IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No. 23-cv-01351-RMR-STV

GRCO LLC, a Missouri limited liability company,

Plaintiff,

v.

GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado,

Defendant.

AMENDED COMPLAINT

Plaintiff, GRCO LLC, by and through undersigned counsel, submits the following Complaint against Defendant, Granby Ranch Metropolitan District ("GRMD"), and alleges as follows:

Introduction

1. Plaintiff, a property owner and taxpayer within GRMD, brings this action for declaratory and injunctive relief to challenge GRMD's illegal exaction and imposition of capital facilities fees from Plaintiff and illegal use of the fees collected by GRMD.

2. Specifically, GRMD has collected from Plaintiff, and has indicated its intent to continue to collect, capital facilities fees that are required, by the authorizing resolution, to be used solely to finance local improvements that benefit the properties that pay the fees. GRMD is not using the capital facilities fees it has collected since 2019 to finance new or existing improvements. It has not undertaken any capital improvements, and it lacks authority to undertake capital improvements under its existing service plan.

3. Since 2019, GRMD has deposited the capital facilities fees collected by it into its general fund, making these fees available for payment of GRMD's administrative expenses, including funding the litigation costs it has incurred, and continues to incur, in its on-going lawsuit against Headwaters Metropolitan District ("Headwaters") and other defendants. GRMD's deposit and use of the capital facilities fees violates the terms of the authorizing resolutions, C.R.S. § 29-1-803(1), and its service plan. Moreover, GRMD's collection of capital facility fees from Plaintiff violates C.R.S. § 32-1-1001(1)(j) and Colorado law because there is no reasonable relationship between the amount of the fees paid by Plaintiff and the cost of any services, programs, or facilities provided by GRMD.

4. Further, GRMD's collection of the capital facilities fee as a condition for Plaintiff to obtain building permits, to avoid penalties, and to avoid foreclosure of the capital facilities fee lien violates Plaintiff's rights under the Fifth Amendment to the U.S. Constitution. In 2022, GRMD required Plaintiff to pay $125,100 in capital facilities fees to obtain 20 building permits to develop its lots, to avoid interest and penalties for late payment, and to avoid foreclosure of the lien imposed for the fees. These capital facilities fees lack an essential nexus to a legitimate government purpose and are not roughly proportional to the impact of Plaintiff's development and use of its property. Further, these fees were collected under the guise of a governmental interest as a pretext for GRMD to secure funds to pay its administrative expenses by depositing the fees in GRMD's general fund. Those administrative expenses bear no relationship to Plaintiff's proposed development or the asserted purpose of providing local improvements that benefit the property within GRMD.

5. In addition, or in the alternative, the capital facilities fees constitute unconstitutional special assessments. GRMD's collection of the fees from Plaintiff to fund general administrative expenses violates Plaintiff's due process rights because that use provides no special benefit to Plaintiff's lots, much less a benefit at least equal to the amount of the assessment levied against them.

6. Finally, the 2006 resolution authorizing collection of the capital facilities fees by GRMD (as opposed to Headwaters) and authorizing the use of such fees for payments on GRMD's 2018 bonds was eliminated in a 2020 foreclosure. For that reason, GRMD lacks authority to collect additional capital facility fees, and, even if it could collect them, it has no ability to use those fees for capital improvements and does not have the right to use them for payments on GRMD's 2018 bonds. Therefore, GRMD cannot make any permissible use of the fees.

7. Plaintiff seeks declaratory and injunctive relief under 28 U.S.C. §§ 2201 and 2202 and damages under 42 U.S.C. § 1983 as more specifically set forth below.

The Parties

8. Plaintiff GRCO LLC ("Plaintiff") is a Missouri Limited Liability company that is registered to do business in the State of Colorado.

9. Since May 5, 2021, Plaintiff has owned the real property in the Granby Ranch development in Grand County, Colorado legally described on Exhibit 1, ("Property"), some of which is located within the current boundaries of GRMD. Plaintiff pays, and has paid, capital facility fees imposed by GRMD. In addition, GRMD pays real property taxes to GRMD and bears a share of the taxes imposed by GRMD to pay off its outstanding bonds.

10. Defendant GRMD is a Metropolitan District organized and existing pursuant to the Colorado Special District Act, C.R.S. § 32-1-101 *et seq*. GRMD is a quasi-municipal corporation and political subdivision of the State of Colorado.

Jurisdiction and Venue

11. This Court has jurisdiction to hear this case pursuant to 28 U.S.C. § 1332(a), because there is complete diversity of citizenship and the amount in controversy exceeds the sum of $75,000 exclusive of interest and costs, in that:

a. GRCO is a Missouri limited liability company with its principal place of business in Missouri. GRCO has two members who hold 100% of the membership interests in GRCO: the PDG Irrevocable Trust dated February 24, 2012, and the RBG, Jr. Irrevocable Trust dated February 22, 2012. Both these trusts are traditional trusts that embody fiduciary relationships and facilitate a donative transfer; they are not business trusts. The trustee of each trust is the legal owner of the trust property, charged with the fiduciary obligation to manage and distribute trust property as set forth therein. A trust is not an entity that can be sued under Missouri law. *Mayer v. Lindenwood Female College*, 453 S.W.3d 307, 314 (Mo. App. 2014).

b. Robert B. Glarner, Jr. is the trustee of the PDG Irrevocable Trust dated February 24, 2012, and P. David Glarner is the Trustee of the RBG, Jr. Irrevocable Trust dated February 22, 2012. Robert B. Glarner, Jr. and P. David Glarner are domiciled in the State of Missouri. Thus, GRCO and all members of GRCO are citizens of the State of Missouri.

c. GRMD is a political subdivision of the State of Colorado with its principal place of business in Colorado. Thus, GRMD is a citizen of the State of Colorado.

d. The amount in controversy in this action exceeds $75,000 because, among other claims, Plaintiff seeks declaratory and injunctive relief challenging its payment of capital facilities fees. Specifically, Plaintiff challenges and seeks reimbursement of $125,100 already paid to GRMD and seeks to enjoin GRMD's collection of future capital facilities fees on other property owned by Plaintiff.

