## IN THE SUPREME COURT OF THE STATE OF NEVADA

## Supreme Court Case No. 78092

Tonopah Solar Energy, LLC, *Appellant* 

Electronically Filed Oct 03 2019 04:19 p.m. Elizabeth A. Brown Clerk of Supreme Court

v.

Brahma Group, Inc., Respondent

Appeal Fifth Judicial District Court The Honorable Steven P. Elliott Case No. CV 39348

## APPELLANT'S APPENDIX VOLUME 3

D. LEE ROBERTS, JR., ESQ. Nevada Bar No. 8877 COLBY L. BALKENBUSH, ESQ. Nevada Bar No. 13066 RYAN T. GORMLEY, ESQ. Nevada Bar No. 13494 WEINBERG, WHEELER, HUDGINS, GUNN & DIAL, LLC 6385 South Rainbow Blvd., Suite 400 Las Vegas, Nevada 89118 (702) 938-3838 <u>lroberts@wwhgd.com</u> <u>cbalkenbush@wwhgd.com</u>

> Attorneys for Appellant Tonopah Solar Energy, LLC

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1 2 3 4 5 6 7 8 9	D. Lee Roberts, Jr., Esq. Nevada Bar No. 8877 Iroberts@wwhgd.com Colby L. Balkenbush, Esq. Nevada Bar No. 13066 cbalkenbush@wwhgd.com WEINBERG, WHEELER, HUDGINS, GUNN & DIAL, LLC 6385 South Rainbow Blvd., Suite 400 Las Vegas, Nevada 89118 Telephone: (702) 938-3838 Facsimile: (702) 938-3864 Attorneys for Plaintiff Tonopah Solar Energy, LLC	FILED FIFTH JUDICIAL DISTRICT JUL 3 1 2018 Nye County Clerk Sarah Westfall <sup>Deputy</sup>	
10	IN THE FIFTH JUDICIAL DISTRICT OF THE STATE OF NEVADA		
11	IN AND FOR THE COUNTY OF NYE		
12 13	TONOPAH SOLAR ENERGY, LLC, a Delaware limited liability company,	Case No. CV 39348 Dept. No. 2	
14	Plaintiff,	TONOPAH SOLAR ENERGY, LLC'S	
15 16 17	vs. BRAHMA GROUP, INC., a Nevada corporation, Defendant.	REPLY TO BRAHMA GROUP, INC.'S OPPOSITION TO TONOPAH SOLAR ENERGY, LLC'S MOTION TO EXPUNGE BRAHMA GROUP, INC.'S MECHANIC'S LIEN	
18		Hearing Date: August 6, 2018	
19		Hearing Time: 9:00 AM	
20			
21	Defendant TONOPAH SOLAR ENERG	Y, LLC (hereinafter "TSE" or "Plaintiff"), by	
22	and through its attorneys of record, the law firm of WEINBERG, WHEELER, HUDGINS, GUNN &		
23	DIAL, LLC, hereby submits its Reply to Brahma Group, Inc.'s (hereinafter "BGI" or		
24	"Defendant") Opposition to TSE's Motion to Expunge BGI's Mechanic's Lien ("Motion"). It is		
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28	This Reply is made and based upon the following Memorandum of Points and Page 1 of 14		

WEINBERG WHEELER HUDGINS GUNN & DIAL

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Authorities, the exhibits attached hereto, the pleadings and papers on file herein, and any
 argument presented at the time of hearing on this matter.

DATED this <u>3</u> day of July, 2018.

D. Lee Roberts, Jr., Esq. Colby L. Balkenbush, Esq. WEINBERG, WHEELER, HUDGINS, GUNN & DIAL, LLC 6385 S. Rainbow Blvd., Suite 400 Las Vegas, NV 89118

Attorneys for Plaintiff Tonopah Solar Energy, LLC

### **MEMORANDUM OF POINTS AND AUTHORITIES**

### I. INTRODUCTION

BGI's Opposition is replete with inaccuracies and half-truths in a desperate bid to save a lien that is fundamentally flawed. BGI astonishingly argues that its original lien never attached to federally owned land, but rather to TSE land and improvements, and is thus not void. However, as shown herein, 89.4% of the land encumbered by BGI's lien is owned by the federal government, 9.9% belongs to an innocent bystander with no involvement in this dispute, and just 0.7% belongs to TSE. As such, BGI's original lien is illegal, void and must be expunged.

