PRELIMINARY PROSPECTUS DATED DECEMBER 21, 1972

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

PROSPECTUS

The Ranch at Roaring Fork, Inc.

360 Condominium Units, with Opportunity to Join Rental Partnership

INVESTMENT IN THE CONDOMINIUM UNITS AND RENTAL PARTNERSHIP OPPORTUNITIES OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK (see "INTRODUCTORY STATEMENT — Risk Factors").

The Ranch at Roaring Fork, Inc. (the "Company") offers for sale in incremental phases an aggregate of up to 360 condominium units (the "Condominium Units" or "Units") in a resort condominium project (the "Resort Project") to be constructed on the Roaring Fork Ranch (the "Ranch") in the Aspen - Glenwood Springs area of west central Colorado (see "THE RESORT PROJECT"). The initial phase of the Resort Project includes 60 Condominium Units.

Each Condominium Unit will consist of separate ownership of the interior of a residential dwelling unit, and an undivided interest in all the condominium buildings and structures and in certain portions of the Ranch, including approximately 420 acres devoted exclusively to recreational purposes. In addition, each purchaser of a Condominium Unit will have the opportunity to become a limited partner in a limited partnership (the "Rental Partnership" or "Partnership") to be organized for the purpose of operating the Condominium Units as rental accommodations.

It is anticipated that construction of the initial 60 Condominium Units will not commence until agreements for the sale of all 60 Units have been entered into, although the Company retains the right to begin construction at any time. The Company may in its discretion terminate this offering at any time before agreements for the purchase of 60 Units have been entered into and down payments equal to approximately 20% of the Unit purchase price received. The offering will be terminated at December 31, 1974 unless agreements for the purchase of 60 Units have been entered into by that date and down payments equal to approximately 20% of the Unit purchase price received or unless (i) the Company has elected to complete the Initial Phase with agreements for less than 60 Units and (ii) agreements for the purchase of at least 30 Units have been entered into. Upon any such termination of the offering, the Company will cause the prompt refund, without interest, of all funds received from purchasers. All monies received from purchasers will be held in a special escrow account with a bank in Colorado which is a member of the Federal Reserve System, until such time as the Company has filed with the bank and the purchasers an election and undertaking to complete the first 60 Units.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

(Continued on page 3)

The date of this Prospectus is . . . . , 1972

(Continued from page 1)

The offer for sale of Condominium Units alone does not constitute the offering of a security under the Securities Act of 1933. However, the offer for sale of Condominium Units coupled with the opportunity to become a limited partner in the Rental Partnership may constitute the offering of an investment which must be registered with the Securities and Exchange Commission as a security under such Act.

There is no present public trading market for the Condominium Units or interests in the Partnership and it is not expected that such a market will develop. The transferability of interests in the Partnership is restricted (see "INTRODUCTORY STATEMENT – Risk Factors").

The 60 Condominium Units in the initial phase of this offering (the "Initial Phase") will be offered at presently estimated prices ranging from $48,500 to $52,500, depending upon the floor plan and view (see "THE OFFERING – Purchase Prices"). The estimated aggregate amount of the Initial Phase of this offering (see "THE RESORT PROJECT – Master Plan and Phases of Development"), based on the presently estimated sales prices of the Condominium Units, is $3,050,000. Since the remaining Units will be constructed and sold, if at all, over a period of several years, no estimate can be given of the sales prices of Units beyond the Initial Phase.

In addition to the purchase price of the Unit purchased, each purchaser of a Condominium Unit will be required to pay an initial assessment for operation and maintenance of the portions of the Resort Project that are owned in common (see "THE OFFERING – Purchase Prices") and each purchaser of a Condominium Unit who elects to become a limited partner will be required to make an initial capital contribution to the Rental Partnership (see "THE RENTAL PARTNERSHIP – Limited Partners"). Also, each Unit owner who joins the Rental Partnership will be required to purchase a furniture package for the Unit (see "THE RESORT PROJECT – Furnishings").

Condominium Units will be sold by officers or employees of the Company, or by duly licensed brokers and salesmen who will receive a sales commission not to exceed .... percent of the selling price of each Condominium Unit sold. Persons making sales of Condominium Units may be deemed to be underwriters within the meaning of that term as defined in the Securities Act of 1933. The estimated proceeds to the Company of the Initial Phase of this offering (see "USE OF PROCEEDS"), assuming payment of a .... percent commission on all sales of Condominium Units, are $.........; the estimated proceeds of the entire offering, assuming such a commission, are $....... . In addition to such commission, it is estimated that accounting, legal, printing and other expenses of the offering will be $........ (or $........ per Condominium Unit for the 60 Units of the Initial Phase).

The Condominium Units are subject to prior sale, to the Company's right to reject any offer of purchase, and to withdrawal, cancellation, or modification of the terms of further sales without notice.

It is recommended that all prospective purchasers visit the Ranch before purchasing a Unit.

This Prospectus does not contain all of the information appearing in the Registration Statement on file with the Securities and Exchange Commission. The information omitted may be obtained from the Commission's principal office in Washington, D.C., upon payment of the fee prescribed by the rules and regulations of the Commission, or may be examined there without charge.

TABLE OF CONTENTS

Until ...., 1973 [ninety (90) days after the date of this Prospectus], all dealers effecting transactions in the registered securities, whether or not participating in this distribution, may be required to deliver a copy of this Prospectus. This is in addition to the obligation of dealers to deliver a Prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

INTRODUCTORY STATEMENT

The Company

The Ranch at Roaring Fork, Inc. (the "Company") was incorporated under the laws of the State of Colorado in June 1972, to act as the developer of the 462 acre parcel of real property in west central Colorado known as Roaring Fork Ranch (see "THE RESORT PROJECT – Roaring Fork Ranch"). The Company's principal business offices are located at 4350 East Camelback Road, Phoenix, Arizona 85018, and its telephone number is (602) 959-3500; it also maintains an office at the Ranch [c/o General Delivery, Carbondale, Colorado 81623, telephone number (303) 996-2704].

The Company is a wholly owned subsidiary of Jacobson Diversified, Inc., an Arizona based real estate development corporation which for the past two years has been actively engaged in the development and sale of a 1250 acre recreational development in Pinetop, Arizona. The stock of Jacobson Diversified is owned 60% by L. C. Jacobson, who was president of Del E. Webb Corporation from 1962 to 1966, and 40% by Jay Kee Jacobson, his son. Jacobson Diversified, L. C. Jacobson and Jay Kee Jacobson may be deemed to be parents of the Company under the Securities Act of 1933. The purchasers of the Condominium Units offered hereby will have no interest in the Company, or its parents or affiliates.

The Resort Project

The Company has caused to be prepared a master plan ("Master Plan") for the development of the Ranch into a year-round recreational and vacation condominium resort, with emphasis upon summer recreational activities. The Company proposes to implement the Master Plan in incremental phases over a period of several years (see "THE RESORT PROJECT – Master Plan and Phases of Development"). The Master Plan in its present form contemplates development of the entire 462 acres of the Ranch into: residential areas ("Residential Parcels") consisting of 360 condominium dwelling units (approximately 30 acres); and recreational areas (approximately 420 acres) consisting of a nine hole par three golf course, two swimming pools and two tennis courts, and approximately 380 acres which will remain undeveloped except for 14 lakes and connecting streams, riding stables and approximately six miles of horseback riding, hiking and bicycle trails. Approximately nine acres will be reserved for commercial development anticipated to include a presently existing restaurant, proposed shops and a service station. Approximately three acres will be reserved by the Company for residential purposes (see "THE RESORT PROJECT – Reserved Parcel"). The Condominium Unit owners will have no ownership interest in the commercial area or the Reserved Parcel.

The initial portion of the Resort Project ("Initial Phase") includes the construction of the first 60 Condominium Units, the nine hole par three golf course, one tennis court, the 14 lakes and connecting streams, the riding trails and the existing restaurant. The construction of any additional Condominium Units or other contemplated commercial or recreational facilities beyond the Initial Phase depends upon sales of Condominium Units, availability of suitable construction and permanent financing and other factors.

Risk Factors

Investment in the Condominium Units and limited partnership opportunities offered hereby involves a high degree of risk. In analyzing this offering, investors should carefully consider, among others, the following risk factors:

1. *Market Acceptance of the Resort Project.* Although the Resort Project is planned as a year-round resort, primary emphasis will be on self-contained summer recreational facilities in an attractive country setting involving substantial controlled acreage. The market acceptance of the rental program for a project of this special nature cannot be assured. Although the number of summer season vacation visitors in the Aspen, Colorado area has substantially increased in recent years, the highest occupancy rate for transient rental occupants in the Aspen area has traditionally occurred

during the winter seasons, and has been primarily connected with skiing. With respect to winter rentals, the Ranch is approximately 20 miles from Snowmass, the nearest major ski area, and accordingly substantial competition may be encountered from other rental accommodations located near or adjacent to major ski slopes. In addition, a number of years may be required for the Resort Project to become sufficiently well known to achieve its full rental potential. Sales of Condominium Units, and the ability of owners to resell, may be related to the success of the rental operation.

2. *Reliance Upon the Company.* The Company will assume principal responsibility for (1) the development and construction of the Resort Project; (2) at least for a significant period of time, the maintenance and operation, under contract with the Condominium Association, of the extensive recreational facilities and condominium common area; and (3) also for a significant period of time, the management and operation of the Rental Partnership. The success of the development and operation of the Resort Project will accordingly depend to a considerable extent upon the experience and ability of the Company. Although certain of the Company officers have had significant experience in resort and hotel construction and operation, the Resort Project contains unique features, and experience in the development and operation of such a resort complex is necessarily limited. In the event the Company were for any reason to cease to act as manager of the project facilities or as general partner of the Rental Partnership, the condominium owners could have difficulty in finding a suitable successor.

3. *Completion of Condominium Unit Construction.* Upon election of the Company to complete the Initial Phase of the Resort Project (see "THE OFFERING — Terms of Purchase") the funds paid by prospective purchasers under their purchase agreements, up to 20% of the purchase price, will be applied by the Company towards the cost of completing the project. These funds may remain in escrow without interest to the purchaser for a substantial period of time, possibly until December 31, 1974. Further, the period of construction may extend for up to two years beyond the date of the Company's election to proceed. In addition, if the Company is unable for any reason to complete construction of the Condominium Units, and cannot repay funds theretofore paid, such prospective purchasers may lose all or part of such funds.

4. *Completion of Resort Project.* The completion of later incremental phases of the Resort Project will depend upon market acceptance and other factors, and the Resort Project may not be completed in accordance with the Master Plan. Such failure to complete the Resort Project may adversely affect the rental program, per unit maintenance costs, development of the commercial area and the balance of the recreational facilities, and salability of the Units.

Special Risk Factors Relating to the Formation and
Operation of the Rental Partnership

5. *Formation of Rental Partnership.* The Company may, at its discretion postpone the formation of the Rental Partnership until the purchasers of at least 45 Condominium Units elect to join. If the Rental Partnership has not been formed within two years from the closing of the sale of the first Unit, the Company will thereafter have no obligation to form such Partnership. In the event the Partnership is not formed, or until it is formed if its formation is delayed, owners desiring to rent their Condominium Units as rental accommodations will have to make other arrangements to do so. If the rental proceeds and required capital contributions do not substantially cover expenses, the Partnership may be terminated, and if terminated for this or any other reason, the limited partners will have to make such alternative rental arrangements. The postponement of the formation of the Rental Partnership, or the failure to form the Partnership at all, or its termination after it is formed, will not entitle a purchaser of a Condominium Unit to any refund of the purchase price, and all of such purchaser's obligations for the purchase of a Unit will remain in full force and effect.

6. *Capital Contribution and Expenses of Rental Partnership.* Condominium Unit owners who wish to participate in the Rental Partnership will be required to make an initial capital contribution of $800. If rental proceeds are insufficient to cover monthly expenses of the Partnership, such Unit owners may be required to make further capital contributions as needed up to $800 per year for each of the first three years (see "THE RENTAL PARTNERSHIP – Limited Partners").

7. *Restrictions on Transfer, Etc.* Purchasers who elect to join the Partnership will be required to remain limited partners for a period of three years, and thereafter until such time as any reservations for the Unit that cannot be transferred to other units have expired unless the general partner in its discretion consents to earlier withdrawal (see "THE RENTAL PARTNERSHIP – Limited Partners"). Such conditions upon withdrawal of a Unit from Partnership operations may restrict a limited partner's ability to immediately transfer ownership of his Condominium Unit to a prospective purchaser who does not desire to operate the Unit as a rental accommodation. Further, if a Condominium Unit owner desires to join the Partnership at any time after his initial purchase of his Unit, he may be required to wait up to two years and he may be required to purchase a furniture package (see "THE RESORT PROJECT – Furnishings") or to replace or repair portions of such furniture package previously purchased. The owner of a Condominium Unit participating in the Rental Partnership may, if he elects to use a broker in the sale of his Unit, be required to utilize a broker fully licensed as real estate broker and securities broker and thus may be at a competitive disadvantage with respect to other condominiums and other residential real property.

8. *Tax Consequences of Rental Partnership.* The tax consequences of owning a Condominium Unit and participating in the Rental Partnership cannot be predicted with confidence, and there can be no assurance that the tax treatment anticipated by the Company will be accorded by the Internal Revenue Service. Such tax consequences should be considered carefully and are contingent upon a number of factors including the individual circumstances surrounding the taxpayer's use of his Unit (see "FEDERAL INCOME TAX CONSEQUENCES").

9. *Internal Revenue Code Section 183(c).* The ownership and rental of a Condominium Unit may be deemed to be an "activity not engaged in for profit" within the meaning of Internal Revenue Code Section 183(c), in which event the expenses of owning and renting that Unit – other than the costs of property taxes, mortgage interest and unreimbursed casualty losses – will be deductible for Federal income tax purposes, if at all, only to the extent of gross income realized by the owner from his Unit reduced by such specified costs. In addition, legislation has in the past been introduced but not adopted, which would have had the effect of providing that the ownership and rental of a dwelling unit is an "activity not engaged in for profit" if such dwelling unit is "occupied from time to time by the taxpayer or members of his family . . . while on vacation." (See "FEDERAL INCOME TAX CONSEQUENCES – Personal or Non-Personal Use".)

Special Risk Factors Relating to Purchase and Ownership of a Condominium Unit

10. *Accessibility and Location.* The Resort Project is located a considerable distance from most metropolitan centers so that significant travel time and expense may be involved in utilization of Condominium Units by many owners and renters. In addition, the present lack of public transportation facilities in the Aspen area may cause many owners or renters to find it necessary to rent an automobile while staying in a Condominium Unit.

11. *Real Estate and Condominium Investment Risks.* Purchase of a Condominium Unit is subject to those risks inherent in real estate investments. There is a possibility of loss as well as gain on resale of a Condominium Unit, and an extended period of ownership may be required in order to realize any gain on resale. In addition, realization of the benefits of ownership of a Condominium Unit may involve some dependence upon the ability and willingness of the owners

of other Condominium Units to perform their obligations as condominium owners (see "THE CONDOMINIUM – The Condominium Concept").

12. *Condominium Expenses.* The owner of each Condominium Unit will be subject to assessments by the Condominium Association for expenses related to operation and maintenance of the common area of the Resort Project, which includes the extensive recreational area facilities. While the Company will be responsible for a portion of the common area expenses for a period of 5 years after the sale of the first Unit, after that date all such expenses will be borne by the owners of the then existing Units, the number of which may be as low as 60 (see "THE CONDOMINIUM – The Condominium Association"). The obligation for such expenses is a lien enforceable by foreclosure upon the respective Units, and is also a direct obligation of the owner.