12. This Court also has jurisdiction over this action under 28 U.S.C. § 1331, which confers original jurisdiction on federal district courts to hear suits alleging the violation of rights and privileges under the U. S. Constitution.

13. This Court has supplemental jurisdiction over pendent state law claims in that such claims herein arise from a common nucleus of operative fact.

14. Venue is proper in this District under 28 U.S.C. § 1391(b)(1) because GRMD resides in this District, conducts business in this District and is subject to the Court's personal jurisdiction with respect to the claims in this civil action. In addition, venue is proper under 28 U.S.C. § 1391(b)(2) because the acts or omissions giving rise to Plaintiff's claims occurred in this District and the real property subject to the challenged fees is located in this District.

General Allegations

Creation of the GRMD and Its Service Plans

15. In 2003, Sol Vista Corp., the owner and private developer of Granby Ranch, an approximately 5,000 acre planned mixed use development in Grand County ("Granby Ranch"), sought the organization of GRMD and the Headwaters Metropolitan District ("Headwaters") to facilitate the Granby Ranch development.

16. In 2003, the Town of Granby ("Town") approved Service Plans for Headwaters (formerly Sol Vista Metropolitan District 1) and GRMD (formerly Sol Vista Metropolitan District No. 2). GRMD's Service Plan is attached hereto as Exhibit 2.

17. At the time they were formed, Headwaters and GRMD collectively encompassed approximately 3,570 of the total 5,000-acre Granby Ranch development, with the vast majority of that land located in GRMD.

18. Headwaters' "Service Area" consisted of the entire development, including all property within GRMD's boundaries. Ex. 2, § I(3).

19. As recognized therein, any material changes in the Service Plans must be submitted to and approved by the Town pursuant to C.R.S. § 32-1-207. *See* Ex. 2, § VII(A)(1).

20. The Headwaters and GRMD Service Plans originally contemplated a dual district structure; Headwaters, the "Service District" was authorized to provide the services and facilities described in its Service Plan within its Service Area," Ex. 2, § III, and GRMD, the "Tax District" was authorized to finance and pay for the public improvements needed within the Service Area. Ex. 2, Art. III.

21. The Service Plan for GRMD further provided: "Until the Service District [Headwaters] is consolidated or dissolved in accordance with the District IGA [Master IGA set forth below], ***only*** **the Service District [Headwaters] will have the authority to provide services and complete public improvements within the Service Area**." Ex. 2, Art. III (emphasis added). Headwaters has not been consolidated or dissolved, and the Master IGA referenced in the Service Plan has been terminated by agreement of Headwaters and GRMD.

22. The Town of Granby approved a First Amendment to GRMD's Service Plan on June 27, 2006, and a Second Amendment to GRMD's Service Plan on October 11, 2016, copies of which are respectively attached as Exhibits 3 & 4. Neither amendment gives GRMD authority to provide services or complete public improvements within its boundaries.

2005 Facilities Fee Resolution

23. By 2005, Sol Vista Corp. had transferred all the property it then owned, including the property within the Service Areas of the Headwaters and GRMD to Granby Realty Holdings LLC ("GRH") which included, but was not limited to, Plaintiff's Property.

24. C.R.S § 32-1-1001(1)(j) provides that special districts may "fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the special district; … [and] The board may pledge such revenue for the payment of any indebtedness of the special district."

25. Citing their authority under C.R.S. § 32-1-1001(1)(j), on May 26, 2005, the Boards of Directors of Headwaters and GRMD approved a joint resolution to establish a capital facilities fee ("2005 Facilities Fee Resolution"), a copy of which is attached hereto as Exhibit 5.

26. The 2005 Facilities Fee Resolution stated that:

> "The Districts have determined that it is in the best interest of the Districts to acquire, finance, construct, maintain, provide and administer certain improvements and services benefiting the property within the Districts, including, without limitation, services, streets, roadways, traffic safety and control, transportation, drainage, water and sanitary sewer transmission improvements and offsite capacity improvements, non-potable water facilities, storm drainage, park and recreation improvements, and right-of-way landscaping (collectively 'Improvements.')."

Ex. 5, Second Whereas Clause.

27. The 2005 Facilities Fee Resolution established a fee of $6,255 ("Capital Facilities Fee") to be paid by the owner of each lot or parcel of land then within the boundaries of GRMD; the fee was to be paid to Headwaters on or before the date of issuance of a building permit by the Town of Granby for construction of any buildings on the lot.

28. Pursuant to the 2005 Facilities Fee Resolution, the Boards of Directors of GRMD and Headwaters found that the fee calculation is "fair and reasonable, and approximates a pro rata calculation of a portion of the appraised value of the Improvements, which are not otherwise funded by the Districts."

29. The 2005 Facilities Fee Resolution provided that "[i]mposition of the fee is ***solely for the purpose of financing the acquisition, reimbursement, construction, replacement, maintenance and repair of Improvements, which may include, without limitation, issuance of bonds or reimbursement of amounts advanced by other parties.***" Ex. 5, § 2 (emphasis added).

30. Under the 2005 Facilities Fee Resolution, the Capital Facilities Fee imposed thereunder constitutes a lien on the subject property; a property owner's failure to pay the fee results in interest from the due date and authorizes an action to collect or foreclose on the lien.

31. Plaintiff's Property includes portions of undeveloped land that are located within the area subjected to the Capital Facilities Fees in the 2005 Facilities Fee Resolution.

Town Facilities Fee Agreement

32. The Town of Granby, Headwaters, and GRMD entered an Intergovernmental Agreement Concerning the Facilitation of Payment of Capital Facilities Fees dated April 11, 2006 ("Town Facilities Fee Agreement"), a copy of which is attached hereto as Exhibit 6.

33. The Town Facilities Fee Agreement acknowledged that GRMD intended to issue certain bonds, including Limited Tax General Obligation Bonds, Series 2006 ("2006 Bonds"), which bonds would be payable from and secured by certain ad valorem property taxes as well as the Capital Facility Fees imposed under the 2005 Facility Fee Resolution.

