>
Net Other Income	<u>393.69</u>
Net Income	<u>-160,183.82</u>

EXHIBIT A

**PROPERTIES OWNED BY
REDWOOD PARKS LODGE CO., INC.**

We have acquired three large parcels of land for our Cabins and the development of our proposed Hotel, National Park Lodge, RV parks, camping sites, and other recreational facilities. Combined, these three parcels consist of approximately sixty-eight acres of land. Below are photos of each property as well as an outline of the method of acquisition and the respective purchase prices, and indicators of present value.



I. Redwood Beach Trails [PHOTO TO BE UPDATED]



II. Redwood Parks Lodge Complex [PHOTO TO BE UPDATED]



III. Redwood Adventures Vacation Village [PHOTOS TO BE UPDATED]





IV. Acquisition Costs and Indicators of Present Value of the Properties.

A. Redwood Beach Trails. We acquired this parcel in 2003 for an aggregate consideration of \$500,000 consisting of both stock and notes allocated as follows: (i) \$100,000 was paid by issuance of 20,000 shares (pre-split, or 100,000 shares post-split equivalent) of Common Stock at \$5.00 per share (pre-split, or \$1.00 per share post-split equivalent), the offering price then in effect, (ii) we took the property subject to a residential 30-year mortgage in the principal amount of \$100,000 with a 7% fixed interest rate for the life of the mortgage; and (iii) we issued a 5-year note in the principal amount of \$300,000 with a 7% interest rate payable over the life of the note. Both notes are secured by a Deed of Trust on the Redwood Beach Trails parcel.

B. Redwood Parks Lodge Complex and Redwood Adventures Vacation Village. In 2001, we were the 50% owner of the right to acquire the Redwood Parks Lodge Complex parcel and the Redwood Adventures Vacation Village parcel, with the Founders John Russavage and Mary Beswick owning the other 50% of this right. Subsequently, we acquired the remainder of this right from the Founders for a total of \$1,500,000 worth of Series A Preferred Stock of the Company. In July 2003, we purchased the two parcels for cash in the aggregate amount of \$555,000. We have allocated the combined consideration of Series A Preferred Stock and cash as follows: \$888,000 for the Redwood Adventures Vacation Village parcel and \$1,167,000 for the Redwood Parks Lodge Complex parcel.

C. Indications of Present Value of the Property. In early 2004, we listed all of our real property with Marcus and Millichap, LLC, one of the country's largest real estate brokers engaged in the sale of hotel and other lodging real estate assets. The aggregate value of all three Properties in the M&M Broker Opinion of Value was \$11,500,000.

The table below summarizes the critical statistics regarding each of the three parcels:

Parcel	Acres	Purchase Price	M&M (Offered Price)	BOV (Price)
Redwood Beach Trails	28	\$500,000		\$5,575,680
Redwood Adventures Vacation Village*	7	\$888,000		\$1,220,992
Redwood Parks Lodge Complex*	33	\$1,167,000		\$4,714,504
Totals	68	\$2,555,000*		\$11,511,176

*Note: Since the Series A Preferred Stock issued for the acquisition of 50% of the right to purchase Redwood Adventures Vacation Village and Redwood Parks Lodge Complex was not issued in a true arm's length transaction, the attribution of \$1,500,000 of value to the Series A Preferred Stock may be an overestimate or an underestimate of its true value. Consequently, the values assigned above may not be a true indication of the resale value of the properties involved.

In 2003, Delaware North, one of the world's leading hospitality and food service providers, became very interested in the opportunity represented by the Properties and invested almost a year in discussions, analysis and preparation of a detailed set of projections designed to convince the Board of Directors to enter into a contract with Delaware North for the latter to build out a Lodge and Conference Center, RV Park and Campground, Family Hotel and Youth Hostel. Preliminary drafts of the contract were exchanged. In conjunction with its attempt to convince the Board of Directors to do business with Delaware North, the latter prepared detailed projections which demonstrated that, within three years of commencement, we would be realizing a profit of about \$3.3 million a year, with this profit expected to rise to \$5 million a year by the fifth year after commencement. Our obligations would be limited to a "rent free" lease of the properties, and contribution of an additional \$2 million in capital. If one applies a 15% rate of return to the additional \$2 Million in capital, i.e., \$300,000 per year, it follows that in year three, the "rent" received for the property would be \$3 Million, almost its total purchase price as determined reasonable by the Board of Directors. By year five we would be receiving annual rent in an amount in excess of the \$3.6 Million we paid for the property. Although Delaware North did not go forward with the project solely because of certain legal proceedings instituted against one of the Company's founders and two other individuals associated with the Company (which subsequently were dismissed), its projections show the strong potential of our business plans.

A copy of Delaware North's projections is available to prospective Investors upon request.

V. Recent Sales of Similar Properties.

A. Redwood Beach Trails. In January 2005, a parcel directly across Highway 101 from the Redwood Beach Trails parcel was sold. The property consisted of three acres but was zoned for residential use. It is reported that the sale price was \$100,000. The M&M Broker Opinion of Value estimate for the Redwood Beach Trails site was \$199,131 per acre.

B. Redwood Adventures Vacation Village. In January 2005, Save the Redwoods league purchased a one acre parcel adjacent to the Redwood Adventures Vacation Village parcel, with the title to go directly to the National Park Service. This is significant to us because this is the only other land adjacent to the Redwood Parks in the vicinity of our Properties that was zoned for hospitality uses. The land was sold for \$400,000, indicating a considerable increase in the value of land in and around the Redwood Parks, although some of the value may be attributed to the fact that the non-profit purchaser received an immediate tax deduction for purchasing the land and then donating it to the National Park Service. The M&M Broker Opinion of Value estimate for the Redwood Adventures Vacation Village site was \$174,427 per acre.