Conflicts of Interest

The Company intends to act as the general partner and manager of the Partnership and to designate persons to act as the directors of the Condominium Association for a period of at least five years from the completion of construction of the first 60 Units, or until all 360 Units contemplated in the Master Plan have been sold, whichever is earlier. Most of the officers and directors of the Company are also officers or directors of one or more entities affiliated with the Company which engage in the acquisition, development, brokerage, sale, operation or management of real estate. Accordingly, the Company and its officers and directors will face conflicts of interest with regard to the choice of persons to provide management and other services to the Partnership and the Condominium Association, the remuneration to be paid to the Company or any affiliate retained to provide such services, the enforcement of the obligations of the Company or any such affiliate to the Partnership or the Condominium Association, and the manner in which the obligations of the Partnership and the Condominium Association to one another or to the Company or any such affiliate are carried out. In addition, the Company intends to develop and sell in the future resort condominium projects similar to the Resort Project, to organize condominium associations for the operation of such projects, to designate Company employees as temporary directors of such condominium associations, and to act as general partner for limited partnerships engaged in business and activities similar to those of the Partnership, some of which may be in competition with the Partnership for rentals of Condominium Units. In addition, there may be certain additional conflicts of interest in connection with the use of the commercial area and Reserved Parcel and in connection with the cattle operation (see "THE COMPANY – Certain Transactions and Proposed Transactions").

Fiduciary Duty of the Company

As general partner of the Partnership, the Company will bear a fiduciary responsibility to the limited partners under Colorado law. In all proceedings connected with the conduct of the business and affairs of the Partnership, the Company will be bound to act in the highest good faith to the limited partners, and may not obtain any advantage over them by misrepresentation, concealment, threat or adverse pressure of any kind. Pursuant to such duty, the Company will be required to account to the Partnership for any benefit or profits derived by it directly or indirectly without the consent of the limited partners from any transaction connected with the business of the Partnership. In the event any limited partner believes the Company has breached its fiduciary responsibility, he may institute legal action on behalf of himself or all other similarly situated limited partners for recovery of such benefits or profits.

The directors of the Condominium Association designated by the Company bear a similar fiduciary responsibility to the Association's members, and the members have similar rights of action against the directors.

THE OFFERING

Under the Master Plan the Company intends to offer for sale, in increments over a substantial but indefinite period of time, up to 360 Condominium Units, with the opportunity for each purchaser to become a limited partner in a limited partnership (the "Rental Partnership") for the purpose of operating the Condominium Units as rental accommodations. In the Initial Phase 60 Condominium Units will be offered. The Company may in its discretion terminate this offering at any time before agreements for the purchase of 60 Units have been entered into and down payments equal to approximately 20% of the Unit purchase price have been received. The offering will be terminated at December 31, 1974 unless agreements for the purchase of 60 Units have been entered into by that date and down payments equal to approximately 20% of the Unit purchase price have been received or unless (i) the Company has elected to complete the Initial Phase with agreements for less than 60 Units and (ii) agreements for the purchase of at least 30 Units have been entered into. Upon any such termination of the offering, the Company will cause the prompt refund, without interest, of all funds received from purchasers. All monies received from purchasers will be held in a special escrow account with a bank in Colorado which is a member of the Federal Reserve System, until such time as the Company has filed with the bank and with the purchasers an election and undertaking to complete the first 60 Units.

The Condominium Units and Rental Partnership opportunities offered by the Company are designed to combine an investment feature with the purchase, maintenance, and personal use of a Condominium Unit and the recreational facilities to be constructed and maintained on the Ranch. No assurances can be made by the Company that any distributions of cash will be made by the Partnership, or that such cash distributions, if made, will be equal to or in excess of carrying costs of the Condominium Unit and Partnership Interest.

Purchase Prices

The Condominium Units will be sold at firm prices according to a published price schedule which will be delivered with this Prospectus. The price of the various types of plans of Units (Plan A, Plan B, and Plan C) will vary with regard to the Unit's location and view. The Company reserves the right to change the prices of any or all unsold Units from time to time by the publication of a new price schedule. Such price changes would be effectuated in response to changes in market conditions or changes in development and selling costs from those presently anticipated.

The range of initial prices for each plan of Unit in the Initial Phase is as follows:

Description of Unit	Range of Initial Phase
Plan A	\$51,000 - \$52,500
Plan B	\$48,500 - \$52,000
Plan C	\$49,500 - \$52,500

The purchaser will also be required to pay: (a) the cost of documenting and recording his general warranty deed and deed of trust or mortgage (if any); (b) the cost of water and sewer tap fees; (c) the amount of any loan fee or mortgage insurance fee payable on closing in connection with financing of the purchase price of the Units; (d) the amount of an initial assessment of the Condominium Association for equipment, furnishings and operating funds of such Association (see "THE CONDOMINIUM – Expenses"); and (e) certain other closing costs. In addition, each purchaser electing to become a limited partner will be required to make a capital contribution to the Partnership (see "THE RENTAL PARTNERSHIP – Limited Partners").

The table below sets forth the estimated amount of cash required at the time of purchase of a Condominium Unit.

ESTIMATED CASH REQUIRED ON PURCHASE OF CONDOMINIUM UNIT

	Plans A, B, and C	
	All Cash	With Maximum Financing
Purchase price(1)	$50,500	$50,500
Less amount of loan(2)	–	40,000
Cash down payment	50,500	10,500
Loan fee(3)	–	800
Documentary and recording fee(4)	13	13
Escrow fee(5)	38	38
Water and sewer tap fees	300	300
Other loan costs(6)	–	50
Interest proration on loan(7)	–	133
Tax impound(8)	–	79
Furnishings(9)	6,440	318
Sale tax(10)	386	–
Initial Condominium Association assessment(11)	400	400
TOTAL (if not a limited partner)	$58,077	$12,631
Capital Contribution to Partnership(12)	800	800
TOTAL (if a limited partner)	$58,877	$13,431

(1) Assumes the average between the lowest and highest prices for all types of Units.

(2) Assumes a maximum loan of $40,000, bearing interest at a rate of 8½%, payable over 30 years (see "THE OFFERING – Financing of Purchases").

(3) Assumes loan fee of 2% of principal amount of loan.

(4) .01% of real estate value, plus $8 recording fee.

(5) Closing escrow fee to be paid to title company.

(6) Includes cost of mortgagee's loan policy ($20), tax certificate ($3), credit report ($10), amortization schedule ($2) and tax search service ($15).

(7) Assumes proration for ½ month's interest at rate of 8½% per annum; amount will vary with date of consummation of purchase.

(8) Assumes lender requires an impound account for property taxes equal to 1/12 of annual tax per month; amount will vary with date of consummation of purchase.

(9) Includes cost of delivery and installation if purchased for cash; represents two months payment if purchased on a five year installment contract at 8% add on interest. If purchaser does not elect to become a limited partner a furniture package is not required to be purchased.

(10) 6% of cost of furnishings, excluding cost of delivery and installation.

(11) Includes initial assessment of Condominium Association (see "THE CONDOMINIUM – Expenses").

(12) See "THE RENTAL PARTNERSHIP – Limited Partners".

Annual Expenses of Condominium Unit Owners and the Partnership

The expenses of owning a Condominium Unit include most of those of owning any residential real property and certain other expenses. Unit owners will be charged directly for property taxes, utilities charges for individual dwelling units unless the owner is a member of the Rental Partnership, costs of maintenance and repair of separately owned areas, mortgage and furniture leasing payments and any separately acquired special services. Expenses related to the maintenance and operation of the Common Elements will be paid by the Condominium Association and charged proportionately to Unit Owners (see "THE CONDOMINIUM – Expenses"). Condominium Unit owners who elect to become limited partners will not be personally liable for the expenses, obligations and liabilities of the Partnership (see "THE RENTAL PARTNERSHIP – Limited Partners"); in addition, utilities charges and costs of maintenance and repair of their Units and furnishings and replacement of worn furnishings will be borne by the Partnership. Replacement furniture purchased by the Partnership will be owned by the Partnership.

The following tables set forth the estimated annual costs of ownership of a Condominium Unit and the estimated annual expenses which will be incurred by the Partnership. Although the tables are based on the best estimates of the Company at the present time, the Company can make no assurance that such estimates will prove to be accurate, or that the revenues of the Partnership will exceed its expenses.

ESTIMATED ANNUAL COSTS OF OWNERSHIP OF A CONDOMINIUM UNIT (60 Units)

	Plans A, B, and C(1)
Mortgage Payment(2)	$3,691
Furniture Payment(3)	1,908
Condominium Association Assessment(4)	1,222
Property Taxes(5)	976
TOTAL Annual Costs if a limited partner(6)	$7,797
Maintenance(7)	406
Utilities (including phone)(8)	914
TOTAL Annual Costs if not a limited partner(6)	$9,117
TOTAL Monthly Costs if a limited partner	$ 650
TOTAL Monthly Costs if not a limited partner	$ 760

(1) Assumes the average between the lowest and highest prices for all types of Units as set forth under "THE OFFERING – Purchase Prices".

(2) Assumes a loan of $40,000 bearing interest at the rate of 8½% per annum over a 30 year term.

(3) Assumes furniture purchased on installment contract (see "THE OFFERING – Financing of Purchases").

(4) Assumes that Company will bear 5/6ths of the recreation area maintenance (see "THE CONDOMINIUM – Expenses"). If only 60 Units have been sold five years after the completion of sale of the first Unit, each owner's share of expenses would increase. Based upon the assumed figures set forth under "THE CONDOMINIUM – Expenses", the estimated per Unit increase would be $374, but no assurance can be given that the increase would not be higher.

(5) Assumes 1972 tax rate. Property taxes were $6.442 per $100 of assessed value in 1972. Under current practice, assessed value equals 30% of market value.

(6) The Partnership will bear expenses of maintenance and utilities of Condominium Units owned by limited partners.

(7) Maintenance of separate areas only.

(8) Based on historical costs for comparable sized units in the Aspen area.

ESTIMATED ANNUAL EXPENSES OF THE PARTNERSHIP

(INITIAL PHASE)

60 A, B, AND C UNITS(1)

Occupancy(2)	20%	40%	60%
Expenses(3):			
Manager and Bookkeeper(4)	$ 18,800	$ 18,800	$ 18,800
Receptionists and Reservationists	21,050	21,050	21,050
Maid Service	28,350	47,250	66,150
Linens and Supplies	21,050	35,100	49,125
Maintenance and Repairs(5)	6,000	7,250	8,750
Accounting, Legal and Office Supplies	7,800	7,800	7,800
Telephone	6,800	6,800	6,800
Promotion and Advertising	42,500	44,750	47,200
Management Fee(6)	33,553	79,166	124,748
Utilities	14,175	23,650	33,125
TOTAL	$200,078	$291,616	$383,548

(1) Assumes participation in the Partnership by all 60 Units in the Initial Phase.

(2) Excludes limited partner rent free occupancy (see "THE RENTAL PARTNERSHIP – Limited Partner").

(3) Estimated for each percentage occupancy level based on an estimated fixed-variable cost relationship.

(4) Total salaries of Manager and Bookkeeper will initially be allocated 75% to the Partnership and 25% to the Condominium Association.

(5) Unit interior, furnishings and office areas only.

(6) See "THE RENTAL PARTNERSHIP – General Partner".

Such estimated partnership expenses do not include costs of major repairs, refurnishings and replacement of furnishings in the Condominium Units owned by the limited partners. It is anticipated that such costs will arise at infrequent intervals and will be defrayed as they arise from the proceeds of Partnership operations.

Terms of Purchase

A prospective purchaser of a Condominium Unit may be requested to sign a letter of intent, and to make a deposit of $2,000, as an indication of his interest in purchasing the designated Unit. The deposit will be held in trust with a bank located in Colorado which is a member of the Federal Reserve System and will be returned in full, without interest, in the event a purchase agreement is not entered into within 45 days thereafter. If a purchaser subsequently enters into a purchase agreement, the deposit will be applied to his down payment. If the purchase fails to close due to the default of the purchaser, the Company will have the right to retain the amount of the down payment as liquidated damages for such default.

Each purchaser of a Condominium Unit will be required to sign a purchase agreement providing for a cash deposit of no less than $2,000, less any deposit previously paid by Buyer to Seller with respect to the Condominium Unit. Within 15 days after execution and delivery of the purchase agreement, the purchaser will be obligated to pay an amount equal to no less than 10% of the purchase price, less any deposit previously paid by Buyer to Seller with respect to the Unit. Within 90 days after the execution and delivery of the purchase agreement, the purchaser will be obligated to pay an additional 10% of the Unit Purchase Price. Payment in full of the balance of the purchase price must be made at the closing of the purchase (which will occur following completion of construction of the building in which the Condominium dwelling Unit is located). The consummation of the Initial Phase of this offering involving 60 Condominium Units is conditioned, at the Company's discretion, upon the execution of purchase agreements for all 60 Units on or before December 31, 1974. Accordingly, the Company may in its discretion terminate this offering at any time until agreements for the purchase of 60 Units have been entered into and down payments equal to approximately 20% of the Unit purchase price have been received, and the offering will be terminated at December 31, 1974 unless agreements for the purchase of 60 Units have been entered into by that date, or unless (i) the Company has elected to complete the Initial Phase with agreements for less than 60 Units and (ii) agreements for the purchase of at least 30 Units have been entered into. Upon any such termination of the offering, the Company will cause the prompt refund, without interest, of all funds received from purchasers. All monies received from purchasers will be held in a special escrow account with a bank in Colorado which is a member of the Federal Reserve System, until such time as the Company has filed with the bank and the purchasers an election and undertaking to complete the first 60 Units.

Financing of Purchases

Each purchaser may obtain his own financing from any lending institution, if he so desires.

Condominium Units. The Company has obtained a commitment from Majestic Savings and Loan Association, Denver, Colorado ("Majestic") to provide funds to purchasers of the first 60 Condominium Units for permanent financing of the purchase prices thereof; such commitment is conditioned upon approval by Majestic of the completed improvements, the prospective borrower's credit application, and certain other matters. Majestic is not affiliated with the Company. Pursuant to such commitment Majestic has agreed to make permanent loans in the total amount of $2,129,600 to borrowers with satisfactory credit upon the following terms:

Loan Amount	Interest Rate(2)	Term	Initial Service Fee(1)
67% of the purchase price of the Unit, up to a maximum loan of $33,500(3)	8%	20 years	2% of loan
75% of the purchase price of the Unit, up to a maximum loan of $37,500(3)	8¼%	25 years	2% of loan
80% of the purchase price of the Unit, up to a maximum loan of $40,000(3)	8½%	30 years	2% of loan

(1) The Company has paid a fee of 1% of the total amount of the commitment in order to obtain the commitment.

(2) The interest rates may be adjusted upwards, not more than ¾ of one percent based upon prevailing rates for similar loans.

(3) Loans up to 90% of the purchase price of a Unit, and up to a maximum of $45,000, will be considered on a case-by-case basis. Such loans may require higher interest rates and initial service fees than shown above.

The above described commitment from Majestic expires November 1, 1973. Since it is possible that construction of the first 60 Units may not be completed by November 1, 1973, the Company may, prior to filing with purchasers the undertaking to complete the first 60 Units, seek an extension of the commitment or other suitable purchaser financing arrangements. While the Company believes it will be able to obtain such an extension or alternative financing, no assurance can be given that it will be able to do so, or that the terms will be favorable. The Company's obligation under the purchase agreements to construct the first 60 Units will be conditioned upon its ability to obtain purchaser financing suitable to the Company. This condition will terminate upon the Company's filing of its election and undertaking to complete the first 60 Units.

Any loan pursuant to the commitment of Majestic Savings and Loan Association may be prepaid, except that if the sum of such prepayments and any other prepayments made during any twelve month period exceeds 20% of the original amount of the loan, a penalty of 90 days' interest on the total amount of such prepayments, or such other fee as Majestic in its sole discretion determines, may also be payable. Majestic may require any borrower to pay into an impound each month 1/12th of his real property taxes with respect to his Condominium Unit. Mortgage Guaranty Insurance Corporation (MGIC) insurance may be obtained on the individual loans committed at the option of Majestic and at Majestic's expense.

Furniture Package

The Company anticipates that financing will be available for the purchase of the furniture package upon terms which include a small down payment, equal payments of the balance payable over five years, with 8% add on interest. However, the Company has no commitment for such financing, and no assurance can be given that such financing will be available.