34. The purpose of the Town Facility Fee Agreement was for the Town to assist in ensuring payment of the Capital Facilities Fee imposed under the 2005 Facility Fee Resolution, and the amendment to that Resolution then contemplated in connection with GRMD's proposed issuance of the 2006 Bonds; under the Town Facility Fee Agreement, the Town agreed not to approve building permits until it received acknowledgment from GRMD that the applicant had paid the required Capital Facility Fee.

35. The Town Facilities Fee Agreement stated that "Capital Facilities Fee funds may ***only be used by the Districts for costs of the Facilities***, including payment of the bonds, as more particularly provided in the Original Fee Resolution or any amendment or restatement thereof." Ex. 6, § 2 (emphasis added).

Amended and Restated Facilities Fee Resolution

36. On June 7, 2006, Headwaters and GRMD approved an Amended and Restated Joint Resolution to Establish a Capital Facilities Fee ("2006 Facilities Fee Resolution."), a copy of which is attached hereto as Exhibit 7.

37. The 2006 Facilities Fee Resolution states that:

> "development is presently underway in Granby Ranch and there is an immediate need to commence the provision of infrastructure to serve such development, as contemplated by the Service Plan (such infrastructure, as more particularly described in the Districts' Service Plans, referred to herein as the "Improvements.") . . . ."

Ex.t 7, (Fourth Whereas Clause). The term "Improvements" as used herein shall have the meaning set forth in the 2006 Facilities Fee Resolution.

38. The Districts' Service Plans authorize Headwaters to provide, and GRMD to finance, various services and facilities including infrastructure improvements falling under the categories of streets roads and drainage, traffic and safety protection, parks and recreation, sanitation, water, transportation mosquito control, and defined miscellaneous services relating to television, electronic and cable facilities. *See* GRMD Service Plan, Ex. 2, Art. III.

39. The 2006 Facilities Fee Resolution states that GRMD had determined to issue the 2006 Bonds to provide for the funding of the Improvements, which 2006 Bonds would be secured, in part, by the Capital Facilities Fees collected under the 2006 Facilities Fee Resolution.

40. The 2006 Facilities Fee Resolution states that in connection with the issuance of the 2006 Bonds, "the Districts desire to amend and restate the Original Fee Resolution to clarify certain provisions thereof, to record certain findings made with respect to the Capital Facilities Fees and to make other changes as they have determined are necessary to facilitate issuance of the Series 2006 Bonds."

41. Pursuant to the 2006 Facilities Fee Resolution, the Districts found that "the Capital Facilities Fees set forth herein are reasonably related to the services and facilities anticipated to be provided by the Districts, and that the issuance of the Series 2006 Bonds as

described above constitutes a component of, and necessary step in, the provision of the services and facilities serving the property subject to the Capital Facilities Fees."

42. The 2006 Capital Facilities Fee Resolution established a one-time fee of $6,255, ("Capital Facilities Fee"), commencing on June 1, 2005, with respect to all property then within GRMD boundaries, subject to increase as the Districts may deem necessary to fund the actual costs of Improvements, but not in excess of a cumulative increase of 10% per year. Ex. 7, ¶ 1.

43. The Capital Facilities Fee imposed under the 2006 Facilities Fee Resolution becomes due and owing on the date a building permit is issued for any individual lot, unless an earlier date is specified in a prepayment contract. Ex. 7, ¶ 2.

44. The 2006 Facilities Fee Resolution provides that all payments will be made directly to GRMD. Ex. 7, ¶¶ 5 & 7.

45. Under the 2006 Facilities Fee Resolution, the Capital Facilities Fee constitutes a lien on the subject property; a property owner's failure to pay the fee results in interest from the due date and authorizes an action to collect or foreclose on the lien. Ex. 7, ¶¶ 4 & 5.

46. Paragraph 6 of the 2006 Facilities Fee Resolution states,

> The Districts hereby covenant, for the benefit of the owners of property within [GRMD], that all proceeds of Capital Facilities Fees imposed hereunder will be used ***solely for the purpose of financing the acquisition, reimbursement, construction, replacement, maintenance and repair of the Improvements***, including, but not limited to, the paying debt service on, and other costs related to, the Series 2006 Bonds and any obligations refunding such Series 2006 Bonds and reimbursement of amounts advanced by other parties.

Ex. 7, ¶ 6 (emphasis added).

47. A memorandum of the 2006 Facilities Fee Resolution was recorded in the Grand County land records on March 5, 2007.

48. Plaintiff's Property includes portions of undeveloped land that are located within the area subjected to the Capital Facilities Fees in the 2006 Facilities Fee Resolution.

GRMD's Collection and Use of Capital Facilities Fees

49. On information and belief, GRMD has collected the Capital Facilities Fee in accordance with the terms of the 2006 Facilities Fee Resolution from and after the date of that resolution.

50. On information and belief, through 2018, GRMD budgeted for and deposited the Capital Facilities Fees collected by it into its Debt Service Fund to be used for debt service on the 2006 Bonds. The 2006 Bonds proceeds were used to finance a portion of the costs incurred to construct the roads and water and sewer infrastructure that serve a portion of the Granby Ranch development.

51. GRMD has not undertaken the acquisition, construction, replacement, maintenance or repair of any Improvements or any other infrastructure. Nor has it provided funding for the maintenance or repair of any such Improvements or any other infrastructure from and after 2019. Though GRMD entered an Intergovernmental Agreement with Headwaters relating to Road Maintenance and Snow Removal in 2018, it has since taken the position that this agreement was terminated because GRMD did not appropriate funds for payments under the agreement after 2019.

52. GRMD admittedly has no plans to undertake the construction, maintenance or repair of any Improvements or to undertake any capital improvement projects; nor does it have the authority to do so under its Service Plan.

53. GRMD provides no facilities or services; its sole function is financing the repayment of outstanding debt through imposition and collection of an ad valorem tax authorized for that specific purpose.

54. In 2019, GRMD did not budget for payment of the Capital Facilities Fees into the Debt Service Fund and did not pay those fees into the Debt Service Fund. Instead, in 2019, 2020, and 2021, GRMD deposited $43,785, $12,510, and $68,755 respectively into its General Fund.