DRAFT

EXHIBIT B
BROKER OPINION OF VALUE

DRAFT

**EXHIBIT C
COMPANY PUBLICITY**

March 25, 2007: Article in The Washington Post Features Redwood Adventures (article also featured April 1, 2007 on Lower Hudson Online, powered by The Journal News)

[The Washington Post Sunday Travel Section Article](#) said in their regular weekly column "What's the Deal":

"Redwood Adventures has an introductory rate of \$199 a night on the newly renovated 1,200-square-foot vacation cabins in California's Redwood National Park. The three-bedroom cabins, at Redwood Adventures Vacation Village north of Orick, Calif., offer full kitchens, a 24-inch television with satellite and DVD/VCR, and washer and dryer. Taxes are an extra 10 percent; cleaning fee is \$50. Three are ready for occupancy, and another three will be available by May. Reduced rate is good though 2007 for any cabin booked before June 1. Usual rate will be \$299 a night. Info: 707-488-2602, www.redwoodadventures.com."

— Carol Sottili, The Washington Post

Feedback from guests staying in Redwood Adventures Vacation Village

4/03/07: "You certainly surpassed our expectations over the past weekend! The property is in a fantastic location. The first morning found a herd of Roosevelt Elk almost looking in the windows, the children (and adults) were thrilled. You absolutely thought of everything when appointing cabins. We cooked each night very different dishes and found all the needed utensils. We all were very impressed with the thought put into 'stocking' the cabin. Makes trip planning MUCH easier! I am sure we will see you again."

5/17/07: "I just wanted to thank you for accommodating our family needs. The cabins were fabulous; you had all the amenities anyone could ask for. The natural beauty of the outdoors was amazing. Elk everywhere, it was my sisters first time seeing an elk in the wild. She said that your web site actually depicts the surrounding areas, what you saw is what you got. Some times a web site can be deceptive in what is advertised, not Redwood Adventures. Great fun was had by all. Thank you so much for a wonderful experience. We hope to return soon."

8/3-8/6/06

The Dwyer Family

We arrived at 3AM the night of the 3rd/morning of the 4th. It felt like coming home! We have thoroughly enjoyed our stay and hope to come back again next year.

The cabin is so close to a great variety of must-see places! (Check out the Best Easy Day Hikes book the hosts kindly provided.)

Our first day we did Trillium Falls, and loved it. We saw just one other person on the trail. It felt like we were alone in the magic and majesty of the forest. We went from there to Patrick's Point. We got there just in time for the Ranger-guided tour of the Sumeg Indian Village~ very interesting and informative. Then we drove to the far end of the park to hike on wedding rock. Breathtaking! We saw whales spouting and breaching. We intended to end our day with Shakespeare in the park at the Arcata Community Forest.

We expected an outdoor amphitheatre and got there to find instead metal bleachers set up just across from the playground. We decided not to stay for the performance.

Our 2nd day we spent on an all-day river-rafting trip with Bigfoot Rafting. We highly recommend it! (800-722-2223) If you decide to go, be sure to bring money with you to tip your river guide. They make the trip! Orion was our guide. He was great!

Our 3rd day will be spent adventuring as we head back to the Bay Area. We plan to visit the old growth trees at the Lady Bird Johnson Grove, walk on the beach a little, maybe check out the lighthouse in Trinidad, and definitely go to the Avenue of the Giants while it is still light.

We were delighted this morning to wake up to the elk~ two were grazing right at the back door! We saw the babies playing and some of the males challenging each other as the rut season begins. We got some great pictures.

We hope your stay is filled with fun, wonder, and adventure.

8/17-8/19/06

Shivandja-Niesars

WOW! Great cabins in a great setting! Why didn't we schedule one more night?! Next Time!

Bravo! What a great way to revitalize and bring interest to these amazing trees. Our interest was peaked but not until 200m into Trillium Falls trail did we realize! Over the next ½ hour our mood shifted from speechless awe to laughter. How could such a setting be real?!

It has been a pleasure to stay in such a beautiful cabin and observe and enjoy God's creation. What a beautiful forest. We don't have such huge forests in Namibia.

God bless you and may He bless this wonderful land.

Stay well.

8/21-8/25/06

The Hummers Family

What a find! With 10 month twin boys and a 9 year old, we were pretty limited on what we could do on our vacation. The Elk Meadow Cabin was the perfect place for us to stay comfortably and for mom to keep her sanity, (Lots of room, a kitchen, and washer & dryer!).

The location is perfect for seeing elk (right outside your front windows), hiking, going to the beach or cruising around in the car and taking in incredible sights.

In addition to being limited on places to stay, our hikes were limited to by the size of the boys' stroller. However, we were able to get in the following (all are recommended.)

- Lady Bird Johnson
- Fern Grove
- Stout Grove

We highly recommend these auto tours (if you have the appropriate vehicle)

- Cal Barrel
- Howland Hill
- Newton B. Drury
- Bald Hills Rd
- Coastal Drive
- Davison Rd

Trillian Falls was closed due to bear activity. It is supposed to be amazing, so we are very disappointed.

The Blackberries in your backyard are delicious.

Hope you have as wonderful of a vacation as we did! We are already planning our next trip.