THE RESORT PROJECT

Location and Surrounding Area

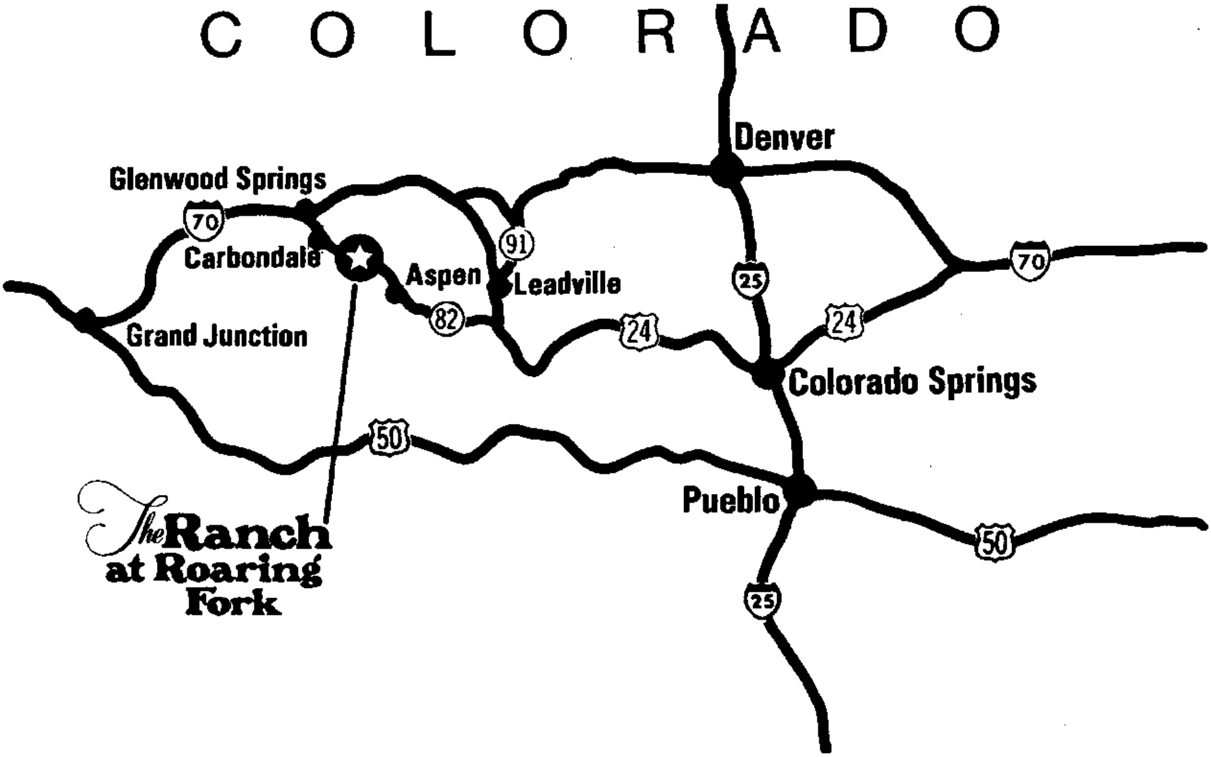
The Roaring Fork Ranch (the "Ranch") is located in west central Colorado on Highway 82, approximately 26 miles southwest of Aspen, 105 miles northeast of Grand Junction, and 185 miles southwest of Denver. The Ranch is located on the Roaring Fork River in the Rocky Mountains at an elevation of approximately 6,000 feet. A map of west central Colorado showing the location of the Ranch is set forth below.

Transportation is available by air from most major cities in the United States to Denver or Grand Junction, and there are connecting flights from Denver and Grand Junction to and from Aspen. In addition, there is bus service from Denver and Grand Junction to Aspen. At the present time there is no public transportation connecting the Ranch and Aspen or the Aspen airport, but rent-a-car service is available at the airport from major companies. During the winter season, delays in transportation may be incurred because of adverse weather conditions.

In the area immediately surrounding the town of Aspen there are four well-known ski areas: Aspen Mountain, Snowmass, Aspen Highlands and Buttermilk. These areas together constitute one of the most popular ski resort areas in the United States, offering over 300 miles of varied ski terrain served by 32 lifts.

The town of Aspen, which has a permanent population of approximately 3,000, contains approximately 60 restaurants and nightclubs, four movie theaters, saunas and heated swimming pools, and a variety of other commercial enterprises such as specialty shops and boutiques, supermarkets and grocery stores, drugstores, a clinic, beauty salons, laundry and dry cleaning establishments, a nursery, and banks.

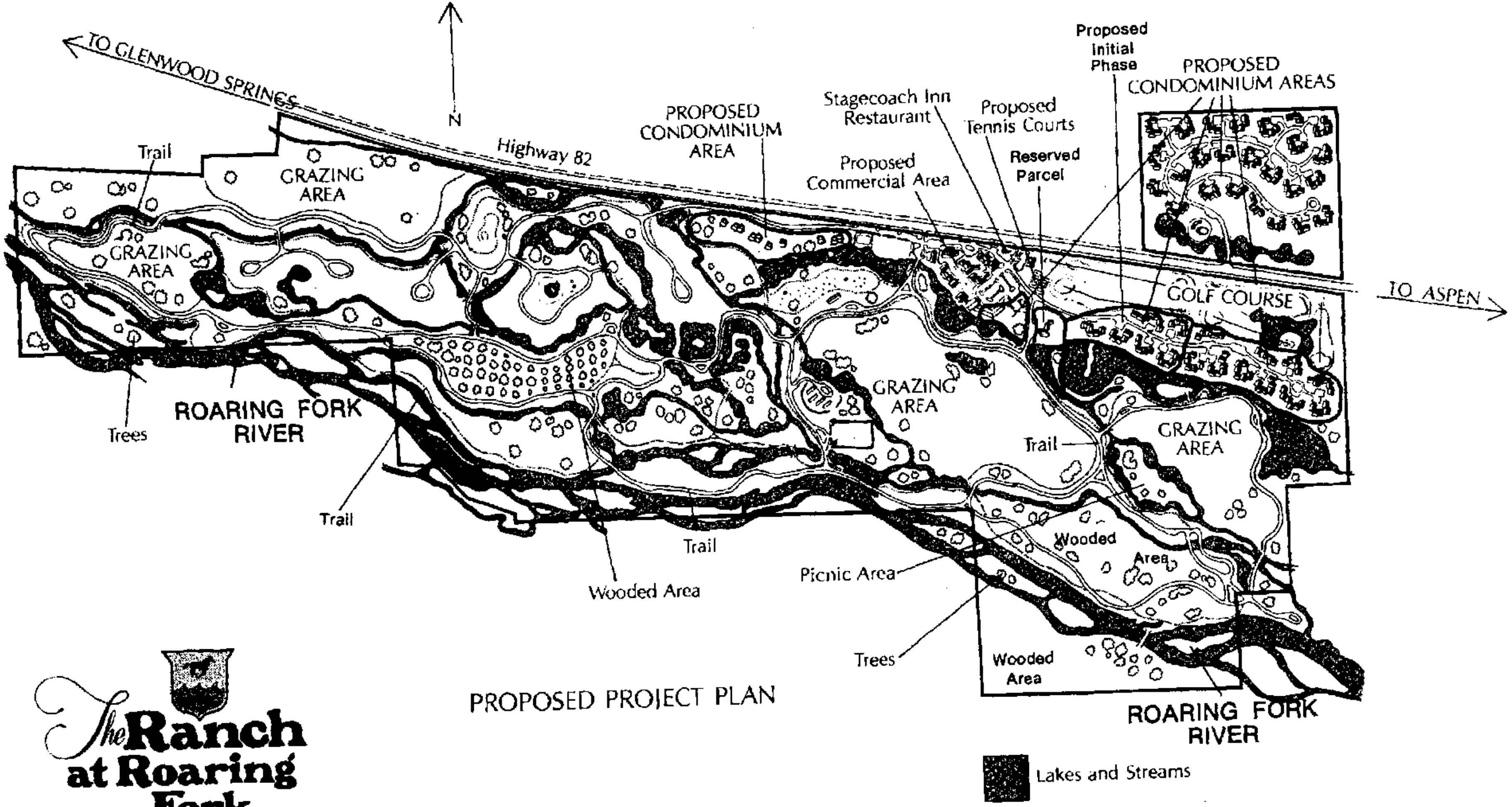
The winter season at Aspen lasts from approximately Thanksgiving through April 15 of each year. Although the number of summer visitors to Aspen has not been as great in the past years as winter visitors, efforts are being made to promote summer conventions and tourist business. Summer recreational amenities include golf courses, tennis courts, swimming pools and institutes and festivals such as the Aspen Institute of Humanistic Studies and the Aspen Summer Music Festival. The area surrounding Aspen and the Ranch provide outstanding opportunities for backpacking, hiking, fishing, mountain climbing and general sightseeing.



Roaring Fork Ranch

Roaring Fork Ranch is located on the floor of the Roaring Fork Valley, surrounded by mountains, in a predominately rural area, consisting largely of ranches and farms, three miles from the nearest town, Carbondale, and twelve miles from Glenwood Springs. Glenwood Springs has a population of approximately 5,000, and contains various hotels and motels, restaurants, coffee shops, supermarkets and shopping centers and a junior college. The average annual rainfall in Glenwood Springs is 16.1 inches and the average annual snowfall is 78.5 inches.

The Ranch is a 462 acre parcel adjoining Colorado Highway 82, with approximately two miles of frontage on the Roaring Fork River, one of the headwaters of the Colorado River. The Ranch is interlaced with 14 lakes and approximately eight miles of streams and six miles of bicycle and riding trails; in addition, the Ranch contains extensive wooded wildlife areas and meadows, and provides outstanding views of surrounding mountain terrain. The lakes and streams, which are stocked for trout fishing, were the site of the 1971 annual fly fishing contest of the Federation of Fly Fishermen. There is presently maintained on the Ranch a small herd of approximately 50 cattle, excluding calves, which the Company owns and presently contemplates keeping on the Ranch to enhance the ranch atmosphere and for brush and grass control, as long as it is feasible and compatible with development (see "THE COMPANY — Certain Transactions and Proposed Transactions"). A project plan and boundary diagram of the Ranch is set forth on page 16.



PROPOSED PROJECT PLAN

The Ranch at Roaring Fork

Master Plan and Phases of Development

The Company's Master Plan contemplates the development of the Ranch, in incremental phases over several years, into a recreational and vacation resort area containing 360 residential condominium dwelling units and substantial private recreational facilities, as well as commercial facilities. The commercial facilities planned, none of which will be owned by the Condominium Unit owners, include a restaurant and coffee shop, a service station, and a number of shops including a market. In addition to the wilderness features, the recreational facilities planned include a nine hole par three golf course, two tennis courts, two heated swimming pools and riding stables. While the extent of the recreational equipment to be available will depend on demand and other factors, and accordingly cannot be determined at this time, it is anticipated that the Ranch will maintain, available for rent by owners and guests, horses, bicycles, small boats and miscellaneous other equipment.

The Initial Phase of the Master Plan will include 60 condominium dwelling units, a restaurant, a tennis court, a nine hole par three golf course, 14 lakes and connecting streams, and riding facilities and trails. The restaurant and most of these recreational facilities have been substantially completed, but the construction of the 60 dwelling units may in the Company's discretion not be commenced until agreements for the purchase of all 60 units have been entered into. Whether the balance of the condominium dwelling units, recreational facilities, and commercial facilities of the Master Plan beyond the Initial Phase will be completed, as well as the timing of such development, will depend upon market acceptance and other factors. Accordingly, the Company cannot predict the number of construction phases required to complete the Master Plan, the number of dwelling units which will be included in any of the subsequent phases, or the schedule for commencement of the second or subsequent phases. Building construction in the area generally must be commenced by early August to permit completion of the building shell before inclement winter weather; accordingly, it is not anticipated that condominium dwelling units or other buildings beyond the Initial Phase will be commenced in 1973, although it is possible that this may occur. Failure to complete the Master Plan, or a substantial delay in its completion, may adversely affect the value of the Condominium Units and the success of the Rental Partnership.

Condominium Dwelling Units

The condominium dwelling units in the Initial Phase will be constructed in building clusters containing from two to eight units in each building. The buildings will be one and two story wood frame in ranch style design. Each of the Units will contain a living room with wood burning fireplace and dining area, one or more outdoor decks, an entry area, a kitchen, one or more bedrooms and bathrooms. A covered automobile parking space adjoins each Unit.

The presently estimated number of each of the three types of Units included in the 60 Units of the Initial Phase is as follows:

Description of Unit	No. of Units in Initial Phase
PLAN A — Two level, two bedrooms, two and ½ bathrooms (1468 square feet)	22
PLAN B — Single level, two bedrooms, two bathrooms (1200 square feet)	18
PLAN C — Single level, two bedrooms, convertible den, two bathrooms (1260 square feet)	20

Plans B and C can be divided into two separate units for rental purposes.

In addition to the A, B, and C Units described above, the Company tentatively plans to construct some smaller, lower priced Units in subsequent phases of the Master Plan. Such Units are expected to consist of a studio bedroom and bathroom with efficiency kitchen, and are expected to be constructed in three story buildings of approximately 40 Units per building. No assurances can be given that any of such Units will be built.

The design of the Condominium Units, as well as the number of each type of Condominium Unit in the Initial Phase or subsequent phases, may change from that presently contemplated by the Company, based on marketing experience. No assurances can be given that any particular number of any type of Condominium Unit will be included in any of the phases.

The floor plans of Units A, B, and C (including certain interior and exterior specifications) are set forth in Exhibit A hereto.

All living areas except kitchens, and except the dining areas in Plans B and C will be carpeted. The non-carpeted areas will be floored with vinyl tile. Each Condominium Unit will be supplied with electricity, facilities for television hookup and telephone installation and will be equipped with a refrigerator, a range, an oven, a garbage disposal unit and a dishwasher. Each Condominium Unit owner who does not elect to join the Rental Partnership will pay for his own power and telephone services. The cost of water, sewage and garbage service will be borne by the Condominium Association and shared by the owners of the Condominium Units.

Construction and Construction Financing

The Company has retained Lietch, Kiyotoki, Bell & Associates, architects and land planners, who have prepared the Master Plan and architectural plans for each of the buildings in the Initial Phase. The Company will act as its own general contractor for the construction of such buildings. The Company intends in each phase of the construction of the Units to utilize subcontractors who will be selected upon the basis of competitive bidding or negotiated contracts. None of such subcontracts have been entered into, and although the Company anticipates that sufficient acceptable subcontractors will be available in the area of the Ranch, no assurances can be given as to the availability of such subcontractors, or as to the acceptability of the terms of such subcontracts.

The Company expects to secure a loan in the principal amount of $.......... for construction of the first 60 condominium dwelling units and completion of the related improvements constituting the Initial Phase under the Master Plan, but the Company presently has no commitment for such loan. It is anticipated that the loan will bear interest at a rate of .. % and will be payable in full on ...., 1974, and that repayment of the loan may be guaranteed by Jacobson Diversified, Inc. and secured by a deed of trust on the Ranch. The existing loan secured by lien upon the Ranch (see "THE COMPANY – Certain Transactions and Proposed Transactions") will be repaid out of a construction loan draw. Concurrently with the sale of each Condominium Unit, a portion of the construction loan will be repaid by the Company and the deed of trust with respect to such Unit and the related undivided interest in the land will be released.

The Company has not yet attempted to secure a loan to provide for construction of the improvements constituting any of the later incremental phases of the Master Plan and although such construction financing has been available in the Aspen area in the past, no assurance can be given that such financing will be available to the Company for such future needs.

Ownership Interests

The following is a brief summary of provisions of the Condominium Declaration for the project regarding the ownership interests acquired by purchasers of the Condominium Units offered hereby; it does not purport to be a complete statement of the terms and conditions of the Condominium Declaration.

The purchaser of a Condominium Unit acquires separate ownership of the interior finished surfaces of the perimeter walls, floors, ceilings, windows and doors of a condominium dwelling unit and the airspace encompassed thereby. In addition, he acquires an undivided ownership interest in the Common Elements of the Resort Project ("Common Elements"). The Common Elements with respect to the Initial Phase consist of all of the Ranch land (including the substantial recreational area) but excluding the commercial area, the Reserved Parcel and the Residential Parcels for later phases. The Common Elements also include those portions of the buildings and improvements on the included land that are not separately owned. As later phases under the Master Plan are completed, the Residential Parcel (including portions of buildings and improvements thereon not separately owned) relating to a completed later phase will be added to the Common Elements, and each purchaser of earlier phases will obtain an interest in such Residential Parcel for said completed later phase. Certain Common Elements, such as outdoor decks and covered automobile parking spaces, are designated for exclusive use by the owners of particular Condominium Units. The owner of a Condominium Unit may not convey any portion of his interest in the Common Elements separately from his interest in such Condominium Unit.

