

## MEMORANDUM OF UNDERSTANDING

Big Sky Metropolitan District No. 1, CDN Red Rocks, LP, Cardel Homes U.S. Limited Partnership, and Green Mountain Water and Sanitation District participated in mediation on July 29, 2024 in an effort to resolve the dispute captioned *Big Sky, et al. v. Green Mountain*, Jefferson County Case No. 2019cv30887. In furtherance of those efforts, Green Mountain representatives present at mediation, Karen Morgan and David Wiechman, agree to present the following proposal for resolution from Plaintiffs to the Board at its next regular meeting on August 13, 2024, during executive session for discussion:

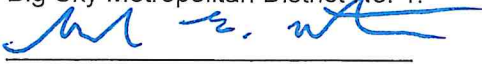
- The parties will work in good faith to negotiate a new intergovernmental agreement (IGA) to include the following non-exclusive terms:
  - In the new IGA, the Big Sky Service Area shall be defined as and is comprised of the property outlined in red on Exhibit 1 attached to this Memorandum of Understanding;
  - The new IGA would cover the Big Sky Service Area only;
  - Under the new IGA, Green Mountain agrees to provide sewer service to the Big Sky Service Area only;
  - Any new IGA would not include any need to oversize the Big Sky sewer system;
  - The language of any new IGA would clearly dictate that Big Sky would be 100% responsible for advancing all costs associated with the design, construction, and maintenance of the Big Sky sewer system, design and construction of any lift station, and any improvements to the Green Mountain system required by the addition of the Big Sky Service Area;
  - Big Sky would be wholly responsible for maintenance of the Big Sky sewer system and any lift station, but in the event any such maintenance requires additional Green Mountain employees, Big Sky would be responsible for such cost of the employee;
  - If capacity issues arise with any portion of the system or if improvements are needed to handle additional capacity, Big Sky will advance payment for those fixes;
  - Big Sky would agree to clear indemnification language relating to its sewer system and any lift station;
  - Big Sky agrees that any new IGA would not include any language pertaining to tap fee rebates; and
  - Tom Morton agrees to step down from the Big Sky Board of Directors, if necessary;
- Cardel agrees to pay Green Mountain \$100,000;
- Green Mountain would prepare the initial draft of any new IGA;
- Green Mountain will report back to Plaintiffs' counsel before end of business on August 14, 2024, the outcome of the Board decision on August 13, 2024 regarding proceeding with a new IGA;
- If the Board votes to proceed with a new IGA, Green Mountain will provide Plaintiffs with a first draft by August 21, 2024; Plaintiffs will thereafter provide comments and revisions by August 26, 2024;
- If the Board votes to proceed with a new IGA, Green Mountain will schedule a special meeting by September 10 for public hearing on and Board consideration of a new IGA.

Green Mountain agrees to vote at this special meeting to approve or not approve the new IGA;

- If the parties reach a new, final IGA, they will file a Consent Decree with the court.

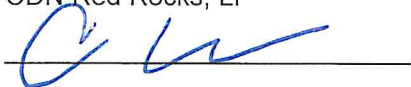
All Parties agree that this memorandum of understanding is not a confidential document:

Big Sky Metropolitan District No. 1:



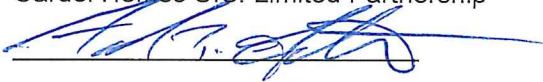
Charles Norton, attorney for Big Sky

CDN Red Rocks, LP



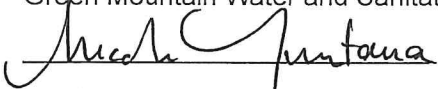
Caleb Durling, attorney for CDN

Cardel Homes U.S. Limited Partnership



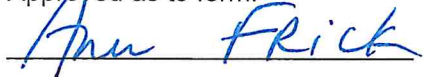
Andrew Garnett, attorney for Cardel

Green Mountain Water and Sanitation District



Nicole Quintana, attorney for Green Mountain

Approved as to form:

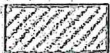




Ann Frick, mediator

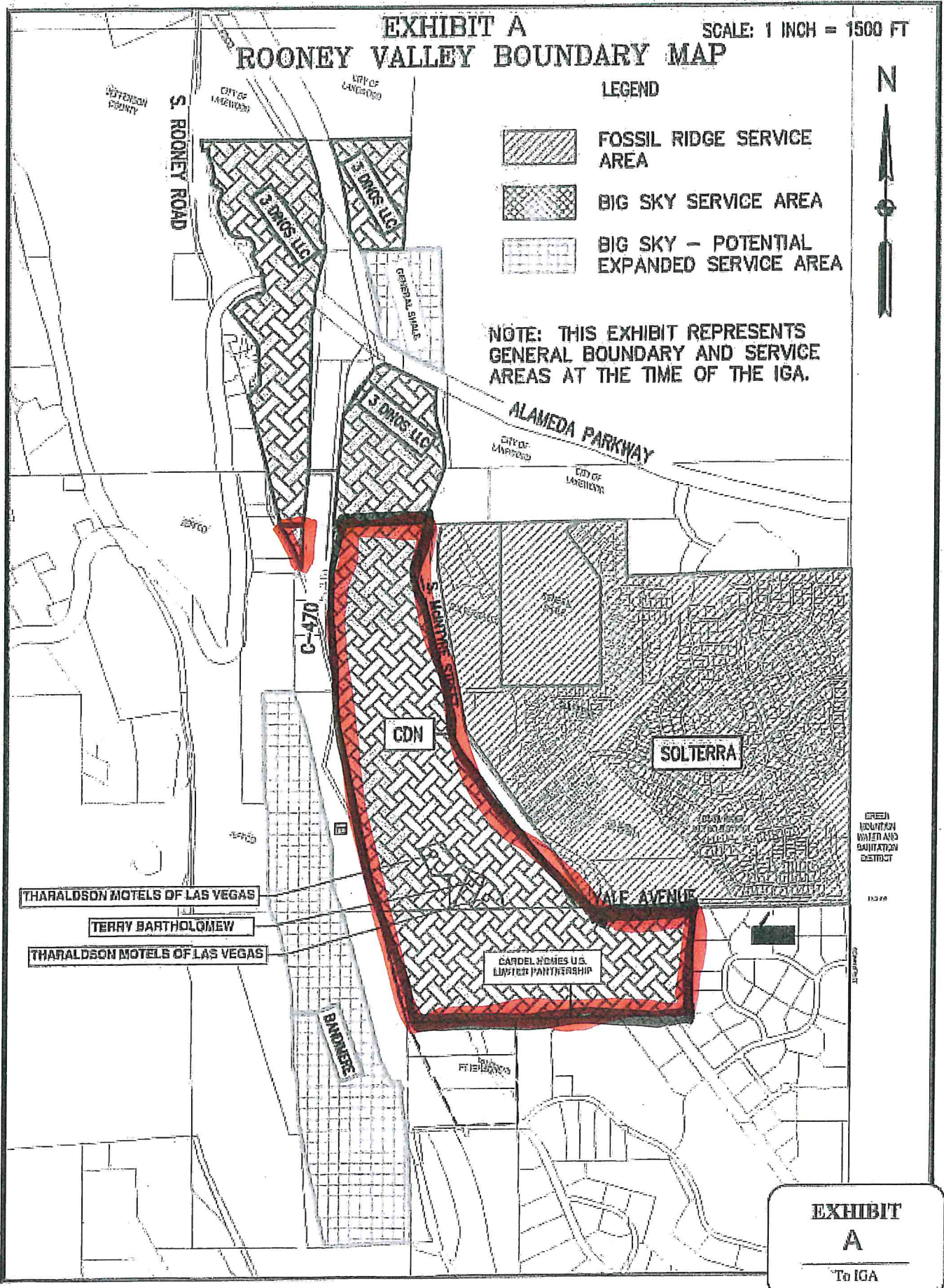
# EXHIBIT A ROONEY VALLEY BOUNDARY MAP

SCALE: 1 INCH = 1500 FT

## LEGEND

-  FOSSIL RIDGE SERVICE AREA
-  BIG SKY SERVICE AREA
-  BIG SKY - POTENTIAL EXPANDED SERVICE AREA

NOTE: THIS EXHIBIT REPRESENTS GENERAL BOUNDARY AND SERVICE AREAS AT THE TIME OF THE IGA.



**EXHIBIT  
A**  
To IGA