10/23-10/24/06

John Thompson & Dawn Alexander (Crown Point, Indiana)

Heaven in the Forest

Our original plans for our first trip to the North Coast were to stay at the Whale's Tale Cabin in McKinleyville (near Arcata) for 3 days. Upon arrival, we found conditions there to be less than favorable...downright filthy if you ask us...and I spent hours of my precious time cleaning. Agreeing to stay only 1 night, the next morning we frantically searched the Internet for a new vacation rental to stay. Fortunately for us, we stumbled upon the Elk Meadow Cabins. We agreed to give it a shot. As soon as we walked in we knew we found a real gem. Our host, Steve, was so friendly and welcoming, even giving us literature to help us plan our activities. The place is so clean and fresh, well-decorated and so cozy, we hated to leave. We had the chance to view Elk right outside our back door and even saw a little fox in the front. Fern Canyon was well worth the visit and the Palm Café (both just minute away) was a great place to eat. We will miss this place – but will no doubt stay again in, and when we ever return. Thank you so much.

11/13-11/14/06

Jacob O'Laumiek

Not what I was expecting, but just what I was needing. I had an extraordinary stay. Thank you for providing such wonderful accommodations amidst such a beautiful setting.

11/22-11/26/06

Unknown

We had a great time. This cabin is exactly what my family needs. We are definitely considering coming back for the summer. Despite the rain and cold weather the hikes were great and we are looking forward to exploring the area even further.

No doubt, we'll recommend this place to our friends!

We had all we needed; the place was spacious enough, clean, and had all the extra materials needed to plan our hikes. Thanks for having us.

2/9-2/11/07

Chip Smith

I was expecting a small cabin with basic amenities. WOW!! What a nice cabin. We were in the lap of luxury right in the middle of the redwoods. Thank you!!

3/16-3/18/07

Steve & Bev Harris

We came for our son's wedding expecting a rustic place to stay for a couple of days and were very pleasantly surprised with the wonderful accommodations- very comfortable, clean, warm- all the amenities of home. The elk are amazing as well as all the trails that are within minutes. Thank you again.

EXHIBIT D
COMPANY'S FIRST AMENDED AND RESTATED ARTICLES OF
INCORPORATION

State of California
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 7 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUL 25 2005

BRUCE McPHERSON
Secretary of State

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
REDWOOD PARKS LODGE CO., INC.**

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUL 20 2005

The undersigned hereby certify that:

They are the President and Assistant Secretary, respectively, of Redwood Parks Lodge Co., Inc., a California corporation. The Articles of Incorporation of this corporation are amended and restated to read in full as follows:

I

The name of the corporation is **REDWOOD PARKS LODGE CO., INC.** (the "Corporation").

II

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is sixty million (60,000,000) shares, forty million (40,000,000) shares of which shall be Common Stock (the "Common Stock") and twenty million (20,000,000) shares of which shall be Preferred Stock (the "Preferred Stock"). The Preferred Stock shall have no par value and the Common Stock shall have no par value. Effective at the time of filing with the Secretary of State of the State of California of these Amended and Restated Articles of Incorporation, each share of the Corporation's Common Stock and Preferred Stock, issued and outstanding, shall be automatically and without any action on the part of the respective holders thereof be converted into five (5) shares of Common Stock or Preferred Stock of the Corporation, respectively.

B. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by the affirmative vote of the holders of a majority of the Common Stock of the Corporation (voting together on an as-if-converted basis).

C. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, within the limitations and restrictions stated in these

Articles of Incorporation, to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series prior or subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

D. A total of two million (2,000,000) of the authorized shares of Preferred Stock, one hundred fifty thousand (150,000) of which were previously issued by the Corporation, are hereby designated the Series A Preferred Stock (the "Series A Preferred").

E. The rights, preferences, privileges, restrictions and other matters relating to the Series A Preferred are as follows:

1. DIVIDEND RIGHTS.

(a) The holders of the Common Stock and the holders of the Preferred Stock shall be entitled to receive dividends out of funds legally available therefore, when, as, and if declared by the Board of Directors of the Corporation, provided, however, that no dividends or other distributions on the Common Stock shall be set aside or paid until the Corporation has paid, or declared and set apart, a dividend on each outstanding share of Series A Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) of six cents (\$0.06) (the "Preferential Dividend") per fiscal year. The right to receive the Preferential Dividend on each share of Series A Preferred stock shall be cumulative without interest on such share commencing with the date on which shares of the Series A Preferred were first issued ("Original Issue Date").

(b) After the Preferential Dividends have been paid, or declared and set apart, in any fiscal year of the Corporation, the Board of Directors may declare additional dividends out of funds legally available therefore in that fiscal year and the Series A Preferred shall not participate in such additional dividends or distributions.

2. VOTING RIGHTS.

(a) **General Rights.** Except as required by law, the Series A Preferred shall not be voted at any annual or special meeting of shareholders of the Corporation or by written consent. If and when required by law, the Series A Preferred shall be voted upon the following basis: each holder of shares of the Series A Preferred shall be entitled to such number of votes as shall be equal to the whole number of shares of Common Stock into which such holder's aggregate number of shares of Series A Preferred are convertible (pursuant to Section 4 hereof) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.