The percentage of a purchaser's undivided ownership interest in the Common Elements will be initially measured by the proportion which the interior square footage of his Condominium Unit bears to the estimated interior square footage of all the Condominium Units contemplated in the Resort Project. Following completion and sale of all 360 Condominium Units included in the Master Plan, or on the date which is five years after completion of construction of the first 60 Units, whichever is earlier, the proportionate interest of each Unit owner in the Common Elements will be adjusted so as to be measured in relation to the actual interior square footage contained in all Condominium Units then completed. Following such adjustment, the effective percentage interests in the Common Elements of each type of Condominium Unit, first assuming construction of all 360 Units, and alternately assuming only 60 Units are constructed within the five year period mentioned above, are as follows:

Description of Unit	Interior Square Feet	Effective Percentage Interest (All Phases Completed)(1)	Effective Percentage Interest (Initial Phase Only)
PLAN A	1,468	.309%	1.856%
PLAN B	1,200	.253%	1.518%
PLAN C	1,260	.265%	1.593%

(1) Assumes all later phases are identical to the Initial Phase.

Voting rights in the Condominium Association and assessments and other rights and obligations of each Condominium Unit owner will be in the proportion that the interior square footage of the Condominium Unit so owned bears to the interior square footage of all Condominium Units the owners of which are at that time members of the Condominium Association.

Property taxes with respect to the portion of the Ranch owned by the Condominium Unit owners, including the Common Elements, are assessed individually to each Condominium Unit owner; the Condominium Association itself does not pay any real property taxes.

Furnishings

All Condominium Unit purchasers who elect to join the Rental Partnership will be required to purchase basic furnishings for their Units, and the purchasers who do not elect to join the Partnership will be entitled to buy such furnishings. The furnishings in a basic furniture package will include chairs, sofas, tables, lamps, cabinets, dining table and chairs, television, washer-dryer, bedding sets (mattress, box spring and frame), headboards, nightstands, dressers, mirrors, drapes, dishes, glassware, silverware, pots and pans and kitchen utensils. The specific amount and type of such furnishings will vary depending on the type and size of Units. These furniture packages will be sold pursuant to firm price lists delivered with this Prospectus. The table below sets forth the presently estimated price of such furnishings for the 60 Condominium Units in the Initial Phase (including delivery, installation and sales tax and an estimated ten percent commission to the Company), which, except for said commission, is the same as the estimated cost of such furnishings to the Company. For information on the financing of the purchase of furnishings see "THE OFFERING — Financing of Purchases."

Description of Unit	Purchase Price of Furnishings
PLAN A	$5,720
PLAN B	$5,720
PLAN C	$6,440

Reserved Parcel

The Company has reserved from the Resort Project and retained for its own use a parcel of approximately three acres (the "Reserved Parcel") in the center of the Ranch near the commercial and condominium areas, which is presently improved with a two-story ranch style house, two adjacent guest wings, and which includes the adjacent lake, together with appropriate access rights across the Common Elements. The Reserved Parcel will be generally restricted, for the benefit of the Condominium Unit owners, to residential use and improvements. Also, the Company and any successor owner of the Reserved Parcel will be prohibited from utilizing the lake on the parcel in a manner that interferes with the flow of water among all of the lakes and connecting streams on the Ranch.

The use of the recreation area and other areas of the Ranch will be subject to certain restrictions for the benefit of the Reserved Parcel, substantially similar to the restrictions contained in the Condominium Declaration. In addition, the owners of the Reserved Parcel will have the right to use the recreation areas to the same extent and in the same manner as the Condominium Unit owners. However, the Reserved Parcel will not be part of the Condominium Association, and will not bear any of the maintenance expenses. Accordingly, the Company and successor owners of the Reserved Parcel may be deemed to derive a benefit from the Condominium Association.

USE OF CONDOMINIUM SALES PROCEEDS

The Company will receive all of the net proceeds from the sale of the Condominium Units offered hereby which will, together with other funds available to the Company, be used in the development of the project, including the payment or reimbursement of costs incurred in connection therewith. The precise construction, development and other costs of the project cannot be determined until all of the Units contemplated by the Master Plan, and all recreation facilities, have been completed and sold; under the Master Plan this is not expected to occur for several years. Based upon preliminary estimates, determined by allocation of costs over the entire project, the allocated cost of the 60 Condominium Units in the Initial Phase is expected to aggregate $2,592,400, as follows:

Land	$ 107,820
Lakes	21,840
Condominium Construction	1,680,000
Recreational Facilities	57,600
Utilities	119,640
Engineering	25,140
Financing	101,280
Sales Commissions	163,000
Advertising and Promotion	61,200

Predevelopment Costs	$ 104,820
Offering Costs	22,680
Project Consultants	64,500
General and Administrative	62,880
TOTAL	$2,592,400

Based on the above estimates, the anticipated profits accruing to the Company from the sale of the 60 Condominium Units of the Initial Phase are estimated to be $457,600, no part of which shall be shared by the purchasers of Condominium Units.

THE CONDOMINIUM

The Condominium Concept

The word "condominium" means an estate in property composed of a unit consisting of separate ownership of the interior surfaces of the perimeter walls, floors, ceilings, windows and doors and the airspace encompassed thereby, and an undivided ownership interest as a tenant in common in the common areas of a project ("Common Elements"). The Common Elements consist of all of a condominium project except the separately owned units. Certain limited common areas, such as outdoor decks, balconies and covered automobile parking spaces, are designated for exclusive use by the owners of particular units. The terms "Condominium Unit" or "Unit" as used in this Prospectus refer, unless the context indicates otherwise, to the totality of incidents of a condominium grant.

Satisfactory utilization of the ownership of a Unit involves the cooperative effort of all other owners of Units within a Condominium Association. For example, the costs of maintaining Common Elements is shared by all owners of Units in a project. Should owners of Units within a Condominium Association fail to meet their obligations, including the payment of general or special assessments, such failure can adversely affect the other owners of Units who meet their obligations. There may be no effective way to raise money to properly maintain either the Common Elements of a Condominium Association or repair damages to the building in which such individual's Unit is located unless the non-defaulting owners make such payments themselves.

The board of directors of a Condominium Association has the power to levy general assessments for normal operation of the Condominium Association and maintenance of the Common Elements as well as special assessments for such purposes as acquisition of capital assets and repair of damage to the Common Elements. An assessment, if not timely paid, constitutes a lien upon an owner's Unit which lien may be enforced through the foreclosure and sale of an owner's Unit.

Creation

Condominiums are legally created under the laws of the State of Colorado by recording, prior to the sale of any Unit, a Condominium Declaration and a condominium map (consisting of a plat or survey map of the surface of the ground of the real property showing a survey and legal description thereof, the location of each building with respect to the boundaries of the real property, together with diagrammatic floor plans of the buildings, including horizontal and vertical locations and dimensions of all boundaries of each unit, unit numbers identifying the units, and such other information as may be included thereon).

The Condominium Association

The owner of each Condominium Unit will become a member of the Ranch at Roaring Fork Condominium Association, Inc., a non-profit corporation, which has been organized by the Company under the laws of the State of Colorado to operate and maintain the Common Elements of the project (the "Condominium Association").

Condominium Declaration, Articles of Incorporation and By-Laws

The following is a brief summary of provisions of the Condominium Declaration regarding the Condominium Association, and the Articles of Incorporation and By-Laws of the Condominium Association; it does not purport to be a complete statement of the terms and conditions of the Condominium Declaration or the Articles of Incorporation or By-Laws, copies of which are filed as exhibits to the Registration Statement of which this Prospectus forms a part.

Board of Directors

A Board of Directors of the Condominium Association, consisting of three members elected annually by the members, will be charged with the responsibility for administering and supervising the operations of the Condominium Association. Until a date five years from the completion of construction of the first 60 Units, or until all 360 Units contemplated in the Master Plan have been sold, whichever occurs first, the Board of Directors will be composed of persons designated by the Company, and during such period the Company will control the affairs of the Condominium Association. The Board of Directors will cause to be prepared annual budgets and will supervise and review the operations of the Condominium Association. The Board of Directors will adopt rules and regulations governing the operation and use of the Condominium Units, fix assessments and negotiate and enter into agreements on behalf of the Association with persons or entities with respect to the day-to-day operation and maintenance of the Common Elements. The Board of Directors will employ persons to provide legal services and independent auditing services to the Condominium Association, to keep records for the operations of the Association, to prepare annual reports to the members and to provide services in connection with the preparation and filing of Association tax returns. In addition, the Board of Directors will monitor the performance of all such persons or entities, and will cause the Association to maintain insurance of the types and in amounts required by the Association By-Laws. The Board of Directors has the power to elect a President, Vice-President, Secretary, and Treasurer to act on behalf of the Association in the management of its affairs. In addition, the Board of Directors is responsible for the maintenance, repair and replacement of the Common Elements. Each Unit owner shall be responsible for the maintenance of his Unit.

Liability of Directors and Employees

Directors and employees of the Condominium Association are not liable to the Condominium Association for the performance of any act or for the failure to act so long as they were not guilty of fraud, gross negligence or bad faith in such performance or failure. The Condominium Association is required to indemnify such directors and employees against any loss or threat of loss as a result of any claim or legal proceeding arising from the performance or non-performance of any act related to the activities of the Condominium Association within the above-mentioned limitations. Provisions of the Condominium Declaration or of the By-Laws of the Condominium Association regarding the liability of directors or employees of the Condominium Association in no way affect the rights of security holders under the Federal securities laws.

Voting Rights

All voting rights of the Condominium Association are vested exclusively in the members, in proportion to their respective interests in the Common Elements of the project. Ten percent of the voting power, represented in person or by proxy, constitutes a quorum at any meeting of the members. Except when a greater percentage of votes is required under a specific provision of the Condominium Declaration, a majority of votes cast will decide any matter, including the election of directors and the amendment of the By-Laws.

The Condominium Association may suspend any member's voting rights during any period in which such member fails to comply with the rules and regulations established for the operation of the Resort Project or with any other obligation of such member under the Condominium Declaration.

Meetings

The Condominium Association is required to hold a regular annual meeting the second Friday in January of each year at the Ranch, and special meetings may be called at the Ranch by a majority of the Board of Directors of the Condominium Association or by written request of members having more than 33⅓ percent of the voting power.

Liability of Members

Each member will be separately assessed by the Condominium Association for the expenses of operating and maintaining the Common Elements. The expenses will be assessed to the Condominium Unit owners in proportion to their percentage interests in the Common Elements. Such assessments are due and payable monthly, or in such other manner as may be specified by the Board of Directors, and, at the Board's discretion, such payments will bear interest at the highest rate permitted by Colorado law. The Condominium Association will have a lien against each Condominium Unit to secure payment of any assessment or any other amount due and owing the Condominium Association with respect to any Condominium Unit. In the event of a default in any such payment, the lien may be foreclosed and the Condominium Unit sold. The proceeds of such sale will be applied to the payment in default, and the individual owing such payment will be liable for any deficiency.

Enforcement of Condominium Declaration

The provisions of the Condominium Declaration and rules adopted by the Board of Directors are enforceable by the Condominium Association by a legal proceeding for injunctive relief or damages, or by exclusion of any owner violating such provisions from the use of any Common Elements. If court proceedings are instituted in connection with such enforcement of the Condominium Declaration, the prevailing party will be entitled to recover its costs and expenses in connection therewith, including reasonable attorney's fees.

Destruction, Condemnation, Obsolescence, and Restoration or Sale of the Project

In the event of "substantial destruction," "substantial condemnation," or "substantial obsolescence" of the Resort Project or any part thereof, as defined in the Condominium Declaration filed with the Securities and Exchange Commission, restoration of the Resort Project must be undertaken and special assessments imposed for such purpose upon the owners of all Condominium Units upon the consent of the owners of 75 percent of the interests in the Common Elements and all holders of first mortgages on the Resort Project or any part thereof. Unless the required consent for such restoration is obtained, the Resort Project must be sold and the proceeds distributed to the members of the Condominium Association in accordance with their interests in the Common Elements. Restoration of the Resort Project may be undertaken by the Condominium Association without a vote of members in the event of "partial destruction," "partial condemnation," or "partial obsolescence," as defined in the Condominium Declaration, and special assessments may be imposed for such purpose upon the owners of all Condominium Units.

Amendment or Termination of the Condominium Declaration

The Condominium Declaration may not be amended or terminated except by the written consent of the owners of not less than 75 percent of the interests in the Common Elements and all holders of first mortgages on the Resort Project or any part thereof.

Rules and Regulations

The Condominium Declaration provides that the Condominium Association may make and enforce reasonable and uniformly applied rules and regulations governing the use of Condominium Units, and the Common Elements in the substantial recreational area. The Condominium Association may, among other things, require that draperies, shades, or other window coverings present a uniform and attractive appearance from the exterior of the building, prohibit noxious, offensive, hazardous or annoying activities, prohibit unsightly use of Condominium Units (including signs or advertising devices on Units) and prohibit animals on the premises. During such time as the Company will control the affairs of the Condominium Association, the Condominium Association will adopt rules and regulations governing the use of the Condominium Units (including the Common Elements).

Management

The management of the Common Elements of the Association will be governed by an agreement ("Condominium Management Agreement") between the Association and the Company which will provide for, among other things, the appointment of the Company as the exclusive managing agent for the Condominium, at least until five years from the date of completion of construction of the first 60 Condominium Units. For its services under the Agreement, the manager will receive (1) a fee equal to 10% of Unit owner assessments plus (2) reimbursement of direct expenses. Under this Agreement, the manager agrees to operate and maintain the condominium property consistent with policies determined by the Board of Directors. These duties include among others the following: maintaining the building exteriors and Common Elements; collecting assessments; hiring necessary personnel; maintaining business and financial records; and other necessary and appropriate services.

Expenses

The annual expenses which will be incurred by the Condominium Association in maintaining and operating the Common Elements in the Initial Phase are estimated by the Company to be as follows:

ESTIMATED ANNUAL COMMON EXPENSES

INITIAL PHASE

(60 Units)

Common Expense		Per Unit Annual	Per Unit Monthly
Management Fee	$ 7,330.00	$ 122.17	$ 10.18
Office Expense	6,280.00	104.67	8.72
Accounting and Legal	3,500.00	58.33	4.86
Exterior Building Maintenance	9,650.00	160.83	13.40
Grounds Maintenance	9,419.00	156.98	13.09
Water and Sewer	6,300.00	105.00	8.75
Electricity (Common Area)	3,600.00	60.00	5.00
Insurance	7,300.00	121.67	10.15
Garbage Collection	1,440.00	24.00	2.00
Security	8,000.00	133.33	11.11
Unallocated Maintenance Reserve	6,000.00	100.00	8.33
Golf Course Maintenance(1)	15,000.00	41.67	3.47
Lakes Maintenance(1)	7,400.00	20.55	1.70
General Ranch Maintenance(1)	4,500.00	12.50	1.04
		$1,221.70	$101.80

(1) For a period of five years from the date of closing of the sale of the first Condominium Unit, but not thereafter, the Company will pay a share of the recreation area maintenance and expenses allocable to the number of unsold Condominium Units out of the total of 360 Units contemplated in the Master Plan.

Such estimated expenses do not include costs of major repair and refurbishing, such as exterior painting, roof replacement, and major heating system repair or replacement. Major costs such as these arise at infrequent and unpredictable intervals, and any reserves accumulated for such purposes may be taxable as income to the Association. Accordingly, such major costs will be defrayed as they arise by special assessment of the owners of all Condominium Units.

The Condominium Association will be newly organized and will have no history of operations, and the Company can make no assurances regarding the level of the above-estimated expenses. The Condominium Association will obtain funds for the payment of such expenses by the assessment of its members (including the Company as owner of any completed but unsold Units) and will operate at cost. Each purchaser of a Condominium Unit will be required to pay an initial assessment to the Condominium Association at the closing of the purchase of his Unit, in an amount equal to his share of the estimated expenses of the Condominium Association for the lesser of the six month period commencing with such closing or the period from such closing to the end of the Association's fiscal year in which such closing occurs. The amounts of such initial assessments on a per Unit basis are set forth in "THE OFFERING — Annual Expenses of Condominium Unit Owners and the Partnership."