55. During 2022, GRMD continued to budget for the collection of Capital Facilities Fees for deposit into its General Fund. In GRMD's 2023 Budget, approved by its Board on November 11, 2022, GRMD estimated that a total of $75,060 would be collected in Capital Facilities Fees in 2022 and deposited into GRMD's General Fund and that $62,550 will be collected in Capital Facilities Fees in 2023 for deposit into its General Fund.

56. In a deposition taken on November 30, 2022, GRMD's manager confirmed that since 2019 all Capital Facilities Fees collected by GRMD have been deposited into GRMD's General Fund, which is not restricted to any particular use; those funds are available to pay GRMD's general and administrative expenses, including expenses incurred by GRMD in conjunction with its lawsuit against Headwaters and other defendants in the case styled *GRMD v. Headwaters' Metropolitan District et al*, Case No. 2021CV30008 District Court, Grand County, Colorado.

Plaintiff's Building Permits

57. In 2022, Plaintiff applied for and obtained 20 building permits for the lots located at the following addresses: (1) 925 Pawnee Lane; (2) 102 Base Camp Circle; (3) 104 Base Camp

Circle; (4) 106 Base Camp Circle; (5) 108 Base Camp Circle; (6) 110 Base Camp Circle; (7) 112 Base Camp Circle; (8) 114 Base Camp Circle; (9) 116 Base Camp Circle; (10) 510 Fall Line Road; (11) 570 Fall Line Road; (12) 630 Fall Line Road; (13) 690 Fall Line Road; (14) 750 Fall Line Road; (15) 810 Fall Line Road; (16) 665 Fall Line Road; (17) 575 Fall Line Road; (18) 785 Kiowa Lane; (19) 1275 Lone Eagle Drive; and (20) 1005 Pawnee Lane (the "2022 Permits").

58. Plaintiff paid a total of $125,100 in Capital Facilities Fees to GRMD pursuant to the 2006 Facilities Fee Resolution for the 2022 Permits to avoid interest, penalties and foreclosure of the lien imposed to secure payment of the Capital Facility Fee.

59. The 2022 Permits were obtained to construct 20 single-family homes.

60. Many of the lots for which Capital Facilities Fees were paid in 2022, including, without limitation, 510 Fall Line Road, 570 Fall Line Road, 630 Fall Line Road, 690 Fall Line Road, 750 Fall Line Road, and 810 Fall line Road ("Fall Line Lots"), do not benefit from any of the improvements that were partially funded with the 2006 Bonds. GRMD has not provided or funded any infrastructure or other improvements that serve the Fall Line Lots. All the improvements and infrastructure serving the Fall Line Lots have been, and will be, privately funded.

61. Plaintiff owns other undeveloped property, which it intends to develop, that will be subject to the payment of a Capital Facilities Fee under the 2006 Facilities Fee Resolution as a condition for the issuance of additional building permits.

GRMD 2018 Bonds

62. In 2018, GRMD issued $11,970,000 in limited tax general obligation bonds, the proceeds of which were used to refund the 2006 Bonds ("2018 Bonds"). Under the bond

indenture between GRMD and UMB Bank dated May 3, 2018, certain revenues were pledged for repayment of the 2018 bonds. The "Pledged Revenues" included the "Required Mill Levy," described as the ad valorem mill levy imposed upon all taxable property of GRMD.

63. Capital Facilities Fees were not pledged for repayment of the 2018 Bonds.

GRH Deed of Trust and Foreclosure

64. In 2005, GRH obtained financing for the development of Granby Ranch from Redwood Capital Finance Co., LLC ("Redwood"). GRH granted Redwood a deed of trust ("Deed of Trust") that encumbered the majority of the Granby Ranch development, including all property now located within GRMD's boundaries (with the exception of a few isolated tracts) and including the Plaintiff's Property. The Deed of Trust was recorded with the Grand County Clerk and Recorder on June 2, 2005 at 2005-005679. A copy of the Deed of Trust is attached hereto as Exhibit 8.

Paragraph 5.7 of the Deed of Trust, entitled "Maintenance and Preservation of the Subject Property," stated, in part:

> (a) Trustor covenants: … (iii) except in the ordinary course of operation of the golf course and ski facility which are part of the Subject Property and except for the construction contemplated by the Loan Agreement, not to remove or demolish the Subject Property or any part thereof, not to alter, restore or add to the Subject Property except in the ordinary course of development and operation of the Subject Property, and not to initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property except in the ordinary course of development and operation of the Subject Property without Beneficiary's prior written consent or as provided in the Loan Agreement …
>
> (b) Without limitation on the generality of the provisions of Section 5.7(a)(iii) above, and except as otherwise provided in the Loan Agreement or to the extent already created as of the date of this Deed of Trust, ***Trustor shall not, without the prior written consent of Beneficiary***, which may be withheld in Beneficiary's sole discretion, consent to or allow the creation of any so-

> called special districts, special improvement districts, benefit assessment districts or similar districts of any nature, or any other body or entity of any type, or ***allow to occur any other event that would or might result in the imposition of any additional taxes, assessments or other monetary obligations or burdens on the Subject Property***, and this provision shall serve as RECORD NOTICE to any such district or districts or any governmental entity under whose authority such district or districts exist or are being formed that, should Trustor or any other person or entity include all or any portion of the Subject Property in such district or districts, whether formed or in the process of formation, without first obtaining Beneficiary's express written consent, then the lien of this Deed of Trust and the rights and interests in the Subject Property arising by virtue of this Deed of Trust in favor of Beneficiary or its successors in interest (which term shall include, without limitation, any foreclosure purchaser or purchaser acquiring by deed-in-lieu of foreclosure, and any transferee of the Subject Property following the completion of foreclosure or any deed-in-lieu thereof) shall be senior and superior to any taxes, assessments, levies and charges of any nature, or any liens (whether statutory, contractual or otherwise) levied or imposed upon the Subject Property or any portion thereof as a result of the inclusion of the Subject Property in such district or districts.

Ex. 8 (emphasis added).

65. Prior to January of 2020, GRH defaulted on its obligations under the Deed of Trust. In January 2020, the court appointed a receiver over the property subject to the Deed of Trust.