3. LIQUIDATION RIGHTS.

(a) Upon any liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any junior stock, subject to the rights of any series of Preferred Stock that may from time to time come into existence, the holders of the Series A Preferred shall be entitled to be paid out of the assets of the Corporation an amount per share of the Series A Preferred equal to the Original Issue Price for such series (as defined below) plus the Preferential Dividend (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) for each share of such series held by such holders. If, upon any such liquidation, distribution, or winding up, the assets of the Corporation shall be insufficient to make payment in full to all holders of the Series A Preferred of the liquidation preference set forth in this Section 3(a), subject to the rights of any series of Preferred Stock that may from time to time come into existence, then such assets shall be distributed among the holders of the Series A Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled. The "Original Issue Price" of the Series A Preferred shall be two dollars (\$2.00). Following payment to the holders of the Series A Preferred of the full amount of the liquidation preference set forth above, the entire remaining assets of the Corporation, if any, shall be distributed among the holders of the Common Stock in proportion to the shares held by them.

(b) The following events shall be considered a liquidation under this Section:

(i) any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, in which the shareholders of the Corporation immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Corporation's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions to which the Corporation is a party in which in excess of fifty percent (50%) of the Corporation's voting power is transferred, excluding any consolidation or merger effected exclusively to change the domicile of the Corporation (an "Acquisition"); or

(ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation (an "Asset Transfer").

(c) In any of such events, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below:

(A) If traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the

securities on such quotation system over the thirty (30) day period ending three (3) days prior to the closing;

(B) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(C) If there is no active public market, the value shall be the fair market value thereof, as determined by the Board of Directors.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (i)(A), (B) or (C) to reflect the approximate fair market value thereof, as determined by the Board of Directors.

4. CONVERSION RIGHTS.

The holders of the Series A Preferred shall have the following rights with respect to the conversion of the Series A Preferred into shares of Common Stock (the "Conversion Rights"):

(a) **Conversion.** At any time after the occurrence of a Shareholder's Equity Event (as defined below), and further subject to the redemption, at the option of the Board of Directors, of the Series A Preferred pursuant to Section 5 below, the holders of the Series A Preferred may convert all, but not less than all, of any such holder's shares of Series A Preferred into fully-paid and nonassessable shares of Common Stock. Upon such election to convert, and further subject to Section 4(b) below, the shares of Series A Preferred shall convert on a one-to-one basis into that number of shares of Common Stock of the Corporation that such holder would have received on the Original Issue Date (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares). A "Shareholder's Equity Event" shall be deemed to have occurred when and if the Corporation's shareholders' equity equals or exceeds ten million dollars (\$10,000,000) (as determined by United States Generally Accepted Accounting Principles (GAAP)).

(b) **Mechanics of Conversion.** Any holder of Series A Preferred electing to convert such shares of Series A Preferred into shares of the Corporation's Common Stock shall provide written notice of such holder's election to convert such holder's shares of Series A Preferred to the Corporation and surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or any transfer agent for such shares. Thereupon, and subject to the right of the Corporation to redeem such shares of Series A Preferred pursuant to Section 5 below, the Corporation shall promptly issue and deliver to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value

determined by the Board of Directors as of the date of such conversion), any declared and unpaid dividends on the shares of the stock being converted and (ii) in cash (at the Common Stock's fair market value determined by the Board of Directors as of the date of conversion) the value of any fractional share of Common Stock otherwise issuable to any holder of the stock being converted.

Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of the stock to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(c) **Fractional Shares.** No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of the Series A Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Corporation shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined by the Board of Directors) on the date of conversion.

(d) **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(e) **Notices.** Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Corporation.

(f) **Payment of Taxes.** The Corporation will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of the Series A Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of the converted stock were registered.

5. REDEMPTION RIGHTS.

(a) At any time after any holder of Series A Preferred elects to exercise such holder's Conversion Rights pursuant to Section 4 above, but before the Corporation issues and delivers to such holder a certificate or certificates for such converted Common Stock, and provided that the Corporation may lawfully do so, the Corporation may, at the sole option of the Board of Directors, redeem all of the Series A Preferred Stock (or any portion thereof) held by any such holder of Series A Preferred electing to convert such shares pursuant to Section 4 above by paying in cash therefor a sum per share equal to two dollars (\$2.00) together with the Preferential Dividend (the "**Series A Redemption Price**"). However, no partial redemption shall be made unless all accrued dividends on all outstanding Series A Preferred for all past periods and for the current period have been paid or set apart for payment (except that unaccrued dividends for the current period may not be paid or set apart for the shares being redeemed).

(b) In the event that the Corporation elects to redeem all or any portion of the Series A Preferred pursuant to this Section 5, the Corporation shall give notice of any redemption to each record holder of Series A Preferred to be redeemed, by first-class mail postage prepaid at the shareholder's address as shown on the Corporation's records. Such notice must state: whether all or less than all of the outstanding shares of each class or series are to be redeemed; the date fixed by the Board of Directors for any redemption ("**Redemption Date**"); the Series A Redemption Price; and the place of payment of the Series A Redemption Price. On or after the Redemption Date, each holder of Series A Preferred to be redeemed shall surrender to the Corporation the certificate or certificates representing such shares and thereupon the Series A Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled.

(c) From and after the Redemption Date, unless there shall have been a default in the payment of the Series A Redemption Price, or unless the Corporation elects not to redeem all or any portion of the Series A Preferred as to which a holder of Series A Preferred has elected to convert pursuant to Section 4 above (in which case such shares of Series A Preferred shall be converted into shares of Common Stock pursuant to Section 4 above), all rights of the holders of such shares as holders of Series A Preferred (except the right to receive the Series A Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If applicable, the shares of Series A Preferred not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein.

6. NO REISSUANCE OF SERIES A PREFERRED.

(a) No share or shares of the Series A Preferred acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued.