Use of Common Elements by the Partnership

Pursuant to the terms of the Condominium Declaration, the Condominium Association is irrevocably appointed attorney-in-fact for the owners of all Condominium Units and commercial units to manage, control and deal with the interests of such owners in the Common Elements so as to permit the Condominium Association to fulfill all of its duties and obligations under the Condominium Declaration and to exercise all of its rights thereunder. Such rights include the right to use, or permit the use of, the Common Elements by less than all owners or by non-owners, on either a short-term or long-term basis, and with or without charge, as the Association may deem desirable.

During such time as the Board of Directors is composed of persons designated by the Company, the Condominium Association will enter into a lease granting to the Rental Partnership: (a) an exclusive right to use certain portions of the Common Elements including a rental office and storage areas; and (b) a nonexclusive right to use the remainder of the Common Elements in the Resort Project. The annual rent payable by the Partnership will be $100. The term of the lease will be 50 years. The lease will not be terminable by the Condominium Association except for material breach, and will be terminable at any time by the Rental Partnership upon written notice to the Condominium Association. The Partnership will bear no expenses for maintenance, repair or insurance with respect to the Common Elements leased by it.

Accounting and Reports

The Condominium Association will maintain books and records of account at its offices, and will render to its members annual financial statements and budgets for the operation of the Condominium Association. The Condominium Association will also permit members reasonable access to the books and records of the Association and to its register of members during normal business hours, and will send to any member upon request a list of the names and addresses of all members.

General

Upon the consummation of the purchase and sale of the 60 Condominium Units to be constructed as part of the Initial Phase (see "THE RESORT PROJECT – Master Plan and Phases of Development"), the Company proposes to organize Roaring Fork Associates, a limited partnership (the "Rental Partnership") under the Colorado Uniform Limited Partnership Act, among the purchasers of such Condominium Units for the purpose of operating Condominium Units as rental accommodations. The Company may in its discretion postpone the formation of the Rental Partnership until at least 45 Condominium Units elect to join. If the Rental Partnership has not been formed within two years from the closing of the sale of the first Condominium Unit, the Company will thereafter have no further obligation to form such Partnership.

The Company contemplates that the purchasers of Condominium Units in subsequent phases of the development of the Resort Project will be given an opportunity to join the Rental Partnership upon the purchase of their Units. If a Condominium Unit owner desires to join the Partnership at any time after his initial purchase of his Unit he may, in the discretion of the general partner, be required to wait for a period of up to two years, and he will be required to purchase a furniture package if he has not previously done so, and may be required to replace or repair portions of such furniture package previously purchased.

The terms and conditions governing the organization and operation of the Rental Partnership are set forth in the Rental Partnership Agreement, a copy of which is filed with the Securities and Exchange Commission as an exhibit to the Registration Statement of which this Prospectus is a part, and which will be furnished upon request. The following paragraphs contain a brief summary of certain provisions of the Rental Partnership Agreement, but do not purport to be a complete statement of the terms and conditions of that agreement.

Limited Partners

Following are certain provisions of the Rental Partnership Agreement concerning primarily the rights and obligations of the limited partners.

Contributions of Limited Partners

All persons who become limited partners (otherwise than by assignment of an existing limited partnership interest) will be required, (i) to contribute to the Partnership the use and occupancy of their Condominium Units, (ii) to make an $800 initial capital contribution to the Partnership, and (iii) to make additional capital contributions, if necessary, during the first three years of the Partnership, not to exceed $800 per year. The initial capital contribution will be held in escrow with a bank in Colorado which is a member of the Federal Reserve System until the person or persons tendering such contribution are admitted to the Partnership as limited partners. If the Partnership is not formed within 120 days after the closing of the purchase of a Condominium Unit, or if for any reason the person or persons tendering such contribution are not admitted as limited partners upon consummation of such purchase, the amount of such tendered contribution will be returned in full, without interest.

So long as it acts as general partner of the Partnership, the Company may, at its election, make loans to the Partnership to meet the operating expenses of the Partnership, and the Company will make such loans, up to an aggregate of $12,000 as needed during the first year of the Partnership's operation. Any such loans will constitute debts of the Partnership and will be repaid to the Company prior to any distributions of cash to the partners. It is estimated that the aggregate of such capital contributions and loans will be applied as follows:

Equipment and Supplies	$10,000
Office Equipment and Furniture	5,850
Advertising and Promotion	10,000
Personnel Training and Other Pre-Occupancy Expenses	6,650
Working Capital	15,500
TOTAL	$48,000

Use of Condominium Units by Limited Partners

Each limited partner is required to make his Condominium Unit available for occupancy to third parties as a rental accommodation, subject only to the partner's right to personally use his Unit rent free for a maximum of 14 days during the period from December 15 of each year to and including April 15 of the succeeding year (the "Winter Season"), and a maximum of 14 days during the period from June 15 to September 15 each year (the "Summer Season"), or two days during the period from April 15 to June 15 for each one of such 14 owner occupancy days that the owner does not utilize during the preceding Winter Season and two days during the period from September 15 through December 15 for each one of such 14 owner occupancy days that the owner does not utilize during the preceding Summer Season. Such rent-free occupancy will be subject to a service charge, to be determined by the General Partner, to cover such costs as maid service and linen. Rent-free occupancy of divisible separate quarters within a Condominium Unit is deemed to be occupancy of the entire Condominium Unit for purposes of determining the period of rent free use.

A limited partner will be entitled to occupy his Condominium Unit at any time if such Unit is not otherwise reserved for occupancy on the date requested, and in any event will have the right to occupy his Condominium Unit rent-free on any specific day if he gives the Partnership at least one year's written notice of his intent to occupy his Unit on such day. A limited partner may cancel a reservation of rent-free occupancy of his Condominium Unit by notifying the Partnership in writing of such cancellation at least 30 days prior to the date of reserved occupancy. When occupying his Condominium Unit rent-free, a limited partner is subject to the same rules and regulations as a member of the general public occupying the Unit as a rental accommodation.

A limited partner may not rent his Condominium Unit to third parties except through the Partnership.

Limited Partnership Units

The interests of limited partners in the Partnership will be determined on the basis of units. Each limited partner will receive units ("Limited Partnership Units") in proportion to the rental value of his Condominium Unit, as compared to the aggregate value of all Condominium Units in the Partnership.

Restrictions on Transferability of Limited Partners' Interests

The transferability of Limited Partnership Units is restricted. No assignment of a fraction of a Limited Partnership Unit will be recognized, and no assignment of Limited Partnership Units can be made apart from the transfer of the Condominium Units with respect to which such Partnership units were determined. The assignment of one or more Limited Partnership Units will be recognized only upon the completion by the assignor of a written assignment in a form satisfactory to the general partner.

The assignee of a Limited Partnership Unit does not become a limited partner by virtue of such assignment, and has no rights by virtue of such assignment other than the right to receive distributions of cash or other property from the partnership and to receive allocations of the gains, profits and losses of the partnership. The partnership agreement provides that an assignee of a

Limited Partnership Unit may become a substituted limited partner only upon meeting certain conditions, including obtaining the written consent of the general partner to such substitution. The assignee of a Limited Partnership interest must agree, as a condition to assignment, to take all action required on his part to become a substituted limited partner. The general partner may in its absolute discretion refuse to consent to any such substitution.

Withdrawal of Limited Partners

Except upon the sale of his Condominium Unit, a limited partner may not withdraw from the partnership for three years from the date he becomes a limited partner. In addition, a limited partner may withdraw only by: (a) giving at least twelve months written notice to the general partner; (b) executing such documents as are necessary to effect the withdrawal; and (c) paying a fee sufficient to cover the filing fees and reasonable legal expenses incurred in connection with such withdrawal.

The above-mentioned terms and conditions of withdrawal also apply to withdrawal of a limited partner upon the sale of his Condominium Unit, except that he may additionally withdraw (a) immediately if the general partner determines that all reservations then accepted for his Unit can be transferred to other like Units, or (b) as soon as all reservations that cannot be so transferred have expired. Such conditions upon withdrawal from the partnership may limit a limited partner's ability to immediately transfer ownership of his Condominium Unit to a prospective purchaser who does not desire to join the Rental Partnership.

Profits and Losses

All profits of the partnership for a fiscal year will be allocated first to the general partner in an amount equal to two percent (2%) of the gross income of the partnership for such fiscal year, and thereafter all to the limited partners. The general partner may act as Manager, and receive the fee described under "THE RENTAL PARTNERSHIP — General Partner" below. All losses of the partnership for a fiscal year will be allocated to the limited partners.

The net profit or loss of the Partnership for any year shall be allocated among the limited partners in accordance with a formula which takes into account (i) the relative rental values of the Condominium Units (as determined by the general partner); (ii) the number of days during the year that each Unit was available to the Partnership (not owner occupied on a rent-free basis); and (iii) the gross room revenues of the Partnership on each such day. The gross room revenues of the Partnership on each day shall be allocated among the Units available for rental by the Partnership on such day in proportion to their respective rental values (as determined by the general partner), and the annual share allocated to each Unit shall be equal to the sum of all daily allocations in the year. The net profit or loss for the year shall be allocated among the Units in proportion to the aggregate annual gross room revenues attributable to the respective Units. For example, if the Partnership has total gross room revenues of $3,000,000 and net profits allocated to limited partners of $1,000,000 for a particular year, and if the gross room revenues attributable to a partner's Unit for such year (determined by totaling the gross room revenues allocated to his Unit for each day of such year) are $10,000, such partner's share of the net profits allocated to limited partners for the year will be $3,333, determined as follows:

$$\frac{\$1{,}000{,}000}{\$3{,}000{,}000} \times \$10{,}000 = \$3{,}333$$

Accordingly, the greater the rental value of the Condominium Unit owned by a limited partner, the larger will be his allocated share of profits or losses. In addition, the less a limited partner occupies his Condominium Unit rent-free the greater will be his share of profits or losses. Finally, a limited partner who occupies his Unit rent-free during a period when rental rates are relatively low will receive a greater share of profits and losses than he would have received if he had occupied his Unit rent-free for the same number of days during a period of relatively high rental rates.

Distributions to Partners

Cash distributions will be made to the general partner and limited partners semi-annually to the extent that the general partner in its discretion determines that such cash is not required for the operation of the partnership. There can be no assurance that the Partnership will make any cash distributions to the limited partners during any such period.

Voting Rights of Limited Partners

The general partner has complete and exclusive control over the management of the partnership business and affairs, and the limited partners have no right or power to take part in the management or conduct of the business and affairs of the partnership.

Regular annual meetings of the Partnership will be held at the Ranch the second Friday in January each year, or on such other date as the general partner shall from time to time determine. In addition, limited partners holding more than 66⅔% of the then outstanding Limited Partnership Units (hereinafter referred to as the "Partnership Majority") may, at any time, call a special meeting of the Partnership at the Ranch.

The Partnership Majority may at any time with the consent of the General Partner, or without such consent only from and after five years from the formation of the limited partnership: (a) expel the general partner from the Partnership upon one year's advance notice; (b) amend or alter the terms of the partnership agreement (except the terms relating to compensation of the Company as general partner, allocations of profits and losses and distributions of cash, and expulsion and withdrawal of the general partner, which terms cannot be amended or altered without the consent of the general partner); and (c) terminate the Partnership upon one year's advance notice.

Liability of Limited Partners

The liability of a limited partner is limited to the amount that he contributes to the capital of the Partnership and amounts agreed to be contributed. Limited partners are not personally liable for the expenses, liabilities or obligations of the Partnership.

Special Power of Attorney to General Partner

Each limited partner will be required to execute and deliver to the general partner an irrevocable special power of attorney, appointing the general partner as his attorney-in-fact for the purpose of executing, acknowledging, and filing such documents as are necessary to effect the formation of the Partnership, the continuation of the Partnership, the admission of additional or substitute limited partners, the withdrawal of limited partners, or the dissolution and termination of the Partnership, provided that such actions are in accordance with the terms of the partnership agreement.

General Partner

Following are certain provisions of the Rental Partnership Agreement concerning primarily the rights and obligations of the General Partner.

Authority of the General Partner

The Company will be the sole general partner of the Partnership. As such, it will be vested with full authority as to the general management and supervision of the business and affairs of the Partnership. The limited partners have no right to participate in the management or conduct of such business or affairs. The general partner is required to use its best efforts to manage and control the business and affairs of the Partnership. In connection with the performance of such duties, the general partner will approve budgets for the operation of the Partnership, review reports of its operations, generally determine partnership policy, and generally supervise the implementation of such actions. The general partner will cause to be provided to the Partnership legal services, accounting services, record keeping services, reports to the limited partners, and services in connection with the preparation and filing of partnership tax returns. The general partner may negotiate and enter into agreements on behalf of the Partnership with persons or entities with respect to the day-to-day management of the Partnership, or may perform these services itself or through an affiliate, in which event the compensation for such services shall equal eight percent of the Partnership gross revenues and, as an incentive fee, ten percent of the net profits determined before deduction of depreciation, interest or such incentive fee.

The partnership agreement prohibits the general partner from: (a) doing any act in contravention of the partnership agreement; (b) doing any act which would make it impossible to carry on the ordinary business of the partnership; (c) confessing a judgment against the partnership; (d) possessing partnership property, or assigning its right in specific partnership property, for other than a partnership purpose; (e) except in connection with the acquisition or improvement of assets, or the refinancing of previous obligations, mortgaging or subjecting to the encumbrance of a security interest substantially all the assets of the partnership without the prior written consent of the Partnership Majority, or (f) admitting a person as a limited partner except as provided in the partnership agreement.

The partnership agreement provides that the general partner (and any entity or person affiliated with the general partner including any officer or director of the general partner or of any such affiliated entity) may enter into transactions with the Partnership or may be employed by the partnership to render or perform services of any kind, upon terms at least as favorable to the partnership as those available from unrelated persons, firms, or corporations. The partnership agreement also provides that the general partner and its affiliates can compete with the partnership.

No person should become a limited partner unless he is willing to entrust all aspects of the management of the partnership to the general partner.

Withdrawal and Expulsion of General Partner

The general partner may not withdraw from the partnership during the first three years of the term of the partnership, except that it may withdraw upon 30 days' written notice to the limited partners at any such time as the general partner determines that the partnership cannot be operated without additional funds beyond the then available limited partners' contributions and the general partner's agreed contribution. After the three year period, the general partner may withdraw at any time upon 90 days' written notice to the limited partners.

Within 90 days of the date of withdrawal or expulsion (provided that on or before such withdrawal or expulsion date a successor general partner has been elected by the limited partners), the partnership must pay in cash to the withdrawn or expelled general partner: (a) any fees due the general partner for providing and supervising day-to-day management services in connection with the operation of Condominium Units as rental accommodations; (b) the balance of the general partner's capital account, if a positive number, as of the date of withdrawal or expulsion; and (c) the unpaid balance of all loans to the partnership from the general partner.

General Provisions

Following are certain general provisions of the Rental Partnership Agreement.

Accounting and Reports

The Partnership's fiscal year will be determined by the general partner. The general partner will maintain books and records of account for the Partnership at its offices, furnish annual financial statements to the limited partners certified by independent public accountants, furnish unaudited semi-annual financial statements to the limited partners, furnish each limited partner with a statement of profits and losses allocated to him and distributions made to him for use in the preparation of his income tax returns, and furnish an account of partnership affairs to the limited partners at any other time when circumstances render it just and reasonable. The general partner will also render to limited partners on demand true and full information of all things affecting the partnership, permit limited partners access to the books and records of the partnership and to its register of limited partners, and send to a limited partner upon request a list of the names and addresses of all limited partners and the number of Limited Partnership Units held by each of them.

Term of Partnership

The Agreement of Rental Partnership provides that the partnership will continue until June 30, 1999, and thereafter for four successive five year periods unless sooner terminated as described above or as provided by law.