66. In the spring of 2020, Granby Prentice, then holder of the Deed of Trust, initiated nonjudicial foreclosure proceedings pursuant to C.R.S. § 38-38-101, *et seq.* Following issuance of an order authorizing sale and the August 14, 2020 sale by the Public Trustee, Granby Prentice submitted the highest bid and was issued a Certificate of Purchase for the Granby Ranch property subject to those Deed of Trust, including the Property. Granby Prentice then assigned the Certificate of Purchase to GP Granby Holdings LLC, now known as Gray Jay Ventures, LLC ("Gray Jay").

67. Pursuant to C.R.S. § 38-38-501, on or about August 27, 2020, Gray Jay, as holder of the Certificate of Purchase upon expiration of all redemption periods, took title to the Granby Ranch property subject to the Deed of Trust, including the Property. In August of 2020, the Public Trustee issued a Public Trustee's Deed to GP Granby Holdings granting it title to that property, which deed was recorded in the land records for Grand County on August 31, 2020, at Reception No. 2020-00007560.

68. Plaintiff purchased the Property from GP Granby Holdings in May of 2021.

Count I

Declaratory and Injunctive Relief for Violation of the 2006 Facilities Resolution

69. The allegations of paragraphs 1 through 68 of this Complaint are incorporated by this reference as though fully set forth herein.

70. The 2005 and 2006 Facilities Fee Resolutions require the fees collected thereon be used ***solely*** for the purpose of financing the acquisition, reimbursement, construction, replacement, maintenance and repair of Improvements, including allowed debt service.

71. GRMD does not own, operate or maintain any Improvements within the District, and it has not budgeted any funds for the acquisition, construction, replacement, maintenance or repair of Improvements. Moreover, since 2019, GRMD has not used the Capital Facility Fees for any allowed debt service.

72. GRMD's deposit of all Capital Facilities Fees collected since 2019 into its unrestricted General Fund for general administrative expenses, including litigation expenses, directly contravenes the terms of the 2005 and 2006 Facilities Fee Resolutions. GRMD's use of

the Capital Facilities Fees from and after 2019 is in violation of the resolutions authorizing same, rendering GRMD's collection and retention of those fees unauthorized and illegal.

73. Further, even if the Capital Facilities Fees were used for debt service on GRMD's outstanding bonds, that debt did not finance any Improvements that serve *at least* five of the lots for which a fee was paid, *i.e.*, the Fall Line Lots.

74. Plaintiff is a property owner within GRMD who paid Capital Facilities Fees to GRMD in 2022 and is subject to future Capital Facilities Fees to GRMD under the terms of the 2006 Facilities Fee Resolution.

75. Plaintiff has no adequate remedy at law with respect to continuing violations of the 2005 and 2006 Facilities Fee Resolutions.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in their favor and against GRMD as follows:

A. Declaring that GRMD has no right to collect Capital Facilities Fees for the purpose of payment of general administrative and litigation expenses and no right to deposit the Capital Facilities Fees into its General Fund for payment of general administrative and litigation expenses and enjoining GRMD from future collection of Capital Facilities Fees for deposit into its General Fund;

B. Declaring that GRMD has no right to collect Capital Facilities Fees for the purpose of debt payment with respect to Plaintiff's lots that do not benefit from infrastructure or improvements funded in whole or part by GRMD's 2006 Bonds and enjoining future collection of same;

C. Ordering that GRMD reimburse to Plaintiff all Capital Facilities Fees paid by Plaintiff from 2022 through the date of judgment in this case;

D. Awarding reasonable attorneys' fees and costs as provided in any applicable agreement and by law; and

E. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

Count II

Declaratory and Injunctive Relief for Violation of C.R.S. § 32-1-1001(1)(j)

76. The allegations of paragraphs 1 through 75 of this Complaint are incorporated by this reference as though fully set forth herein.

77. C.R.S. § 32-1-1001(1)(j) authorizes a special district to "fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges ***for*** services, programs, or facilities furnished by the special district." (emphasis added). A fee imposed under this provision is not imposed to defray the general expenses of government, but rather to defray the cost of a particular governmental service.

78. A fee imposed under C.R.S. § 32-1-1001(1)(j) must be used "for" a particular service, program or facility provided by the district, and there must be a reasonable relationship between the amount of the fee and the cost of that service, program or facility; the fee must be reasonably designed to offset the overall cost of services, program or facility for which the fee was imposed.

79. Pursuant to the 2006 Facilities Fee Resolution, the Capital Facilities Fees were imposed to defray the costs of acquisition, reimbursement, construction, replacement, maintenance and repair of Improvements in the District.

80. GRMD does not own, operate or maintain any Improvements within the District, and it has not budgeted any funds for the acquisition, construction, replacement, maintenance or repair of Improvements. Moreover, since 2019, GRMD has not used the Capital Facility Fees for any allowed debt service.

81. There is no reasonable relationship between the amount of the Capital Facility Fee paid by owners in the District since 2019 and the cost of any service, program or facility provided to Plaintiff.

82. Plaintiff is a property owner within GRMD who paid Capital Facilities Fees to GRMD in 2022 and is subject to future Capital Facilities Fees to GRMD under the terms of the 2006 Facilities Fee Resolution. The lots owned by Plaintiff for which those fees have been paid have not and will not benefit by any service, program, or facility provided by GRMD with those funds.

83. Moreover, even if GRMD used the Capital Facility Fee revenues for debt repayment, at least five of Plaintiff's lots for which the Capital Facilities Fees were paid in 2022 (the Fall Line Lots) do not benefit from Improvements funded in whole or part by GRMD's 2006 Bonds. Therefore, GRMD could not establish any reasonable relationship between the fees paid in conjunction with those lots (or future fees sought with respect to similarly situated property) and the cost of any service, program or facility provided by GRMD.