IV

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent permissible under applicable law.

B. This Corporation is authorized to provide indemnification of its agents (as defined in Section 317 of the California General Corporation Law) through bylaw provisions, agreements with the agents, votes of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by such Section 317, subject only to the applicable limits set forth in Section 204 of the California General Corporation Law with respect to actions for breach of duty to the Corporation and its shareholders.

C. Any repeal or modification of this Article IV shall only be prospective and shall not affect the rights under this Article IV in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

* * * * *

The foregoing Amended and Restated Articles of Incorporation have been duly approved by the Board of Directors of this Corporation.

The foregoing Amended and Restated Articles of Incorporation have been duly approved by the required vote of shareholders in accordance with section 902 of the California corporations Code. The total number of outstanding shares of Common Stock of the Corporation is 2,099,885 shares, the total number of outstanding shares of Series A Preferred Stock of the Corporation is 150,000 shares. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than fifty percent (50%) of each of the Common Stock and Series A Preferred Stock.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth herein are true and correct of our own knowledge.

Executed this 7th day of June, 2005.



John Russavage, President



Gerald V. Niesar, Assistant Secretary



PART C
SUBSCRIPTION AGREEMENT AND INVESTOR SUITABILITY QUESTIONNAIRE

REDWOOD PARKS LODGE CO., INC.

\$5,000,000

Common Stock

\$15,000 MINIMUM SUBSCRIPTION

SUBSCRIPTION AGREEMENT AND INVESTOR SUITABILITY QUESTIONNAIRE

This document should be read and responded to in its entirety. (Please Type or Print in Ink)

Subscriber

Full Name:

Residence Address:

Mailing Address (if different):

Telephone Number:

Co-Subscriber (if any)

Full Name:

Residence Address:

Mailing Address (if different):

Telephone Number:

Subscription Amount:

\$

The exact spelling of the name(s) to be on the certificate representing the purchased Shares:

GENERAL INSTRUCTIONS FOR SUBSCRIBERS

IF, AFTER YOU HAVE CAREFULLY REVIEWED THE PRIVATE PLACEMENT MEMORANDUM OF THE COMPANY (THE “MEMORANDUM”), THE FINANCIAL DOCUMENTS AND PROJECTIONS (THE “**FINANCIAL DOCUMENTS AND PROJECTIONS**”) AND THE PROPOSED TERMS (THE “**OFFERING TERMS**”) OF THE COMMON STOCK OFFERING (THE “**OFFERING**”) CONTAINED WITHIN THE MEMORANDUM, AND ALL OTHER MATERIALS PROVIDED TO YOU BY REDWOOD PARKS LODGE CO., INC., (THE “**COMPANY**”), YOU WISH TO SUBSCRIBE TO PURCHASE SHARES OF THE COMPANY’S COMMON STOCK (THE “**SHARES**,” ALSO REFERRED TO AS THE “**SECURITIES**”), PLEASE FOLLOW CAREFULLY THE INSTRUCTIONS BELOW.

THE INFORMATION REQUESTED IN THIS SUBSCRIPTION AGREEMENT IS REQUIRED IN CONNECTION WITH THE COMPANY’S INTENDED RELIANCE UPON CERTAIN EXEMPTIONS FROM THE REGISTRATION AND QUALIFICATION REQUIREMENTS OF FEDERAL AND STATE SECURITIES LAWS. SUBSCRIPTION AGREEMENTS THAT ARE MISSING REQUESTED INFORMATION AND/OR SIGNATURES CANNOT AND WILL NOT BE ACCEPTED UNLESS AND UNTIL SUCH INFORMATION AND/OR SIGNATURES ARE PROVIDED. SUCH INFORMATION IS CONFIDENTIAL AND WILL NOT BE REVIEWED BY ANYONE OTHER THAN THE COMPANY AND ITS ADVISORS.

ALL SUBSCRIBERS:

Carefully read this Subscription Agreement. Sections I - IV contain certain important notices, understandings as to certain matters, subscriber representations and warranties, and registration information. These sections pertain to ALL SUBSCRIBERS. Section V requests information regarding the financial condition and experience of prospective investors that are entities (“**Entity Subscribers**,” together with Subscribers who are individuals as well as joint Subscribers, “**Subscribers**,” also referred to as “**Investors**”) and should be completed only by Entity Subscribers.

One copy of the Subscription Agreement must be filled out completely and signed by each Subscriber. All parties involved in reviewing and evaluating your Subscription Agreement will be relying on the representations and warranties you make and on the information you supply. Any Subscriber may be required to furnish additional information to enable the Company to determine whether the Subscriber is a qualified investor.

JOINT SUBSCRIBERS:

In the case of joint Subscribers (“**Joint Subscribers**”), where such Subscribers are husband and wife or relatives and have the same principal residence, only the Subscriber primarily responsible for evaluating the investment and making the decision to invest

must complete Section IV of this Agreement. In the case of Joint Subscribers who are not husband and wife or relatives or do not have the same principal residence, each Joint Subscriber must complete a Subscription Agreement. Joint Subscribers must take title to the Shares jointly and shall supply instructions to the Company as to the form of ownership desired.

ENTITY SUBSCRIBERS:

The Company may request that each Entity Subscriber submit with its Subscription Agreement the form of certificate corresponding to its form of organization together with a copy of its most recent financial statements. The Company reserves the right to require, at its sole discretion, an opinion of legal counsel from any Entity Subscriber.