Dissolution of the Partnership

The partnership will be dissolved upon: (a) the adjudication of bankruptcy, insolvency, or dissolution of the general partner (other than incident to a merger, consolidation, sale or transfer of substantially all of its assets, or other similar corporate reorganization), unless the Partnership Majority elects a successor within 45 days from the date of such event; (b) the withdrawal or expulsion of the general partner, unless the Partnership Majority elects a successor prior to the effective date of such withdrawal or expulsion; (c) the written election of the Partnership Majority; or (d) the expiration of the term of the partnership. However, the withdrawal or expulsion of the general partner, and the right of the Partnership Majority to dissolve the partnership are subject to certain limitations as set forth above under "Withdrawal and Expulsion of General Partner", and "Voting Rights of Limited Partners."

In addition, the Colorado Uniform Limited Partnership Act provides for judicial dissolution of the partnership, upon application by a limited partner, whenever: (a) the general partner has become incapable of performing its duties under the partnership agreement; (b) the general partner has been guilty of such conduct as tends to affect prejudicially the carrying on of the business of the partnership; (c) the general partner willfully or persistently commits a breach of the partnership agreement or otherwise conducts itself in matters relating to the business of the partnership in such manner that it is not reasonably practicable to carry on such business in partnership with it; (d) the business of the partnership can only be carried on at an economic loss; or (e) the court determines that other circumstances render a dissolution equitable.

Upon dissolution of the partnership, the general partner is obligated to liquidate any partnership assets to the extent that the general partner deems such liquidation necessary or desirable, and to distribute any proceeds from such liquidation, together with any assets distributable in kind, first to the limited partners (after satisfaction of claims of third parties) to the extent of the balances in their respective capital accounts, then to the general partner in payment of any amounts owed to it, and any balance in its capital account. Upon the completion of the dissolution and liquidation of the partnership assets, the partnership will terminate. No assurances can be made by the Company that, upon dissolution of the partnership and liquidation of its assets, any proceeds will remain to be distributed to the limited partners.

Rental Rates

The Partnership will be in direct competition with lodges, hotels and other condominium developments renting apartment units. Accordingly, the daily rental rates for the Condominium Units will fluctuate in order to meet seasonal competitive conditions. The presently proposed daily rates to be charged for Condominium Units for use as rental accommodations are as follows:

	Summer Season	Winter Season	Spring and Fall Season
PLAN A	$45	$60	$40
PLAN B			
Main Unit	$35	$45	$30
Separate Unit	$25	$35	$25
PLAN C			
Main Unit	$35	$45	$30
Separate Unit	$30	$40	$25

The initial rates charged during the start-up period of Partnership operations may be lower, and special package rates for groups may be offered from time to time.

FEDERAL INCOME TAX CONSEQUENCES

General Tax Treatment

The public offering of resort condominium units combined with a rental management feature is a comparatively recent development, and precise guidelines for application of the federal income tax laws to such arrangements have not been fully developed. Accordingly, prediction of the general tax treatment to be accorded to such investments cannot be made with certainty, and the Company strongly urges each prospective purchaser to consult his own tax advisor with respect to all aspects of such tax treatment. However, it is believed that, on the basis of present law, the following description of the general tax treatment with respect to the income and expenses of Condominium Unit owners, the Condominium Association and the Partnership is substantially in accord with prevailing interpretations.

Certain expenses of Condominium Unit ownership will be borne directly by the owner (*e.g.*, interest on any indebtedness incurred to purchase a Condominium Unit and real property taxes). The Company believes that such expenses, to the extent that they are deductible for federal income tax purposes, will be deductible on such owner's income tax return.

Other expenses (*e.g.*, repair and maintenance of the Common Elements) will be paid directly by the Condominium Association, which will obtain its funds by assessment of its members and will operate at cost. With respect to the deductibility of a Condominium Unit owner's share of the expenses of the Condominium Association, the Company believes that, to the extent such expenses are deductible, they are deductible on the owner's federal income tax return notwithstanding that the expenses are paid by the Condominium Association. With respect to any excess of assessments over expenditures by the Condominium Association, the Company believes that the Condominium Association may not be required to pay federal tax on such excess if the excess is rebated to members or applied against the next succeeding year's assessments. However, the Company has been advised that the Internal Revenue Service would rule adversely on this issue if it were presented for an advance ruling. Accordingly, so long as the Company controls the affairs of the Condominium Association it will seek to ensure that the Condominium Association does not have any excess of assessments over expenditures at the end of any fiscal year.

Certain additional expenses will be paid by the Partnership in connection with the operation of Condominium Units as rental accommodations (*e.g.*, management fees), and the income from such operations will be received by the Partnership. The Company will apply for a ruling from the Internal Revenue Service that the Partnership will be treated as a partnership for federal income tax purposes, subject to certain conditions, as described under "FEDERAL INCOME TAX CONSEQUENCES – Partnership Status". Accordingly, the Company believes that the basic tax reporting procedure in connection with Partnership operations will be as described under "FEDERAL INCOME TAX CONSEQUENCES – Partnership Income Tax Returns".

Because the Partnership, the Condominium Association and the Condominium Unit owners will be associated with the Condominium Units, it is possible that the Internal Revenue Service might seek to reallocate items of income and deductions from one taxpayer to another, thereby potentially changing the tax liabilities of each taxpayer. However, the Company believes that it is improbable that any such reallocation will be successfully asserted, or that any material changes in tax liabilities would result therefrom.

There can be no assurance that the tax effects of owning a Condominium Unit will not vary from those described herein, and each prospective Condominium Unit owner should consult his own tax advisor as to the tax treatment upon which he should base his decision regarding the purchase, holding and sale of a Condominium Unit or Partnership interest.

Personal or Non-Personal Use

The availability of income tax deductions in connection with ownership of a Condominium Unit will depend in part upon the purpose for which the Unit is held. If the purchaser holds the Unit solely for his personal use, he will be entitled to deduct certain basic deductions (*i.e.*, real property taxes assessed against such Unit, interest paid on any indebtedness incurred to purchase or retain the Unit, and uninsured or otherwise unreimbursed casualty losses with respect to such Unit in excess of $100 per casualty). If the Unit is used solely for non-personal purposes (*i.e.*, used solely in the purchaser's trade or business or held by him solely for the production of income), additional expenditures for such items as insurance, repairs, maintenance, and other operating expenses, as well as depreciation, will be allowable as deductions. If the Unit is held both for personal and non-personal use, the full amount of the additional expenditures referred to in the preceding sentence may not be deductible; an allocation of such additional expenditures between personal and non-personal use will be required for tax purposes, and the amount of such additional expenditures allocable to personal use will not be deductible.

In addition, the Internal Revenue Service might take the position that the holding of a Unit for combined personal and non-personal uses is an "activity not engaged in for profit" within the meaning of Section 183(c) of the Internal Revenue Code, and that the aforementioned additional expenditures are deductible only to the extent of the gross income realized by the purchaser from the Unit, reduced by the basic deductions discussed above. Also, legislation has in the past been introduced but not adopted which would classify the ownership and rental of a dwelling unit as "an activity not engaged in for profit" if it is occupied from time to time by the taxpayer or members of his family while on vacation. The Company is unable to predict either the likelihood of adoption of such legislation, or its applicability to the offering described in this Prospectus.

The precise allocation of expenditures between personal and non-personal use of property, and the classification of the holding of property for both purposes as an "activity not engaged in for profit", are highly factual matters which must be determined by all of the facts connected with the use of the property, as well as by the circumstances of the particular purchaser. The applicability of the aforementioned proposed legislation is also problematical. Accordingly, there can be no assurance that the amount of additional deductions reported by a purchaser who holds a Unit for both personal and non-personal purposes will be fully allowed by the Internal Revenue Service. If the Internal Revenue Service challenges all or part of such deductions and is successful in such challenge, such deductions could be substantially reduced and the purchaser might be required to pay additional taxes. Each prospective purchaser should consult his personal tax advisor with respect to the tax deductions available if he intends to holds a Unit for combined personal and non-personal purposes.

Depreciation

Under present provisions of the Internal Revenue Code, depreciable real property such as a Condominium Unit (exclusive of land) must be depreciated over its useful life on the straight-line method unless the original use of the property commenced with the taxpayer, in which case it may be depreciated over its useful life on the 150 percent declining balance method of accelerated depreciation. In determining depreciation basis, an allocation of the purchase price will be required between land and depreciable improvements. In the event the Company becomes a limited partner in the Partnership with respect to a Condominium Unit prior to the sale of such Unit, the original use of the property will not be deemed to have commenced with a subsequent purchaser of such Unit.

The factors upon which a determination of useful life is ultimately made for purposes of federal income taxation are numerous and varied, and include such considerations as the wear and tear to which the property is subject in connection with its use and from weather conditions, and the rate at which the property may be expected to become obsolete for technological or other reasons. Accordingly, there can be no assurance that any particular useful life claimed by a Unit owner will prevail. In this connection, it should be noted that the Internal Revenue Service depreciation guidelines for hotels and for apartment buildings (either of which might be applied to Condominium Units) recommend a useful life of 40 years, although taxpayers have been able to establish shorter useful lives for particular apartment buildings. Thus, although a Unit owner may conclude that the facts justify a shorter useful life for a Unit, such deductions could be substantially reduced if the Internal Revenue Service successfully challenged the depreciation deductions claimed by a Unit owner, and the Unit owner might be required to pay additional taxes.

Gain on Sales and Recapture

In the event the owner of a Condominium Unit sells his Unit or any limited partnership interest with respect to such Unit, he will recognize gain to the extent that the amount realized from such sale exceeds the adjusted basis of the property sold, or will recognize loss to the extent that the adjusted basis of the property sold exceeds the amount realized from such sale. The amount realized from the sale or other disposition of property includes any sum of money received as well as the fair market value of any property received other than money. If a purchaser from a Unit owner assumes or takes subject to liabilities encumbering the transferred property, the amount of such liabilities represents consideration includable in the amount realized by the Unit owner as though there had been payment in a like amount.

Gain realized on the sale of a Unit or on the sale of a limited partnership interest by a holder who is not a "dealer" with respect to such property, and who has held such property for more than six months, will be long-term gain, except as follows: In the event a Unit owner sells at a gain a Unit with respect to which depreciation has been taken, part or all of such gain may be taxable at ordinary income rates, as recaptured depreciation. In the event of a sale of any such Unit within one year after acquisition, all depreciation allowed with respect to such Unit would be recaptured. If the Unit owner held such Unit for more than one year, 100 percent of the excess depreciation allowed (accelerated depreciation less straight-line depreciation) would be recaptured. In addition, upon the sale of a limited partnership interest, ordinary income treatment will be accorded that portion of the gain included in the proceeds of sale attributable to the holder's share of the Partnership's "unrealized receivables" and "inventory items which have substantially appreciated in value", as defined in Section 751 of the Internal Revenue Code and in the Regulations pertaining thereto. The Partnership's "unrealizable receivables" could include, among other things, accrued rental income not yet realized in cash, potential depreciation recapture with respect to Partnership property, and any deferred gain on installment sales of Partnership property. Because the Partnership will not maintain substantial amounts of property, "substantially appreciated inventory" should be present in only nominal amounts, if at all.

Loss recognized on the sale of a Unit or on the sale of a limited partnership interest may be deductible as a capital loss, deductible as an ordinary loss, or non-deductible, depending on the facts and circumstances of the particular seller. In the case of a taxpayer other than a corporation, capital losses are currently deductible only to the extent of current capital gains plus the smaller of: (i) the taxable income for the taxable year; (ii) $1,000; and (iii) the sum of the excess of the net short-term capital loss over the net long-term capital gain, and one-half the excess of the net long-term capital loss over the net short-term capital gain. Any excess capital loss might be carried over in part and be deductible in later years pursuant to Section 1212 (b) of the Code.

In general terms, the adjusted basis of a partner's interest is the basis he obtained by acquisition of the interest, plus the amount of any additional contributions by him to the partnership and his cumulative share of partnership income, and less his cumulative share of partnership losses and the cumulative amounts of any distributions to him; the adjusted basis cannot be less than zero. Subject to the qualification below, any increase in a partner's share of partnership liabilities (such as mortgage liabilities) is considered as a contribution of money by him to the partnership, and accordingly increases his tax basis in his partnership interest. Correspondingly, any decrease in his share of partnership liabilities (including the reduction in his share of liabilities resulting from any repayments of mortgages or other indebtedness) is considered as a distribution of money to him, and accordingly decreases his tax basis (or is taxable as capital gain once his basis is reduced to zero). Under present Treasury Regulations, to the extent that no partner of a limited partnership (including any general partner) has any personal liability with respect to a partnership liability, each partner's share of such partnership liability is proportionate to his share of the profits of the partnership. The Internal Revenue Service does not consider a loan from the general partner to the partnership to qualify for such treatment; accordingly, limited partners are not considered to have any share of any such partnership liability to the general partner for such purposes, and may not claim any tax basis increase attributable to such a loan.

The adjusted basis of the transferred interests, the amount of liabilities assumed by a purchaser, the amount of gain, and the tax treatment of the sale of a limited partnership interest all depend in part upon the tax treatment accorded the purchase and holding of a Condominium Unit and a limited partnership interest (see "FEDERAL INCOME TAX CONSEQUENCES – General Tax Treatment"). If the general tax treatment anticipated by the Company is not accorded, the federal income tax results of the sale of a Condominium Unit or a limited partnership interest could be more adverse than those described above.

Partnership Status

The Company will apply for a ruling from the Internal Revenue Service that the Partnership will be taxed as a partnership and not as a corporation for federal income tax purposes. Although there can be no assurance that a favorable ruling will be issued, the Company has no reason to believe that its application will not be granted, subject to the conditions described below.

First, the Company anticipates that the ruling will be conditioned upon the maintenance by the General Partner of a net worth (exclusive of its interest in limited partnerships and accounts and notes receivable from and payable to such limited partnerships) at least equal to the sum of: (i) 15 percent of the capital contributed to each limited partnership in which the General Partner has an interest, up to the first 2½ million dollars of capital contributed to each such limited partnership, and (ii) 10 percent of the capital contributed in excess of 2½ million dollars to each such limited partnership. The Internal Revenue Service has issued no information as to the assets to be included in measuring the capital contributed to the Partnership. The Company warrants that its net worth will, at the time it receives the proceeds of the Initial Phase of this offering, equal or exceed the net worth set forth in its financial statements included herein, which is in excess of 15 percent of the capital which will be reflected on the books of the Partnership; there can be no assurance, however, that such net worth will meet such condition. Thereafter, the Company will use its best efforts to maintain its net worth at a comparable level, but there can be no assurance that it will be in a financial position to do so.

In addition, the Company anticipates that the ruling will be based upon the condition that the general partner has substantial assets (other than its interest in the Partnership) which can be reached by the general creditors of the Partnership. The Internal Revenue Service has issued no information regarding the extent of the assets required to meet such condition. Accordingly, there can be no assurance that the Company will meet such condition at any time.

Although the Internal Revenue Service will not issue advance rulings as to partnership status without the conditions described above, the Partnership may nonetheless be taxed as a partnership under the existing provisions of the Internal Revenue Code and Treasury Department Regulations even if the conditions to the ruling are not met. However, if for any reason the Partnership is not so treated, the Partnership would for Federal purposes be taxed as a corporation, and the Limited Partners would be taxed as corporate shareholders are taxed.

Prepaid Interest

Whether interest prepayments are deductible in full in the year made, or whether the deductions must be allocated over the taxable years involved, is governed by the principles of Revenue Ruling 68-643. That Ruling provides in part as follows:

> A deduction for interest paid in advance on each indebtedness for a period not in excess of 12 months of the taxable year immediately following the taxable year in which the prepayment is made will be considered on a case by case basis to determine whether a material distortion of income has resulted. Some of the factors to be considered in determining whether the deduction of prepaid interest gives rise to a material distortion of income include but are not limited to the amount of income in the taxable year of payment, the income of previous taxable years, the amount of prepaid interest, the time of payment, the reason for prepayment, and the existence of a varying rate of interest over the term of the loan. If interest is prepaid for a period extending more than 12 months beyond the end of the current taxable year, the deduction of such prepaid interest in the taxable year of payment will be considered as materially distorting income. Where a material distortion of income has been found to result from the deduction of prepaid interest, the Service will require the taxpayer to change his method of accounting with respect to such prepaid interest in order to allocate it over the taxable years involved.