84. Plaintiff has no adequate remedy at law with respect to continuing violations of C.R.S. § 32-1-1001(1)(j) and Colorado law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in their favor and against GRMD as follows:

A. Declaring that GRMD has no right to collect Capital Facilities Fees for the purpose of payment of general administrative and litigation expenses and no right to deposit the Capital Facilities Fees into its General Fund for payment of general administrative and litigation expenses and enjoining GRMD from future collection of Capital Facilities Fees for deposit into its General Fund;

B. Declaring that GRMD has no right to collect Capital Facilities Fees for the purpose of its debt payment with respect to Plaintiff's lots that do not benefit from infrastructure or improvements funded in whole or part by GRMD's 2006 Bonds and enjoining future collection of same;

C. Ordering that GRMD reimburse to Plaintiff all Capital Facilities Fees paid by Plaintiff from 2022 through the date of judgment in this case;

D. Awarding reasonable attorneys' fees and costs as provided in any applicable agreement and by law; and

E. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

Count III

Declaratory and Injunctive Relief For Violation of C.R.S. § 29-1-803(1)

85. The allegations of paragraphs 1 through 84 of this Complaint are incorporated by this reference as though fully set forth herein.

86. The Capital Facilities Fee is imposed as a condition to the issuance of a building permit for construction of any buildings on the lot.

87. C.R.S. § 29-1-803(1) requires that land development charges, such as the Capital Facilities Fee, "shall be deposited . . . in an interest-bearing account which clearly identifies the category, account, or fund of capital expenditure for which such charge was imposed. Each such category, account, or fund shall be accounted for separately."

88. From and after 2019, GRMD has deposited all Capital Facilities Fees collected into its unrestricted General Fund for general administrative expenses instead of depositing those revenues into a separate account that identifies the category, account, or fund of capital expenditure for which the fee was imposed.

89. Thus, GRMD's deposit of all Capital Facilities Fees collected since 2019 into the unrestricted General Fund violates the accounting requirements imposed by C.R.S. § 29-1-803(1).

90. Plaintiff is a property owner within GRMD who paid Capital Facilities Fees to GRMD in 2022 and is subject to future collection of Capital Facilities Fees by GRMD.

91. Plaintiff has no adequate remedy at law with respect to continuing violations of C.R.S. § 29-1-803(1).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in their favor and against GRMD as follows:

A. Declaring that GRMD has no right to deposit the Capital Facilities Fees into its General Fund for payment of general administrative and litigation expenses under C.R.S. § 29-1-803(1) and enjoining GRMD from future collection of Capital Facilities Fees for deposit into its General Fund;

B. Ordering that GRMD reimburse to Plaintiff all Capital Facilities Fees paid by Plaintiff from 2022 through the date of judgment in this case;

C. Awarding reasonable attorneys' fees and costs as provided in any applicable agreement and by law; and

D. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

Count IV

Declaratory and Injunctive Relief For Illegal Material Modification of GRMD's Service Plan

92. The allegations of paragraphs 1 through 91 of this Complaint are incorporated by this reference as though fully set forth herein.

93. Under its current Service Plan, GRMD does not have the ability to undertake the construction or acquisition of any infrastructure, improvements, or facilities or to provide any related services within its Service Area. Thus, the only use GRMD can make of the Capital

Facility Fee revenue that is consistent with both its Service Plan and the 2006 Facilities Fee Resolution is for allowed debt repayment.

94. To the extent GRMD has deposited Capital Facilities Fees collected since 2019 into its unrestricted General Fund for potential capital improvements or any purpose other than repayment of GRMD debt incurred to finance Improvements, that action constitutes a material modification of its Service Plan. The Service Plan does not allow GRMD to undertake capital improvements or collect or hold funds for these purposes.

95. This Court has the authority to enjoin GRMD's material modification of its service plan pursuant to C.R.S. § 32-1-207(1)(3)(a).

96. Plaintiff, as a property owner and taxpayer of GRMD, is an interested party entitled to seek the requested relief.

97. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully request that this Court enter judgment in its favor and against GRMD as follows:

A. Declaring that GRMD's collection of Capital Facilities Fees for potential capital projects or any purpose other than allowed debt repayment constitutes a material modification of its Service Plan and enjoining GRMD from collecting Capital Facilities Fees and holding or using those funds for these purposes;

B. Ordering that GRMD reimburse to Plaintiff all Capital Facilities Fees it paid in 2022 and any additional Capital Facilities Fees paid by it through the date of judgment in this case;

C. Awarding reasonable attorneys' fees and costs as provided in any applicable agreement and by law; and

D. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

COUNT V

Damages Under 42 U.S.C. § 1983 for Violation of Plaintiff's Rights Under The Fifth Amendment to the United States Constitution

98. The allegations of paragraphs 1 through 97 of this Complaint are incorporated by this reference as though fully set forth herein.

99. Under the 2006 Facilities Fee Resolution, GRMD exacted $125,100 in Capital Facilities Fees from Plaintiff as a condition for obtaining the 2022 Permits and avoidance of interest, penalties, and foreclosure of the lien imposed under the 2006 Facilities Fee Resolution.

100. GRMD imposed the Capital Facility Fees while acting under the color of state law.

101. These exactions constitute unconstitutional conditions because there is no essential nexus between a legitimate state interest, the Capital Facilities Fees, and the impact of the development proposed by the 2022 Permits. These Capital Facilities Fees were collected by GRMD as a pretext for depositing those funds in GRMD's general fund and using the fees to pay unrelated administrative expenses.

102. In addition, the $6,255 per lot (for a total of $125,100) in Capital Facilities Fees are not roughly proportional to the impact of Plaintiff's proposed development. GRMD did not

engage in any individualized assessment of the impact of Plaintiff's proposed development in determining the amount or necessity of the imposed Capital Facilities Fees.

103. Further, even if the Capital Facilities Fees were used for debt service on GRMD's outstanding bonds, those Bonds did not finance any Improvements that serve *at least* five of the lots subject to the 2022 Permits, *i.e.*, the Fall Line Lots.

104. GRMD's exaction of Capital Facilities Fees from Plaintiff in 2022 deprived Plaintiff of its property rights in violation of the Fifth Amendment to the U.S. Constitution.

105. GRMD's enforcement of the 2006 Facilities Fee Resolution to collect the aforesaid Capital Facilities Fees constitutes a violation of 42 U.S.C. § 1983 *et. seq*.