When used herein, the terms “I,” “you,” “your” and “the undersigned” shall mean the Subscriber executing this Agreement below.

I. IMPORTANT NOTICES CONCERNING THE OFFERING.

The minimum subscription amount in this Offering is fifteen thousand dollars (\$15,000), but the Company, in its discretion, may accept subscriptions in smaller amounts. The total Offering, if fully subscribed, is five million dollars (\$5,000,000). Subscription funds will be made available to the Company immediately upon acceptance from the Company for use in accordance with the Company’s Financial Documents and Projections, Memorandum and Offering Terms.

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE “BLUE SKY” OR SECURITIES LAWS. THE SHARES CANNOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND WILL NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SAID LAWS. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS OFFERING INVOLVES CERTAIN MATERIAL RISKS. PLEASE REVIEW IN DETAIL THE MEMORANDUM, THE FINANCIAL DOCUMENTS AND PROJECTIONS AND THE OFFERING TERMS FOR SOME OF THE FACTORS THAT SHOULD BE CONSIDERED BY SUBSCRIBERS BEFORE INVESTING IN THE SHARES, BUT PLEASE ALSO NOTE THAT THERE MAY BE SUBSTANTIAL, MATERIAL RISKS TO AN INVESTMENT IN THE SHARES WHICH ARE NOT EXPLICITLY DISCUSSED IN THE MEMORANDUM, THE FINANCIAL DOCUMENTS AND PROJECTIONS AND THE OFFERING TERMS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFERING TERMS, INCLUDING THE MERITS AND RISKS INVOLVED. THERE CURRENTLY IS NO TRADING MARKET FOR THE SECURITIES OF THE COMPANY, AND NONE IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

SUBSCRIBERS MUST BE ABLE TO BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME, BECAUSE THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT AS PERMITTED BY THE SECURITIES ACT AND APPLICABLE PROVISIONS OF STATE SECURITIES LAWS. IF, AS A RESULT OF SOME CHANGE OF CIRCUMSTANCES ARISING FROM AN EVENT NOT NOW IN CONTEMPLATION, OR FOR ANY OTHER REASON, AN INVESTOR WISHES TO TRANSFER HIS OR HER SECURITIES, SUCH INVESTOR MAY FIND NO MARKET FOR THOSE SECURITIES.

PRIOR TO THE ISSUANCE OF ANY SECURITIES, SUBSCRIBERS SHALL BE GIVEN THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS CONCERNING ANY ASPECT OF THE INVESTMENT, AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THE MEMORANDUM, THE FINANCIAL DOCUMENTS AND PROJECTIONS AND THE OFFERING TERMS, OR IN ANY OTHER MATERIAL PROVIDED TO THE SUBSCRIBER BY THE COMPANY.

SUBSCRIBERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS SUBSCRIPTION AGREEMENT AS LEGAL, TAX OR INVESTMENT ADVICE. EACH INVESTOR SHOULD CONSULT HIS OWN LEGAL COUNSEL, ACCOUNTANT OR BUSINESS ADVISOR AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING HIS POSSIBLE INVESTMENT IN THE SECURITIES OFFERED HEREBY. THE DELIVERY OF THIS SUBSCRIPTION AGREEMENT AT ANY TIME DOES NOT IMPLY THE INFORMATION CONTAINED HEREIN OR IN THE MEMORANDUM, THE FINANCIAL DOCUMENTS AND PROJECTIONS AND THE OFFERING TERMS IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

II. AGREEMENTS AND UNDERSTANDINGS.

I agree and understand as follows:

A. Except as may be provided under state securities laws, this Subscription Agreement is irrevocable; provided, however, that the execution and delivery of this Subscription Agreement will not constitute an agreement between the Company and me until this Subscription Agreement is accepted by the Company. I understand that the Company may request any other information, whether or not specifically called for in this

Subscription Agreement, that it deems desirable in evaluating my subscription. Furthermore, I understand that the Company has the right to reject my subscription with or without cause, for any or no reason.

B. Although I realize that the Company will make a good faith effort to sell the Shares without undue delay, I understand that some time may pass after my execution and submission of this Subscription Agreement before any decision to accept or reject my subscription is made. I understand that a delay in deciding whether to accept or reject my subscription, even if such delay involves not including my subscription in a given closing or in any closing, can in no way be interpreted as limiting the discretion of the Company to accept or reject my subscription.

C. I will make such representations and warranties and furnish such additional information as to my investment experience and financial position as the Company may reasonably request, and if there should be any material change in the information set forth herein prior to the closing of the sale of Shares to me, I will immediately furnish such revised or corrected information to the Company.

D. I understand that in the event that my Subscription Agreement is not accepted for whatever reason, my subscription funds will be returned to me without interest or escrow fee.

E. I recognize that in accepting my subscription to purchase Shares, the Company will rely on the accuracy and completeness of my statements, representations and warranties set forth herein. I hereby agree to defend, to indemnify and to hold harmless the Company and each of its officers, directors, principals, or agents from and against any and all loss, damage, liability or expense, including reasonable attorneys' fees and costs, which they or any of them may incur or become liable for by reason of, or in any way connected with, any misrepresentation or omission of relevant information, whether negligent or intentional, made by me in this Subscription Agreement, any breach of my warranties or my failure to perform any of my covenants or agreements set forth in the Subscription Agreement, or arising out of any sale or distribution by me of any Shares in violation of the Securities Act, or any other applicable securities or "Blue Sky" laws.