Unit purchasers who finance their purchase may be required to pay loan fees to institutional lenders immediately upon obtaining loans from such lenders. Such loan fees are typically expressed as a percentage of the principal amount of the loan and referred to as "points", one point being equal to one percent of the loan principal. According to Revenue Ruling 69-188, such points are, for federal income tax purposes, deductible as interest (i) to the extent they are paid as compensation to the lender solely for the use or forebearance of money (as contrasted with, for example, compensation for services such as investigating the borrower and his security, or closing costs of the loan and papers drawn in connection therewith), and (ii) to the extent that the funds to pay the points do not come initially from the lender. The Company has been advised that the Internal Revenue Service is likely to consider as prepaid interest the points that are deductible as interest under the principles of the foregoing sentence.

Because of the case by case factual analysis that must be applied, there can be no assurance that the deduction of any amounts of prepaid interest and points will be fully allowed by the

Internal Revenue Service, or that such deduction will be allowed for the year that the taxpayer claims them. If the Internal Revenue Service challenges any such deductions or the timing thereof, and is successful in such challenge, such deductions could be substantially reduced or deferred, and the purchaser might be required to pay additional taxes.

Tax Elections

The Internal Revenue Code provides for optional adjustments to the basis of partnership property for measuring both depreciation and gain upon certain distributions of partnership property (Section 734) or transfers of partnerships interests (Section 743) if a partnership election has been made pursuant to Section 754. The general effect of such an election is that transferees of partnership interests are treated, for purposes of depreciation and gain, as though they had acquired a direct interest in the partnership assets and the partnership is treated for such purposes, upon certain distributions to partners, as though it had newly acquired an interest in the partnership assets and therefore acquired a new cost basis for such assets. Any such election, once made, is irrevocable without the consent of the Internal Revenue Service. As a result of the complexities of the tax accounting required to implement such an election, the general partner does not presently intend to make such an election. One effect of not making such election is that upon a sale of partnership property subsequent to a transfer of a limited partnership interest, taxable gain or loss to the transferee of the limited partnership interest will be measured by the difference between his share of the amount realized and his share of the partnership's tax basis in the property (which, in the absence of a Section 754 election, will be unchanged by the transfer of the interest to him), rather than by the difference between his share of the amount realized and the portion of his purchase price that was allocable to the property.

The Partnership will use the cash method of accounting.

Tax Reform Act of 1969

The Tax Reform Act of 1969 (the "Act") contains provisions which eliminate or restrict tax benefits available under prior law incident to real estate investments. The Act (i) limits the deduction allowed individuals for interest paid or accrued on indebtedness incurred to purchase or carry property held for investment, (ii) increases the alternative tax rate for net Section 1201 gain (*i.e.*, net long-term capital gains in excess of net short-term capital losses) and (iii) imposes upon individuals and corporations a minimum income tax if the deductions and income from specified tax preference sources exceed the statutory standard.

Limitation on Deduction for Investment Interest (Section 163(d))

The Act provides that 50% of excess investment interest for the year is not deductible. *Investment interest* is interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment. *Excess* investment interest is investment interest in excess of the sum of (i) \$25,000 (\$12,500 for a married individual filing a separate return), (ii) the amount of net investment income (as defined in Section 163(d)(3)(A)) for the year, (iii) the amount (if any) by which the deductions allowable under Section 163 (determined without regard to Section 163(d)) and Sections 162, 164(a)(1), 164(a)(2) and 212 attributable to property of the taxpayer subject to a net lease exceeds the rental income produced by such property for the taxable year, and (iv) the amount of net Section 1201 gain for the year. If a purchaser's interest payments on mortgage indebtedness were disallowed as a deduction by the limited partner in the year of payment pursuant to the foregoing limitation, such deduction might be utilized by the purchaser in future years under some circumstances.

Alternative Capital Gain Rate (Section 1201)

Under the Act, the 25% alternative tax rate continues to apply to an individual's net Section 1201 gains of up to $50,000 ($25,000 for a married individual filing a separate return), but is otherwise unavailable to individuals. As a result of the continued deductibility of one-half of net Section 1201 gains and the existing 70% maximum tax rate for individuals, the maximum tax rate for individual net Section 1201 gains in excess of the foregoing $50,000 (or $25,000) is 35%. In addition only one-half, rather than 100%, of an individual's net long-term capital loss in excess of net short-term capital gain is deductible against ordinary income, up to $1,000 of such deduction per year. Under the Act, the alternative tax rate for a corporation's net Section 1201 gain has been increased from 25% to 30%.

Minimum Tax on Tax Preference Items (Sections 56, 57 and 58)

The Act imposes a 10% tax on excess tax preference items. A partnership itself is not subject to tax and accordingly has no tax preference items, but its limited partners will be required to take account of their respective shares of such items. Tax preference items are defined in Section 57 and include, among other items, the excess of accelerated over straight-line depreciation on real property and a portion of net long-term capital gain. Excess tax preference items for a year are tax preference items in excess of the sum of (i) $30,000 ($15,000 for a married individual filing a separate return) and (ii) the taxpayer's income taxes for the year without regard to the 10% minimum tax preference tax. Certain adjustments may be made if the taxpayer has an excess net operating loss, or if the taxpayer has in any of the past seven years paid taxes in excess of his tax preference items exceeding $30,000. The Act also provides for a maximum tax rate of 50% for an individual's earned taxable income (such as wages and professional fees); however, a taxpayer's tax preference items (or the average of his tax preference items in the taxable year and the four preceding taxable years or since 1969) in excess of $30,000 may reduce the amount of earned taxable income subject to the benefit of the 50% maximum rate in the taxable year.

Foreclosure

The Federal income tax consequences of the foreclosure of a mortgage, deed of trust or other financing instrument with respect to real property depend on a number of factors including, but not limited to, whether the obligation arose in connection with acquisition or improvement of the property, whether the purchaser was liable on the obligation beyond the value realizable from the property, and whether the loss of the property was by judicial sale or voluntary transfer to the mortgagee, abandonment or some other method. In general, however, the purchaser will realize taxable gain to the extent foreclosure proceeds exceeded the tax basis of the property, whether or not he received any part of such proceeds, and the full amount of the obligation might be deemed to be realized by the purchaser as foreclosure proceeds even if the actual proceeds were less than the amount of the obligation.

Dissolution of the Partnership

The general tax treatment of a dissolution distribution to each partner of his pro rata share of partnership property is as follows: No gain or loss will be recognizable to the partnership; gain will be recognizable to each partner to the extent that any money distributed exceeds the adjusted basis of such partner's interest in the partnership immediately before the distribution; no loss will be recognizable to a partner unless only money, unrealized receivables (as defined in Section 751(c)) and inventory (as defined in Section 751(d)(2)) are distributed, and in such event loss will be recognizable to the extent of the excess of the adjusted basis of such partner's interest in the partnership over the sum of the money distributed and the basis to such partner (as determined under Section 732) of the unrealized receivables and the inventory; the aggregate basis of property distributed to each partner (other than money) will be an amount equal to the adjusted basis of such partner's interest in the partnership reduced by the amount of money distributed to him. There are a number of exceptions to such general treatment, including (but not limited to) the effect of any optional adjustment to the basis of partnership property (Section 754), the effect of a special basis election for a partner who may have acquired his partnership interest within two years prior to the distribution (Section 732(d)), and the effects of distributing one kind of property to some partners and a different kind of property to others (Section 751).

Partnership Income Tax Returns

The Partnership will file an annual federal information tax return reporting its operations for each fiscal year. The Partnership intends to adopt a fiscal year ending on ...., although the adoption of such fiscal year for tax purposes is subject to the consent of the Commissioner of Internal Revenue; if such consent is withheld, the Partnership will account on a calendar year basis for tax purposes. The Partnership return will be prepared or reviewed by independent public accountants selected by the general partner. The Partnership, as an entity, will not be subject to the payment of federal income tax. However, each partner will be required to report on his personal federal income tax return his share of the Partnership's income, gains, losses, deductions or credits for the taxable year of the Partnership ending within or with his taxable year, whether or not an actual distribution of cash or other property is made to him; the benefit of any deductions will be subject to possible limitations if the Unit is held for personal use (see "FEDERAL INCOME TAX CONSEQUENCES—Personal or Non-Personal Use"). On his personal federal income tax return, each Partner's deduction of his share of the Partnership's losses, if any, is limited to his adjusted tax basis in his Partnership interest.

If the general tax treatment anticipated by the Company is not accorded the purchase and holding of a Condominium Unit and a limited partnership interest, the federal tax results described in the preceding paragraph might not be applicable (see "FEDERAL INCOME TAX CONSEQUENCES – General Tax Treatment").

Deduction of Partnership Management Fee

Pursuant to the Partnership Agreement, the Partnership will be required to pay a management fee as compensation to the Company during the period it provides day-to-day management services in connection with the Partnership's hotel operations. The Partnership intends to deduct any such amounts from total income in the appropriate years in reporting net ordinary income on its information return.

Recommended Consultation

The foregoing is only a summary of some of the important tax consequences generally affecting the purchase, holding and sale of a Condominium Unit. It does not take into account other federal, state or local tax laws, nor is it intended to represent a complete catalog of all potentially relevant provisions of the Internal Revenue Code, any of which may apply to some taxpayers depending on their individual circumstances. Each prospective purchaser should consult his personal tax advisor with respect to all aspects of such purchase, holding and sale as applicable in his individual situation.

COMPETITION

Intense competition in the sales, resales and rentals of the Condominium Units will be experienced, not only from condominiums in the Aspen area, but also from projects in other resort areas. To the extent the Ranch is viewed by potential buyers and renters as a winter recreation resort, it may suffer a significant competitive disadvantage in comparison with many of the other condominiums at Aspen by virtue of its 20 mile distance from the nearest major ski area.

THE COMPANY

Directors and Officers

The directors and executive officers of the Company and the positions held by each are as follows:

Name	Position
L. C. Jacobson	Chairman of the Board and Director
Jay Kee Jacobson	President and Director
Stuart Swidler	Vice-President and Director
Ronald W. Johnson	Secretary and Director
C. T. Spines	Vice-President – Finance, Treasurer and Director

The principal occupations and employments during the past five years of the executive officers of the Company were as follows:

Mr. L. C. Jacobson has since September 1970 been Chairman of the Board of Jacobson Diversified, Inc., and for nine months prior to that date was active in private real estate activities. From June 1966 to December 1969 he owned and operated the Newporter Inn Hotel in Newport Beach, California. From 1962 to 1966 he was president of Del E. Webb Corporation, a diversified builder of hotels, motels, office buildings, industrial complexes, shopping centers and retirement communities, and for many years prior to 1962 was vice president and general manager of that corporation.

Mr. Jay Kee Jacobson has been President and principal executive officer of Jacobson Diversified, Inc., the parent of the Company, since September 1970. From November 1965 to July 1968 he was employed by Del E. Webb Corporation as Assistant to the General Manager of a 2,000 acre community development at Oak Brook, Illinois. From July 1968 to September 1970 he served as Executive Vice President of the Newporter Inn Hotel, Newport Beach, California.

Mr. Swidler has been Vice-President of Jacobson Diversified, Inc. since October 1971. From February 1967 to October 1971 he was President of Tennis Affairs, Inc., Newport Beach, California, a chain of tennis shops. From 1953 to 1967, he was a partner of Dunas, Greene and Swidler, a Los Angeles based contractor.

Mr. Johnson has been Vice-President and General Counsel for Jacobson Diversified, Inc. since July 1972. From June 1968 to July 1972 he practiced law in California. For three years prior to that he attended law school at University of California, Hastings College of Law.

Mr. Spines has been Vice President – Finance for Jacobson Diversified, Inc. since September 1972, and Vice President – Finance, Treasurer and Director of that corporation since December 15, 1972. From February 1970 to September 1972 Mr. Spines was a corporate banking officer of Security Pacific National Bank in Los Angeles, California. From 1964 to February 1970 Mr. Spines attended the University of Arizona and University of Kansas, receiving a Master of Science degree in finance from the University of Kansas in February 1970.

Although the officers and directors of the Company intend to devote such time as necessary to fulfill the Company's obligations as general partner of the Partnership and as manager of the Condominium Association, it is not anticipated that such officers and directors will be required to devote full time to such operations.

The directors and executive officers of the Company are selected by Jacobson Diversified, Inc., which owns all of the issued and outstanding stock of the Company.

Remuneration of Directors and Officers

No direct remuneration has been paid by the Company to any of its directors or executive officers during the period from its formation in June, 1972 through November 30, 1972, and it is anticipated that the aggregate direct remuneration paid to such persons during the balance of the Company's first fiscal year ending June 30, 1973 will not exceed $50,000.

Affiliate

The Company is an "affiliate" within the meaning of the Securities Act of 1933, of Jacobson Diversified, Inc., which owns all of the issued and outstanding stock of the Company.

The directors and executive officers of Jacobson Diversified, Inc. are L. C. Jacobson (Chairman of the Board and Director), Jay Kee Jacobson (Director and President), Ronald W. Johnson (Director Vice President and Secretary), and C. T. Spines (Director, Treasurer and Vice President – Finance).

Certain Transactions and Proposed Transactions

Company's Acquisition of Ranch

The Ranch was transferred to the Company in November 1972 by its parent corporation, Jacobson Diversified, Inc. in exchange for 10,000 shares of the common stock of the Company, as part of the initial capitalization of the Company. The Ranch was purchased by L. C. Jacobson in 1966 for a purchase price of approximately $180,000, and following substantial improvements, was transferred by L. C. Jacobson to Jacobson Diversified, Inc. in November 1971 for a purchase price of $1,000,000, of which $50,000 was in cash and the balance in note payable, with 5% interest, over ten years. This note was secured by mortgage upon the Ranch, which was released in connection with the transfer of the Ranch to the Company. All of the Company's stock is pledged to secure this note.

Reserved Parcel

Approximately three acres in the midst of the Ranch, together with access rights has been reserved by the Company for residential purposes. The reservations in the instrument of transfer of the Ranch to the Company, and the various condominium documents, have made appropriate provision for necessary easements to the Reserved Parcel permitting the occupants rights of access to and from the Reserved Parcel across the balance of the Ranch. The Reserved Parcel is not part of the Condominium Association, but will be subject to certain of the restrictions in the condominium declaration relating to the general use and occupancy of the entire Ranch area.

Ownership of Commercial Area

The Company contemplates the construction and development of various stores and shops and other commercial facilities, all within the approximately nine acre portion of the Ranch to be reserved by the Company for its own commercial development. The Company has no obligation to commence or complete any portion of these commercial facilities and may terminate such facilities once commenced. The purchasers of the Condominium Units will not obtain any ownership interest in the commercial operation and will not be entitled to any discounts or economic privileges with respect to the goods and services sold in the commercial area.

Cattle Operation

There is presently a herd of approximately 50 cattle, excluding calves, upon the Ranch, and the Company presently intends to continue this cattle operation, and will enter into a lease for a nominal rent with the Condominium Association for the use of portions of the Ranch for the purpose of such cattle operation. It is anticipated that the cattle will serve a useful function in controlling grass on the ranch and contribute to maintaining the ranch atmosphere. This lease can be terminated by the Company or the Association at any time upon 60 days notice, and the Company is under no obligation to continue the cattle operation for any period of time. During the continuance of this lease, the Company may have certain priorities for the use of portions of the Ranch, such as riding and bicycle trails, which will also be used by the condominium owners and renters, and the cattle operation may cause inconvenience or difficulty in the utilization of such recreational facilities.

PENDING LEGAL PROCEEDINGS

The Company knows of no material legal proceedings pending or threatened against it.

CONSULTANTS

Keith Romney Associates of Salt Lake City, Utah, has been consulted with respect to all aspects of the development of The Ranch at Roaring Fork Condominium and its marketing. This condominium consulting firm has performed similar services for, among others, projects in Scottsdale, Arizona; Waterville Valley, New Hampshire; St. Croix, U. S. Virgin Islands; and Dorado Beach, Puerto Rico.

LEGAL OPINIONS

Legal matters with respect to the securities offered hereby will be passed upon for the Company by Wenke, Kemble & Burge, 1055 North Main Street, Santa Ana, California 92701, and Agnew, Miller, Carlson & Powers, 606 South Hill Street, Los Angeles, California 90014, who will rely as to all matters governed by Colorado law on Messrs. Davis, Graham & Stubbs, American National Bank Building, Denver, Colorado 80202.

