

EXHIBIT D

DEED RESTRICTION  
CONVEYANCE OF WATER RIGHTS  
BY ROSCOE DEVELOPMENT CORPORATION  
TO SADDLE RIDGE RANCH ESTATES HOMEOWNERS ASSOCIATION

(The following language will be inserted in the conveyance of the water rights immediately following the legal description of the water rights)

The water and water rights, ditch and ditch rights, well and well rights, reservoir and reservoir rights as set forth above are conveyed to the Grantee subject to the following restrictions which shall apply in perpetuity:

1. The water and water rights, ditch and ditch rights shall at all times be appurtenant to the Real Property above described and may not be conveyed or any interest created therein separate and apart from a conveyance of the appurtenant Real Property. Notwithstanding the above, the water rights required for municipal water services may be conveyed to a Colorado Special District or governmental entity as part of an annexation proceeding or service agreement by which such special district or governmental entity would agree to provide municipal water to the Real Property. The Association shall retain sufficient irrigation water needed to administer the Irrigation Plan.
2. The water and water rights, ditch and ditch rights, well and well rights, reservoir and reservoir rights as provided in the Decree in Case No. 97CW92, Water Court, Water Division 4, State of Colorado, and as the same may be amended or changed by any subsequent adjudication, shall be administered and utilized strictly in accordance with said decree.
3. The Grantee shall own and administer the remaining irrigation water rights in the Rozich Ditch, Ditch No. 155 and the Meridian Ditch, Ditch No. 226 in accordance with the applicable laws, rules and regulations of the State of Colorado and shall use such water rights for the irrigation of land capable of being irrigated thereby as hereafter set forth.
4. The Rozich Ditch and the Meridian Ditch shall be jointly maintained, administered and utilized by the Grantee and the other owner or owners of the remaining interest in said ditches in accordance with their proportionate ownership. Except for the usage of its decreed water rights, the Grantee shall take no action which would impede, hinder or obstruct the delivery of decreed water in the Rozich Ditch and Meridian Ditch to the other owners of the decreed water rights in said ditches.
5. As to the remaining water in the Meridian Ditch and the Rozich Ditch, subject only to the availability of water in priority for diversion into the Meridian Ditch and the Rozich Ditch, the physical availability of water in Washington Gulch, the delivery of the required irrigation water to the other owner or owners of water rights in the Meridian Ditch and the Rozich Ditch, and the decreed uses of such water as set forth in Case No. 97CW92, such irrigation water shall be

utilized, diverted and placed to beneficial use to irrigate the Recreational Open Space, Effective Open Space and irrigated lawns within Saddle Ridge Ranch Estates as provided in the Irrigation Plan incorporated in and a part of the Declaration of Protective Covenants of Saddle Ridge Ranch Estates.

6. The Grantee shall have the sole authority to determine the method of irrigation and the amount of water required for irrigation of the land capable of continued irrigation during the normal irrigation season taking into consideration sound agricultural practices and the amount of water and the method of application required for the utilization of such land by the Grantee. Provided, however, the Grantee shall retain and utilize for the irrigation of such land the amount of irrigation water historically utilized for the land capable of being irrigated so long as such amount of water is available as provided in Paragraph 5 above and according to the Irrigation Plan incorporated in and a part of the Declaration of Protective Covenants of Saddle Ridge Ranch Estates.

7. The Grantee shall not be responsible, nor liable for, actions of third parties not under the control or direction of the Grantee, acts of God or force majeure that may cause a closure, blockage or loss of water in the Meridian Ditch and the Rozich Ditch and shall not be obligated to provide irrigation water through the Meridian Ditch and the Rozich Ditch during such time as the water may be closed for administration, for any required repairs or maintenance, and during any time that the ditch needs to be closed during periods of construction within Saddle Ridge Ranch Estates. The Grantee shall utilize its best efforts to insure that the irrigation water diverted from the Meridian Ditch and Rozich Ditch is not turned off for more than 30 days at any one time during normal irrigation times.

8. The above and foregoing restrictions shall run with the land in perpetuity and may be enforced by the Grantor, the owners of any lots or tracts of land within Saddle Ridge Ranch Estates and the Board of County Commissioners of Gunnison County, Colorado.

9. The above and foregoing Deed Restrictions may only be amended, altered, or revoked by a written instrument agreed to and executed by the Grantee and Gunnison County, Colorado.