

EXHIBIT E

IRRIGATION PLAN

SADDLE RIDGE RANCH ESTATES

The following constitutes the irrigation plan for Saddle Ridge Ranch Estates ~~and~~
~~reflects the historic irrigation practices on the property:~~

1. All of the water and water rights, ditch and ditch rights pertaining to the Meridian Ditch, Ditch No. 226 and the Rozich Ditch, Ditch No. 155 ~~as set forth in Exhibit B~~ will be conveyed to the Saddle Ridge Ranch Estates Homeowners Association, a Colorado nonprofit corporation ("Association").

2. The Association, pursuant to the Declaration of Protective Covenants of Saddle Ridge Ranch Estates will administer and enforce the Irrigation Plan.

3. The ditches and the head gates for the ditches will be cleaned and repaired by May 30 of each year, subject only to weather conditions.

4. The required water in the Meridian Ditch and the Rozich Ditch will be turned on for irrigation purposes by approximately June 1 of each year, subject only to weather conditions.

5. The water in the Meridian Ditch and the Rozich Ditch will be turned off on or about July 15 of each year to prepare for the cutting of hay on any land irrigated by the ditches.

6. The water in the Meridian Ditch and the Rozich Ditch will be turned on after haying has been completed which will be approximately September 15 of each year, so long as water is available in priority for continued irrigation.

7. The water in the Meridian Ditch and the Rozich Ditch will be turned off between October 1 to October 15 of each year, subject only to weather conditions.

8. The majority of the land subject to continued irrigation is primarily irrigated by the Meridian Ditch, except only a small portion of the land adjoining the Gothic County Road which is irrigated by the Rozich Ditch.

9. Due to the steepness and slope of the land and the susceptibility to soil erosion, a limited amount of water will be placed on the land at any one time from the Meridian Ditch. The land to be irrigated by the Meridian Ditch shall be irrigated with approximately 2 c.f.s. of water to 3 c.f.s. of water at any one time, subject only to the availability of irrigation water in

priority and taking into consideration rain and other moisture available for natural irrigation.

10. To best irrigate the land, the irrigation water in the Meridian Ditch will be reset every 2 to 4 days as required to prevent erosion.

11. To minimize erosion, water from the Meridian Ditch to irrigate the southerly open space needs to be diverted at approximately 8 locations.

12. Based upon the configuration of the lots within Saddle Ridge Ranch Estates, the Meridian Ditch and the laterals for the ditch will be relocated, based upon elevations, in proximity to the boundary line of the Effective Open Space of the Lots that are situate on the south side of Saddle Ridge Road. The reconstructed Meridian Ditch may be either the standard open irrigation ditch, an open lined irrigation ditch or be gated irrigation pipe placed on the surface of the ground of sufficient size and with sufficient gates to effectively irrigate the land under the Meridian Ditch.

13. A concrete diversion structure shall be placed on the Meridian Ditch at the northerly end of Saddle Ridge Ranch Estates to divert the irrigation water as required into the reconstructed Meridian Ditch.

14. In addition to the required water for the natural irrigation of the Open Space and Effective Open Space by the Meridian Ditch, approximately 0.6 c.f.s. of water in the Meridian Ditch will be utilized to irrigate the lawns within the platted Lots. The Meridian Ditch water for such purpose will be delivered to the Lots by irrigation laterals consisting of a lined irrigation ditch or pipe for the delivery of the water to the Lots, with the lawns to be irrigated by sprinkler irrigation.

15. The Rozich Ditch irrigates approximately 10 acres of land along the easterly boundary of Saddle Ridge Ranch Estates adjacent to the Gothic County Road. Irrigation of this land from the Rozich Ditch shall continue in the historic manner with not to exceed 1 c.f.s. of water utilized for such irrigation, less any amount of water decreed under the Plan of Augmentation in Case No. 97-CW-92 for the Saddle Ridge Pond and Wetlands.

16. Historically, the owner of that portion of the old Rozman Ranch situate on the easterly side of the Gothic County Road has at times diverted some of its decreed water out of the Rozich Ditch and allowed the same to run in the barrow pit on the westerly side of the Gothic County Road and then divert such water across the Gothic County Road via a culvert at the southeasterly corner of Saddle Ridge Ranch Estates to better irrigate the old Rozman Ranch on the easterly side of the Gothic County Road. The Association shall allow this practice to continue so long as the owner of such water diverts the same in a manner that does not cause soil erosion or interfere with the normal use of the land within Saddle Ridge Ranch Estates.

17. In the event Gunnison County, Colorado has reasonable grounds to believe

that this Irrigation Plan is not properly being administered by the Association, Gunnison County will request technical assistance through the Gunnison Soil Conservation District. The Gunnison Soil Conservation District will review the current practices and will provide technical assistance to help the Association implement this Irrigation Plan. Gunnison County and the Association agree to utilize such technical assistance in evaluating compliance with this Irrigation Plan.

18. The Association shall employ an individual to be the irrigator for Saddle Ridge Ranch Estates in accordance with this Irrigation Plan, which irrigator shall have knowledge and experience in irrigation.

19. The Association shall be solely responsible for all costs, fees and expenses incurred by the Association to administer this Irrigation Plan and shall assess the members of the Association for such costs, fees and expenses.

20. No amendment or change to this Irrigation Plan that alters the terms and conditions contained in this Irrigation Plan shall be effective until approved by Gunnison County, which approval shall not be unreasonably withheld. It is the intent of this Irrigation Plan that the land subject to this Irrigation Plan is continued to be irrigated ~~appropriately historically in accordance with this Irrigation Plan~~. Gunnison County and the Association recognize that there are alternate irrigation practices which can accomplish the intent of this Irrigation Plan. Therefore, the Association and Gunnison County agree that in order to realize the intent of this Irrigation Plan, this Irrigation Plan may be required to be amended from time to time.