EXPERTS

The balance sheet of The Ranch at Roaring Fork, Inc. included in this Prospectus has been included herein in reliance upon the report of Peat, Marwick, Mitchell & Co., independent certified public accountants, and upon the authority of said firm as experts.

ACCOUNTANTS' REPORT

The Board of Directors
The Ranch at Roaring Fork, Inc.:

We have examined the balance sheet of The Ranch at Roaring Fork, Inc. as of November 21, 1972. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As set forth in notes 1 and 2 of the notes to balance sheet, the balance sheet includes preoperating expenses and various improvements relating to the project under development. Recovery of these costs is dependent upon satisfactory completion of the development of the project and upon profitable future operations.

In our opinion, subject to the matter referred to in the preceding paragraph, the balance sheet presents fairly the financial position of The Ranch at Roaring Fork, Inc. at November 21, 1972, in conformity with generally accepted accounting principles.

PEAT, MARWICK, MITCHELL & CO.

Phoenix, Arizona
December 11, 1972

THE RANCH AT ROARING FORK, INC.

BALANCE SHEET

November 21, 1972

ASSETS

Cash		$ 165,435
Project costs (note 5):		
Land	$ 617,500	
Project improvements (note 2)	376,376	
Preoperating expenses (note 2)	448,017	1,441,893
Other property and equipment, at cost, net of accumulated depreciation $21,888 (notes 3 and 5)		220,792
Commercial land and improvements held for investment, at cost (note 5)		61,184
Other assets		6,711
		$1,896,015

LIABILITIES AND STOCKHOLDER'S EQUITY

Accounts payable		$ 76,113
Accrued expenses:		
Interest	$ 5,171	
Payroll taxes	1,717	6,888
Equipment contracts payable to banks		24,361
Payable to Jacobson Diversified, Inc.:		
Notes (note 4)	567,856	
Advances	135,024	702,880
Stockholder's equity (note 1):		
Common stock without par value. Authorized 50,000 shares; issued 10,000 shares at stated value	1,000,000	
Additional paid-in capital	85,773	1,085,773
Commitment (note 1)		
		$1,896,015

See accompanying notes to balance sheet.

THE RANCH AT ROARING FORK, INC.

NOTES TO BALANCE SHEET

November 21, 1972

(1) Organization of the Company and Basis of Balance Sheet

The Ranch at Roaring Fork, Inc. was incorporated in Colorado in June 1972 for the purpose of constructing, marketing and operating a condominium project known as the Roaring Fork Ranch, located near Carbondale, Colorado. The project involves the creation of a limited partnership with the Company as the initial general partner for rental pool operations. The fiscal year of the Company ends on June 30.

The Company is a wholly-owned subsidiary of Jacobson Diversified, Inc. The project land and various buildings and improvements in the aggregate amount of $1,085,773 were transferred to the Company on November 21, 1972 by its parent company, Jacobson Diversified, Inc., in exchange for 10,000 shares of common stock. The excess ($85,773) of the cost of the properties transferred to the Company over the stated value, as determined by the Company's Board of Directors, of common shares issued was credited to additional paid-in capital. The properties were transferred to the Company at the cost to Jacobson Diversified, Inc., which amount approximated an appraised value determined in September 1972. Included in the properties transferred to the Company were land and certain improvements in the aggregate amount of $1,000,000 which were acquired by Jacobson Diversified, Inc. from Mr. L. C. Jacobson on November 4, 1971 for a purchase price of $1,000,000. The property, exclusive of improvements subsequently made, was originally purchased by Mr. L. C. Jacobson in 1966 for a purchase price of approximately $180,000. Development costs relating to the project, including pre-operating expenses, incurred by Jacobson Diversified, Inc. during the period held were transferred to the Company at the cost to Jacobson Diversified, Inc.

Operations and transactions of the Company since date of incorporation consist of the issuance of capital stock in exchange for the project land, restaurant and improvements, commencement of construction of the sewer system, golf course, boat house and Condominium Units and the incurrence of costs incidental to planning for the development and marketing of the Condominiums and the preparation of the Registration Statement and agreements for the offering contemplated by this Prospectus.

Operations of the Ranch during the period held by Jacobson Diversified, Inc. consisted primarily of the restaurant operations, the net earnings ($15,700) of which were credited against preoperating expenses (note 2).

(2) Project Costs

Certain project costs were comprised of the following at November 21, 1972:

Project improvements:	
Lakes	$125,000
Boat House	30,069
Construction in progress:	
Condominiums	31,324
Golf course	79,983
Sewer system	110,000
	$376,376

NOTES TO BALANCE SHEET (Continued)

(2) Project Costs (continued)

Preoperating expenses:

Architectural fees	$ 59,057
Project consultation	17,599
Mortgage interest	60,958
Deferred marketing	27,504
Registration expense	17,500
Engineering	10,945
Project maintenance and administration, net of earnings from restaurant operations of $15,700 (note 1)	254,454
	$448,017

(3) Other Property and Equipment

Other property and equipment were comprised of the following at November 21, 1972:

Restaurant:		
Land		$ 20,000
Building and equipment, net of accumulated depreciation of $8,125		77,576
		97,576
Ranch house:		
Land	$ 7,500	
Lake	15,000	
Buildings, net of accumulated depreciation of $5,381	44,619	67,119
Other buildings, net of accumulated depreciation of $3,250		26,750
Cattle		14,004
Equipment, net of accumulated depreciation of $5,132		14,903
Miscellaneous		440
		$220,792

(4) Notes Payable to Jacobson Diversified, Inc.

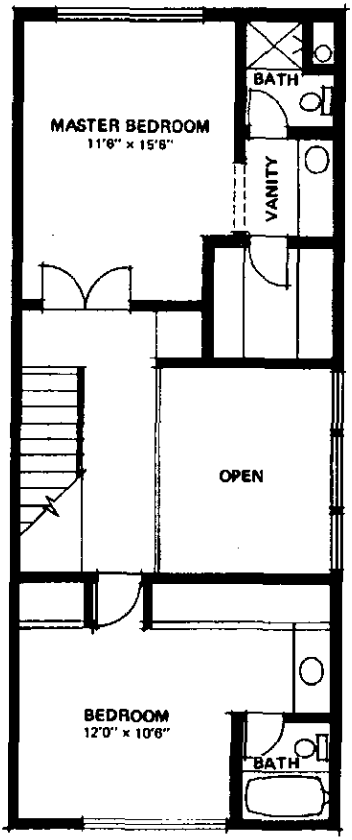
Notes payable to Jacobson Diversified, Inc. consisted of the following at November 21, 1972:

9% unsecured demand note (note 5)	$417,856
8½% unsecured note, due December 1, 1973	150,000
	$567,856

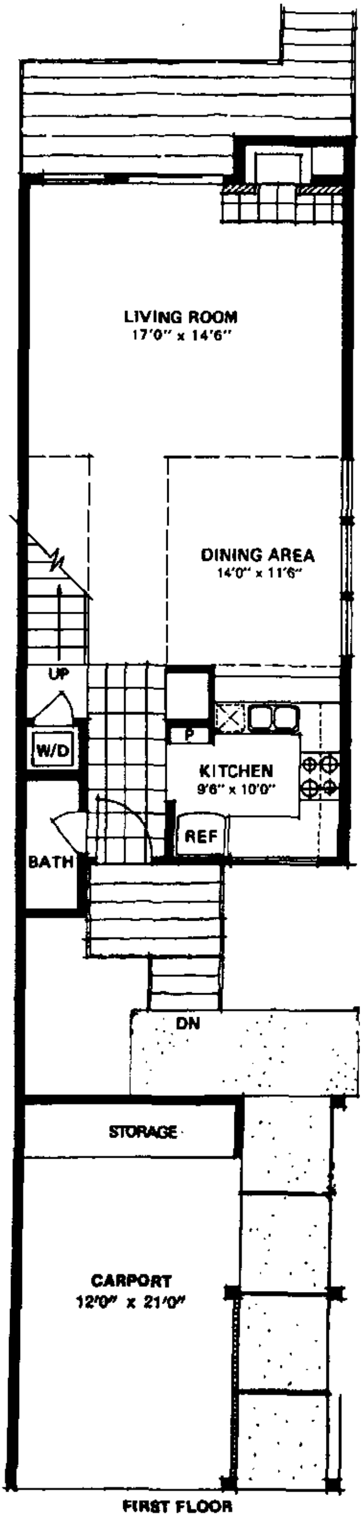
(5) Land and Developments Subject to Mortgage

The land and developments are subject to a mortgage note payable by Jacobson Diversified, Inc. to a bank. Payment of the note is guaranteed by Mr. Jay Kee Jacobson, son of Mr. L. C. Jacobson (note 1). The note is due March 1973 and at November 21, 1972 the unpaid balance was $417,856. In accordance with the terms of the 9% note payable to Jacobson Diversified, Inc. (note 4), payments on such note are remitted by the Company to the bank to be applied against the unpaid balance of the mortgage note.

Exhibit A-1



SECOND FLOOR



FIRST FLOOR

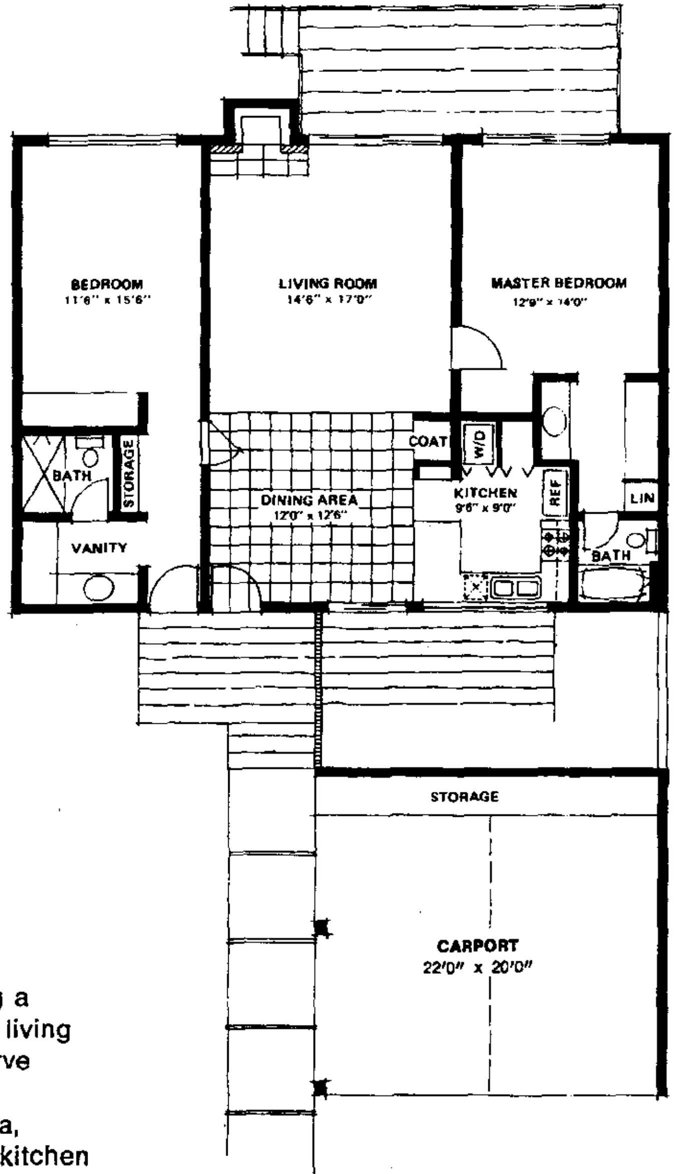
PLAN A
(1,468 Square Feet)

Two-story. The ground floor level is comprised of a living room with fireplace, dining room, kitchen with built-in range, oven and dishwasher, half-bath and front and real decks. Upstairs are the master bedroom with dressing area, second bedroom and two baths. One covered car space per condominium unit.

Exhibit A-2

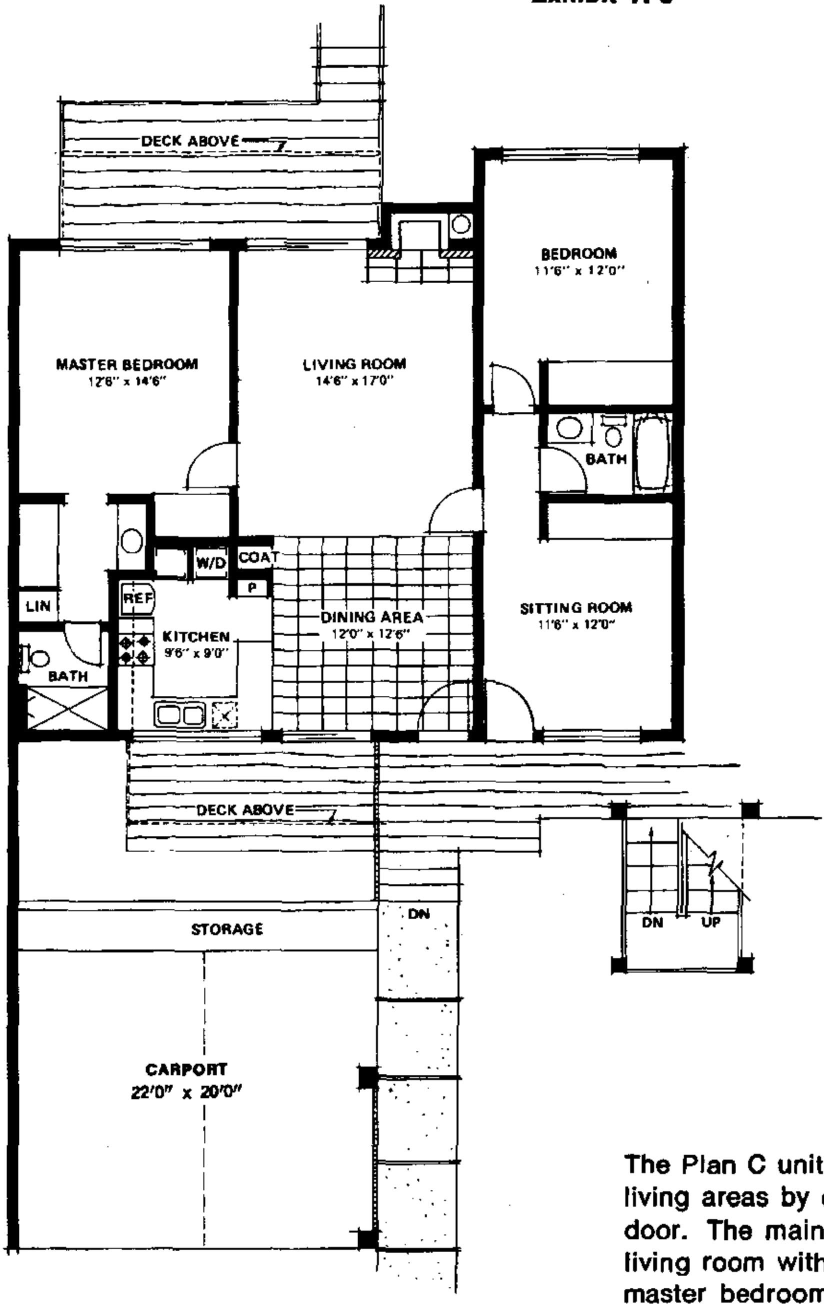
PLAN B

(1,200 Square Feet)



Two bedroom; by closing and locking a single door, it becomes two separate living units. Separate private entrances serve each unit. The main area contains a living room with fireplace, dining area, master bedroom with dressing area, kitchen with built-in range, oven and dishwasher, master bath and front and rear deck areas. The adjoining area is comprised of the second bedroom and a three-quarter bath. One covered car space per condominium unit.

Exhibit A-3



PLAN C
(1,260 Square Feet)

The Plan C unit can be divided into two living areas by closing and locking one door. The main area is comprised of a living room with fireplace, dining room, master bedroom with bath and dressing area, kitchen with built-in range, oven and dishwasher. The second adjoining area has bath, second bedroom and den (or third bedroom), front and rear decks. One covered car space per condominium unit.