BGI next argues that even if its original lien did illegally attach to federal land, its amendments to the lien fix this error and "save" or "revive" the lien. BGI is wrong again as a substantial body of law holds that a void legal instrument cannot be revived via amendment since "void" means it is as if the lien never existed in the first place.

BGI next argues that because TSE granted a security interest in the federal land on which the Project sits to a bank via a Deed of Trust, BGI should also be permitted a security interest in that land. BGI again misrepresents the facts. On its face, the Deed of Trust only conveys a security interest in the land and improvements that TSE owns as opposed to federally owned land. Moreover, even if the Deed of Trust had purported to convey an interest in federal land to the bank, this would not change the fact that a lien is rendered illegal and void the moment it Page 2 of 14

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attempts to attach federal land. A deed of trust between TSE and a private bank cannot change
 this principle.

3 Realizing that its chances of prevailing on the above arguments are slim, BGI asks this Court to at least preserve BGI's lien against the TSE-owned improvements on the federally 4 owned land. However, the doctrine of sovereign immunity bars liens against property in which 5 the federal government has a "financial stake" and/or security interest if such a lien would 6 7 endanger the public fisc. Here, the federal government has both a security interest in the 8 improvements and a significant financial stake in whether the Project is successful. Financing of 9 the Project was made possible by a \$737 million loan guarantee from the Department of Energy ("DOE"). Were BGI to be permitted to foreclose on its mechanic's lien and thereby kick TSE 10 off the Project (i.e. the improvements), the DOE would be forced to pay out on the \$737 million 11 guarantee, significantly damaging the public fisc. Indeed, a lien foreclosure would result in a 12 13 termination of TSE's above market contract with NV Energy and the likely shuttering of the Plant at massive cost to the tax payer. The doctrine of sovereign immunity prevents such a 14 15 scenario and bars BGI from liening both the federal land and the TSE-owned improvements to 16 federal land in which the federal government has a security interest.

BGI also admits in its Opposition that it failed to comply with the Nevada mechanic's lien statute by not giving a pre-lien notice to the BLM. BGI seeks to excuse this lack of compliance by arguing that it was not required to give notice to the BLM so long as TSE had notice of BGI's work. However, the Nevada Supreme Court and the statute itself expressly reject this exact argument. A pre-lien notice must be given to the "property owner" not just "any owner" for a lien to be valid.

Moreover, this is not the only violation of Nevada law. In addition to illegally liening
federal land, BGI has also liened four TSE Parcels on which it never performed any work.
Nevada law only permits a mechanic's lien to be recorded against parcels on which the
contractor actually performed work. Here, the TSE Parcels are located approximately 15 miles
away from the Project site, and BGI has never even set foot on them. This is the equivalent of a
contractor performing work on an owner's primary residence and then recording a lien against
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both the primary residence and the owner's separate vacation home on which it never performed any work. BGI's failure to even attempt to comply with both federal and state law governing mechanic's liens requires that its lien be expunged and TSE be awarded the fees and costs it has incurred due to BGI's reckless actions.

#### BGI'S DECISION TO RECORD ITS ORIGINAL LIEN AGAINST FEDERALLY II. OWNED LAND IS FATAL. A VOID LIEN CANNOT BE AMENDED

#### Λ. BGI's Original Mechanic's Lien Was Recorded Against Land Owned by the BLM

BGI attempts to confuse the court by quoting numerous legal descriptions of real 9 property and then arguing, without any basis, that BGI's lien actually was never recorded against 10 federally owned land but rather only against TSE-owned land. This is a deliberate (and 11 desperate) misrepresentation of the facts. BGI's original mechanic's lien<sup>1</sup> was recorded against 12 nine assessor's parcel numbers (APNs) on April 9, 2018. Two of those parcels are owned by 13 the BLM (APN Nos. 012-141-01 and 012-151-01) and consist of 35,107.33 acres of federally 14 owned land.<sup>2</sup> BGI conveniently omits this fact from its Opposition and instead focuses on the 15 four parcels<sup>3</sup> owned by TSE which consist of a paltry 280 acres of land or just 0.7%<sup>4</sup> of the total 16 land to which BGI's lien attaches. Of the remaining three parcels referred to in BGI's lien, two<sup>5</sup> 17