106. Plaintiff has incurred and continues to incur attorneys' fees to protect its rights under the United States Constitution. Pursuant to 42 U.S.C. § 1988, Plaintiff is entitled to an award of attorneys' fees upon prevailing herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and against GRMD as follows:

A. Ordering that GRMD reimburse to Plaintiff the $125,100 in Capital Facilities Fees as well as any other damages proven at trial;

B. Awarding reasonable attorneys' fees and costs as provided in 42 U.S.C. § 1988 or other agreement or by law; and

C. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

Count VI

Declaratory and Injunctive Relief For Continuing Violation of 42 U.S.C. § 1983 and the Fifth Amendment to the United States Constitution

107. The allegations of paragraphs 1 through 106 of this Complaint are incorporated by this reference as though fully set forth herein.

108. GRMD imposed and collects the Capital Facility Fees while acting under the color of state law.

109. Plaintiff owns undeveloped land that is subject to payment of Capital Facility Fees under the 2006 Facilities Fee Resolution. Plaintiff intends to obtain building permits to develop these lots for residential use. GRMD has indicated its intent to continue to collect Capital Facilities Fees upon the issuance of new building permits.

110. The Capital Facilities Fees that will be due and owing under the 2006 Facilities Fee Resolution constitute unconstitutional conditions because there is no essential nexus between a legitimate state interest, the Capital Facilities Fees, and the impact of the development will be proposed by Plaintiff. These Capital Facilities Fees are sought by GRMD as a pretext for depositing those funds in GRMD's general fund and using the fees to pay unrelated administrative expenses.

111. GRMD's exaction of additional unconstitutional Capital Facilities Fees under the 2006 Facilities Fee Resolution will recur without action by the Court.

112. There exists between the parties an actual and present controversy regarding the validity and enforceability of the Capital Facilities Fees, which constitute unconstitutional conditions.

113. Plaintiff's continued exaction of these fees constitutes a continued violation of the Fifth Amendment to the United States Constitution and 42 U.S.C. § 1983 *et. seq*.

114. Plaintiff has no adequate remedy at law with respect to this continuing violation of its Constitutional rights.

115. Plaintiff has incurred and continues to incur attorneys' fees to protect its rights under the United States Constitution. Pursuant to 42 U.S.C. § 1988, Plaintiff is entitled to an award of attorneys' fees upon prevailing herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and against GRMD as follows:

A. Declaring that the GRMD cannot continue to collect Capital Facilities Fees for deposit into its General Fund and cannot collect said fees for purpose of debt repayment or other purpose without an individualized assessment of the impact of Plaintiff's proposed development and without establishing the required nexus between the impact of the development and the amount or necessity of the imposed Capital Facilities Fee;

B. Enjoining GRMD from collecting any of the Capital Facilities Fees that do not comport with the standards set forth above;

C. Awarding reasonable attorneys' fees and costs as provided in 42 U.S.C. § 1988 or other applicable agreement and by law; and

D. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

COUNT VII

Damages for Due Process Violations under the United States and Colorado Constitutions and Damages Under 42 U.S.C. § 1983

116. The allegations of paragraphs 1 through 115 of this Complaint are incorporated by this reference as though fully set forth herein.

117. Under the 2006 Facilities Fee Resolution, GRMD exacted $125,100 in Capital Facilities Fees from Plaintiff as a condition for obtaining the 2022 Permits and avoidance of interest, penalties, and foreclosure of the lien imposed under the 2006 Facilities Fee Resolution.

118. GRMD imposed the Capital Facility Fees while acting under the color of state law.

119. In addition to, or in alternative to, constituting illegal exactions, the Capital Facilities Fees constitute special assessments that were imposed on Plaintiff in violation of its due process rights under the Colorado and U.S. Constitutions.

120. Under Colorado law, a special assessment may be imposed on property owners when the benefits from the particular improvements financed with the assessments differ from benefits enjoyed in common with other property owners. A special assessment for a local improvement must specifically benefit or enhance the value of the premises assessed in an amount at least equal to the burden imposed.

121. The Capital Facility Fees were imposed to finance local improvements that would benefit the particular lots subject to the fees as opposed to the public at large or all property then within the District.

122. Imposing a special assessment on property that does not specifically benefit from the funded improvements violates a property owner's right to due process under the United States and Colorado Constitutions.

123. GRMD's deposit of the Capital Facilities Fees collected from Plaintiff into the General Fund and use of the fees for GRMD's general administrative expenses violates Plaintiff's rights to due process because the lots for which the Capital Facilities Fees were paid do not receive any special benefit from this use of the Capital Facilities Fees, much less a benefit at least equal to the amount of the assessment levied against them.

124. Further, even if the Capital Facilities Fees were used for debt service on GRMD's outstanding bonds, those Bonds did not finance any Improvements that serve *at least* five of the lots subject to the 2022 Permits (the Fall Line Lots) and therefore provide no benefit to those lots, much less a benefit at least equal to the amount of the assessment levied against them.

125. In addition, or in the alternative, the Capital Facility Fee is an unconstitutional special fee collected in violation of Plaintiff's due process rights because there is no reasonable relationship between the amount of the Capital Facility Fee paid by owners in the District since 2019 and the cost of any service, program or facility provided to Plaintiff.

126. GRMD's enforcement of the 2006 Facilities Fee Resolution to collect the aforesaid Capital Facilities Fees constitutes a violation of 42 U.S.C. § 1983 *et. seq*.

127. Plaintiff has incurred and continues to incur attorneys' fees to protect its rights under the United States Constitution. Pursuant to 42 U.S.C. § 1988, Plaintiff is entitled to an award of attorneys' fees upon prevailing herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and against GRMD as follows:

A. Ordering that GRMD reimburse to Plaintiff the $125,100 in Capital Facilities Fees as well as any other damages proven at trial;

B. Awarding reasonable attorneys' fees and costs as provided in 42 U.S.C. § 1988 or other agreement or by law; and

C. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

Count VIII

Declaratory and Injunctive Relief For Continuing Due Process Violations of the United States and Colorado Constitutions and Attorneys' Fees under 42 U.S.C. § 1983

128. The allegations of paragraphs 1 through 127 of this Complaint are incorporated by this reference as though fully set forth herein.

129. GRMD imposed and collects the Capital Facility Fees while acting under the color of state law.

130. Plaintiff owns undeveloped land that is subject to payment of Capital Facility Fees under the 2006 Facilities Fee Resolution. Plaintiff intends to obtain building permits to develop these lots for residential use. GRMD has indicated its intent to continue to collect

Capital Facilities Fees upon the issuance of new building permits and to deposit those funds in GRMD's general fund and use the fees to pay general administrative expenses.