F. Legend; Stock Certificate. I acknowledge that a legend to the following effect will appear upon the certificate(s) representing Shares purchased by me:

THESE SECURITIES (THE "*SECURITIES*") HAVE NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED (THE "*ACT*") OR ANY STATE SECURITIES LAW. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NEITHER SAID SECURITIES NOR ANY INTEREST THEREIN MAY BE TRANSFERRED, SOLD OR OFFERED FOR SALE UNLESS: (1) THERE IS AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES AS SECURITIES UNDER THE ACT AND QUALIFICATION UNDER ANY APPLICABLE STATE SECURITIES LAW, (2) SUCH TRANSFER IS MADE IN COMPLIANCE WITH RULE 144 UNDER THE ACT AND PURSUANT TO

QUALIFICATION UNDER ANY APPLICABLE STATE SECURITIES LAW OR EXEMPTION THEREFROM, OR (3) THERE IS AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED AS TO SAID TRANSFER, SALE OR OFFER.

I agree promptly to deliver my Shares to the Company if and when the Company, in its discretion, decides to recall such Shares and reissue the same bearing a new or different legend or legends reflecting appropriately any requirements of the exemptions from the state and federal securities laws pursuant to which the Shares have been sold to me.

III. REPRESENTATIONS AND WARRANTIES.

I represent and warrant to the Company as follows:

A. I have received and reviewed the Memorandum and the Financial Documents and Projections and have been given full access to information appropriate to my determination of whether to invest in the Company, and, I am familiar with the terms and provisions thereof. I have also received and reviewed the Offering Terms contained within the Memorandum and prepared in connection with the proposed Offering by the Company of the Shares, which summarizes the proposed rights and privileges of the Shares and summarizes the issued and outstanding equity securities of the Company. I have also reviewed the risk factors and related information set forth herein and in the Memorandum, the Financial Documents and Projections and the Offering Terms, which should be considered when determining whether to invest in the Shares.

B. I have further had an opportunity to meet with principals of the Company and discuss issues relevant to my determination of whether to invest in the Shares.

C. I have full legal capacity to enter into this Subscription Agreement and, if not an individual, have duly authorized the execution of this Subscription Agreement in accordance with my constitutive documents.

D. I have carefully reviewed the merits and risks of, and other considerations relating to, investment in the Company.

E. I have read and understood the notices set forth in Section I of this Subscription Agreement and I understand that the transfer of the Shares is subject to various restrictions; that, as the Shares have not been registered under the Securities Act, or under the securities laws of any state, the Shares cannot be sold unless they are registered under said Act and qualified under said state laws or are exempt from registration or qualification thereunder; that the Company will not record the sale or other transfer of any Share without compliance with said securities laws; and, that I must bear the economic risk of ownership of the Shares for an indefinite period of time. I shall not sell, assign, transfer or otherwise dispose of all or any part of my Shares or my interests therein except in compliance with applicable federal and state securities laws.

F. I understand that my investment in the Company is not liquid. I have adequate means of providing for my current needs and personal contingencies and I have no need for liquidity in this investment.

G. Except for the Memorandum, the Financial Documents and Projections, the Offering Terms and any other information that my advisors or I may have requested and received directly from the Company, neither my advisors nor I have been furnished any other Offering material or literature upon which I have relied in connection with my determination of whether or not to purchase Shares.

H. I have been advised that I and my advisors, if any, would have an opportunity to review all the pertinent facts, to ask questions, and to obtain any additional information, to the extent possessed or obtainable without unreasonable effort and expense, regarding the Company, its key employees, its business, the Offering of the Shares, the risks of investment in the Company and any other matters relating to any of the above or anything set forth in the Memorandum, the Financial Documents and Projections, the Offering Terms, and any additional information necessary to verify the accuracy of any representation or information set forth therein. The Company has supplied all material requested, if any, and has given complete and satisfactory answers to all inquiries, if any, that my advisors and I have put to it concerning the matters listed above.

I. All financial and other data that I have supplied in this Subscription Agreement is true, accurate, and complete and fairly reflects my financial condition and investment experience to the best of my knowledge and belief.

J. I have been advised to consult with my own attorney regarding legal matters concerning an investment in the Company and regarding tax and other financial consequences of investing in the Company. I understand that the information provided to me by the Company in connection with my purchase of Shares does not constitute legal, investment, tax or other advice.

K. I am acquiring the Shares for my own account, as principal, for investment and not with a view to or for sale in connection with any distribution of such Shares or any interest therein.

L. I have reviewed and understand the risk factors set forth in Section I of this Subscription Agreement, and I understand that an investment in the Company will be subject to substantial risks and uncertainties, not all of which are set forth in the Memorandum, the Financial Documents and Projections and the Offering Terms or otherwise described in this Subscription Agreement.

M. I understand and acknowledge that the Memorandum, the Financial Documents and Projections and the Offering Terms contain certain statements of anticipated or expected financial results and certain projected financial statement information, including internally-prepared projected revenues, [projected cash flow statements, and projected balance sheets for the Company's first year and its first three years

of operations], all of which constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to various risks and uncertainties. I understand and further acknowledge that those forward-looking statements depend on certain assumptions about the Company, its market, the competition it faces, and its revenue model, and I acknowledge that those assumptions may prove to be inaccurate and, as a result, the projected financial statement information and related information may not prove to be accurate statements of the actual financial results or the financial condition of the Company. I have had an opportunity to discuss those projected financial statements, and the assumptions underlying such projected financial statements, with the Company’s management.

