

**Summary of Preconsolidation Agreement between
Evergreen Metropolitan District (“Evergreen”)
and Upper Bear Creek Water & Sanitation District (“Upper Bear”)**

- **Purpose of Consolidation:** All operations, facilities, assets and liabilities of Evergreen and Upper Bear will be consolidated for purposes of economy and will become the property of, and operated and managed by the Consolidated District.
- **Name of Consolidated District:** Evergreen Metropolitan District.
- **Services of Consolidated District:** The Consolidated District will have all rights, powers and authorities granted to a metropolitan district under the Special District Act, except for (i) fire and park and recreation powers and (ii) within the boundary area of Upper Bear, no power or authorities other than water and sanitation services, unless subsequently authorized by Court order. The Consolidated District will continue to furnish water and wastewater services to all users currently within the service area of each District, except that water services will not be furnished in Clear Creek County until all requisite approvals have been obtained from the County.
- **Board of Consolidated District:** The Consolidated District will have a five- member Board of Directors who are elected at large. The first Board of the Consolidated District will be appointed in accordance with the Special District Act and will consist of all of the Directors of Evergreen as of the date of the court order of consolidation. Any current Director of either District that is not designated to become a Director of the first Board of the Consolidated District may become an advisory member until the expiration of that Director’s term of office.
- **Assets and Contracts:** The Consolidated District will become the owner of all cash investments and property of each District and will be the successor and assign of all contracts and agreements of each District. Each District will maintain cash reserves until the consolidation is effectuated in the following amounts: \$5,675,000 for Evergreen and \$720,000 for Upper Bear, establishing beginning cash reserves of over \$6,395,000 for the Consolidated District.
- **Debt and Liabilities:** All outstanding general obligation indebtedness of each District will be paid and discharged by each District prior to consolidation. All other obligations, debts, and liabilities will be assumed by the Consolidated District, but all accounts are anticipated to be current at the time of consolidation.
- **Rates, Fees and Charges:** The rates, fees and charges in effect in Evergreen as of the date of consolidation will become the rates, fees and charges throughout the Consolidated District. No property tax will be imposed by the Consolidated District, unless subsequently authorized by the electors of the Consolidated District.
- **Water and Wastewater Taps:** Following consolidation, the current water and wastewater tap fees of Evergreen will become the water and wastewater tap fees of the Consolidated District.