131. GRMD's intent to deposit Capital Facilities Fees collected from Plaintiff into the General Fund and use of those fees for GRMD's general administrative expenses violates Plaintiff's right to due process because the corresponding lots do not receive any special benefit from this use of the Capital Facilities Fees, much less a benefit at least equal to the amount of the assessment levied against them.

132. Further, even if the Capital Facilities Fees were used for debt service on GRMD's outstanding bonds, those Bonds did not finance any improvements or infrastructure that serves *at least* five of the lots subject to the 2022 Permits (the Fall Line Lots) and therefore this use of the fees provides no benefit to those lots, much less a benefit at least equal to the amount of the assessment levied against them.

133. In addition, or in the alternative, the Capital Facility Fee is an unconstitutional special fee collected in violation of Plaintiff's due process rights because there is no reasonable relationship between the amount of the Capital Facility Fee paid by owners in the District since 2019 and the cost of any service, program or facility provided to Plaintiff.

134. GRMD's assessment of additional unconstitutional Capital Facilities Fees under the 2006 Facilities Fee Resolution will recur without action by the Court.

135. There exists between the parties an actual and present controversy regarding the validity and enforceability of the Capital Facilities Fees, which constitute unconstitutional special assessments.

136. Plaintiff's continued assessment of these fees constitutes a continued violation of the Due Process Clause of Fifth Amendment to the United States Constitution, 42 U.S.C. § 1983 *et. seq*, and Section 25 of Article II of the Colorado Constitution.

137. Plaintiff has no adequate remedy at law with respect to this continuing violation of its Constitutional rights.

138. Plaintiff has incurred and continues to incur attorneys' fees to protect its rights under the United States Constitution. Pursuant to 42 U.S.C. § 1988, Plaintiff is entitled to an award of attorneys' fees upon prevailing herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and against GRMD as follows:

A. Declaring that the GRMD cannot continue to collect Capital Facilities Fees for deposit into its General Fund and enjoining collection of the fees for this purpose;

B. Declaring that GRMD has no right to collect Capital Facilities Fees for the purpose of its debt payment with respect to Plaintiff's lots that do not benefit from infrastructure or improvements funded in whole or part by GRMD's 2006 Bonds and enjoining future collection of same;

C. Awarding reasonable attorneys' fees and costs as provided in 42 U.S.C. § 1988 or other applicable agreement and by law; and

D. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

COUNT IX

Declaratory and Injunctive Relief To Prevent Collection of Capital Facilities Fees Under Extinguished 2006 Facilities Fee Resolution

139. The allegations of paragraphs 1 through 138 of this Complaint are incorporated by this reference as though fully set forth herein.

140. The 2006 Facilities Fee Resolution restated and replaced the 2005 Facilities Fee Resolution, and authorized a facility of $6,255 per lot on all properties located within GRMD, subject to increase up to 10% per year, to fund the actual costs of the Improvements.

141. The 2006 Facilities Fee Resolution was adopted and recorded after the 2005 Deed of Trust was recorded on the property in GRMD's boundaries.

142. The adoption of the 2006 Facilities Fee Resolution authorized the Capital Facility Fee pursuant to the terms set forth therein and also allowed an annual increase of the amount of the Capital Facility Fee not previously authorized in the 2005 Facility Fee Resolution; the adoption of the 2006 Facilities Fee Resolution was an "event that would or might result in the imposition of … additional taxes, assessments or other monetary obligations or burdens" on the property subject to the Deed of Trust and was prohibited under the terms thereof absent the prior written consent of the beneficiary.

143. On information and belief, the beneficiary of the Deed of Trust did not provide its prior written consent to the Capital Facility Fees authorized pursuant to the 2006 Facilities Fee

Resolution and, as such, the Deed of Trust and lien created therein were senior to the 2006 Facilities Fee Resolution and fees approved in violation of the Deed of Trust.

144. The 2020 foreclosure pursuant to the Deed of Trust terminated the authority set forth therein for collection of a Capital Facilities Fee within GRMD's boundaries as of August 27, 2020.

145. As a result of the termination of that Resolution, there is either no authority for collection of the Capital Facilities Fee or the 2005 Facilities Fee Resolution governs the rights of GRMD and Headwaters to collect that fee.

146. In either event, GRMD has no right to collect the fee because the 2005 Facilities Fee Resolution only authorizes Headwaters, not GRMD, to collect the fee.

147. Since the 2020 foreclosure, GRMD has nevertheless collected Capital Facilities Fees on property within its boundaries, including Plaintiff's property, and has indicated that it will continue to do the same in the future.

148. In addition, to the extent the 2005 Facilities Fee Resolution continues to exist and governs use of the fee revenue, it did not authorize use of the fees to pay for obligations refunding the 2006 Bonds. The 2005 Facilities Fee Resolution limits debt service use of the revenue to the costs of the issuance of bonds. The Capital Facility Fee revenues therefore cannot be used to pay down the 2018 Bonds, which were issued only to refund existing debt.

149. Since GRMD has no authority to undertake capital projects and cannot use the Capital Facility Fees for payment on the 2018 Bonds, GRMD cannot make any permissible use of that revenue and should not be allowed to collect any additional fees.

150. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and against GRMD as follows:

A. Declaring that the 2006 Facilities Fee Resolution was eliminated in its entirely through foreclosure of the property subject to the Deed of Trust and therefore (i) GRMD has no right to collect any further Capital Facilities Fees under the authority of said Resolution and (ii) revenues generated by any further collection of the Capital Facilities Fees by Headwaters cannot be used to make payments on the 2018 Bonds;

B. Enjoining GRMD from collecting or receiving any additional Capital Facilities Fee revenue because it cannot make any permissible use of those funds;

C. Awarding reasonable attorneys' fees and costs as provided in any applicable agreement and by law; and

D. Granting such other and further relief as this Court deems proper, including such further and additional orders from time to time as may be required in aid of this Court's decree.

Respectfully submitted this 12th day of July, 2023.

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