IV. FINANCIAL CONDITION AND EXPERIENCE OF ALL SUBSCRIBERS:

I further represent and warrant to the Company, as follows:

I am a “Qualified Purchaser” as defined in Section 25102(n). My qualification is based on the following (each “Qualified Purchaser” must initial the appropriate item or items):

- _____ 1. As of the date of this Subscription Agreement, I (either individually or with my spouse) have a minimum net worth^{1/} of \$250,000 and had, during the immediately preceding tax year, gross income in excess of \$100,000 and reasonably expect the same income level for the current year, and the amount of my investment does not exceed 10 percent of my net worth; or
 - _____ 2. As of the date of this Subscription Agreement, I (either individually or with my spouse) have a net worth in excess of \$500,000, and the amount of my investment does not exceed 10 percent of my net worth; or
- I am:
- _____ 3. a pension or profit-sharing trust of the issuer, a self-employed individual retirement plan, or an individual retirement account, if the investment decisions made on behalf of the trust, plan, or account are made solely by persons who are Qualified Purchasers;
 - _____ 4. a tax exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, with total assets in excess of \$5,000,000.

^{1/} For purposes of paragraphs (1) and (2) above, “net worth” shall be determined exclusive of home, home furnishings and automobiles. Other assets included in the computation of net worth may be valued at fair market value.

V. AUTHORITY AND FINANCIAL CONDITION OF ENTITY SUBSCRIBERS:

THE REQUESTED FINANCIAL INFORMATION SHOULD BE FURNISHED ONLY WITH RESPECT TO THE ENTITY SUBSCRIBER, AND NOT WITH RESPECT TO ANY OF THE OWNERS OF THE BENEFICIAL INTERESTS THEREIN, EXCEPT AS INDICATED.

GRANTOR TRUST SUBSCRIBERS: IF THE SUBSCRIBER IS A GRANTOR TRUST, THAT IS, A TRUST AMENDABLE AND REVOCABLE BY THE GRANTOR AT ANY TIME, PLEASE COMPLETE THIS SECTION V WITH RESPECT TO THE TRUST AND ITS ASSETS ALONE. PLEASE ALSO COMPLETE SECTION IV WITH RESPECT TO THE GRANTOR INCLUDING THE ASSETS HELD IN THE TRUST.

A. REPRESENTATIONS AND WARRANTIES

The Entity Subscriber represents and warrants to the Company as follows:

- (1) The Entity Subscriber has been duly formed and is validly existing in good standing under the laws of the state in which it was founded with full power and authority to enter into the transactions contemplated by this Subscription Agreement.
- (2) The execution of this Agreement has been duly and validly authorized, and, when delivered on behalf of the undersigned, will constitute a valid, binding and enforceable agreement and obligation of the Entity Subscriber.
- (3) The Entity Subscriber has not been formed, reformed or recapitalized for the specific purpose of purchasing Shares.
- (4) The Entity Subscriber acknowledges that all representations, warranties, agreements and notices set forth in Sections I - IV apply to the Entity Subscriber and acknowledges having read and understood them. Where appropriate in the context, the words "I" and "me" have been read to mean the Entity Subscriber.

B. FINANCIAL POSITION AND EXPERIENCE

Type of entity:

Date of Organization:

State of Organization:

Number of equity owners (partners, beneficiaries, etc.):

If one or more of these equity owners owns individually or collectively more than fifty percent (50%) of the equity interest of the Subscriber and is (are) also purchasing Shares, please identify such equity owner(s):

The net worth of the Entity Subscriber, as set forth in greater detail on the financial statements submitted herewith (if the Company so requests) is:

\$ _____

The Entity Subscriber's principal activities are:

C. INVESTMENT EVALUATION

Please certify the truth of the following statement by initialing where indicated:

The individuals authorizing this investment on behalf of Subscriber have such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Company.

_____ (Initials)

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement as of the date indicated below.

INDIVIDUAL SUBSCRIBERS:

Dated: _____, 2007

Title. I/we wish(es) to take title to the Shares as follows:

- _____ Individual, as a Single Person
- _____ Individual, Subject to Community Property Rights of Spouse
- _____ Individual, as Separate Property
- _____ Husband and Wife, as Community Property
- _____ As Tenants-In-Common
- _____ As Joint Tenants with Rights of Survivorship
- _____ Other (e.g., trustee or custodian)

(Print Name Here)

IF THE SUBSCRIBER HAS INDICATED THAT HE OR SHE WILL HOLD THE SHARES AS A JOINT TENANTS, AS A TENANT-IN-COMMON, OR AS COMMUNITY PROPERTY, THE CO-OWNER OR JOINT SUBSCRIBER MUST SIGN HERE:

(Print Name Here)

Accepted as of _____, 2007

REDWOOD PARKS LODGE CO., INC.

By _____
John Russavage, Chief Executive Officer

CORPORATE SUBSCRIBERS:

Dated: _____, 2007

(Name of Corporation)

By: _____

(Print Name Here)

Its: _____
(Print Capacity Here)

AND

By: _____

(Print Name Here)

Its: _____
(Print Capacity Here)

Accepted as of _____, 2007

REDWOOD PARKS LODGE CO., INC.

By _____
John Russavage, Chief Executive Officer

OTHER ENTITY SUBSCRIBERS:

Dated: _____, 2007

(Name of Entity)

By: _____

(Print Name Here)

Its: _____
(Print Capacity Here)

Accepted as of _____, 2007

REDWOOD PARKS LODGE CO., INC.

By _____
John Russavage, Chief Executive Officer