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<sup>1</sup> See Exhibit 2 to Motion (BGI's original mechanic's lien). 20

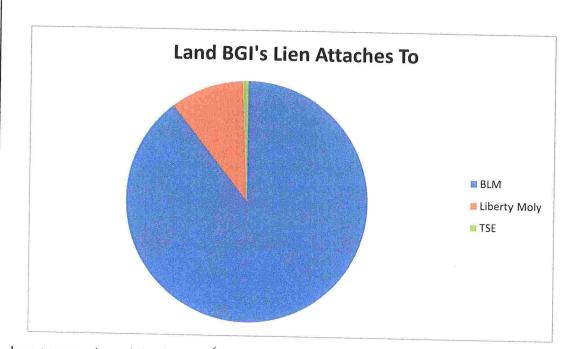
<sup>2</sup> See Exhibit A (Nye County Assessor's office print out for APN Nos. 012-141-01 and 012-151-01); see 21 also Exhibit 7 to Motion at ¶ 5 (Declaration of Justin Pugh stating that the Project is located on BLM 22 owned land).

<sup>&</sup>lt;sup>3</sup> APN Nos. 012-031-04, 012-131-03, and 012-131-04 are 280 acres of land that TSE owns purely for 23 water rights. No aspect of the Project is located on these parcels nor did BGI ever perform any work on these parcels. Exhibit B (Assessor's office print out for these three parcels). TSE also owns APN No. 24 612-141-01 which is not land but simply a right of way/easement over APN 12-141-01, a parcel owned 25

by the BLM. Exhibit C (Assessor's office print out for this parcel and legal description of parcel).

BGI's lien attaches to a total of 39,253.23 acres of land of which only 280 belong to TSE 26 (280/39, 253.23 = 0.7%).27

<sup>&</sup>lt;sup>5</sup> See Exhibit D (Assessor's office print out for APN Nos. 012-140-01 and 012-150-01 showing they do 28 not exist).



do not even exist and the final one<sup>6</sup> is owned by Liberty Moly, LLC, a private mining company for which BGI has never performed any work. In sum, 89.4% of the land encumbered by BGI's illegal mechanic's lien belongs to the federal government, 9.9% belongs to Liberty Moly, LLC (an innocent bystander that had no role in the Project) and just 0.7% belongs to TSE, as shown by the above figure:

There is no question that BGI's original lien attached to real property owned by the BLM, not just the TSE-owned improvements on that property as BGI would have the Court believe. BGI's original lien states that it "claims a lien on the property described in this notice." Exhibit 2 to Motion at p. 1. The lien further states that the owner of the property it seeks to lien is the "Bureau of Land Management." and lists the "land" it is encumbering as APN Nos. 012-141-01 and 012-151-01 which are the aforementioned 35,107.33 acres of BLM owned land. Id. at p. 2 (emphasis added). The Court should reject BGI's attempts at misdirection and obfuscation and find that BGI's original lien did attempt to attach federal land and is thus void. 

<sup>6</sup> Exhibit E (Assessor's office print out for APN No. 012-431-06). Liberty Moly operates a molybdenum and copper mine in the area and granted TSE an easement to allow TSE's gen-tie lines to cross its land. BGI's attempt to attach Liberty Moly's land with its lien, land on which BGI has never worked or even set foot, provides an additional reason to expunge BGI's lien.

### B. It is Hornbook Law that BGI's Void Lien Cannot be Amended. NRS 108.229 Has No Application to the Present Situation

BGI next argues that, even if its original lien did illegally<sup>7</sup> attach to the BLM parcels, its lien should still not be expunged because BGI has now amended the lien to only attach to the improvements on the BLM land as opposed to the BLM land itself. This unsupported argument ignores the substantial body of law holding that once a legal document such as a lien is void, it cannot be revived or amended but must be re-created from scratch.

A general principle of law is that when a contract is void it is as if no contract ever existed. Black's Law Dictionary reflects this principle, defining a "void contract" as "[a] contract that is of no legal effect, so that there is really no contract in existence at all." BLACK'S LAW DICTIONARY (10th ed. 2014). Williston on Contracts and courts across the country echo this sentiment. See WILLISTON ON CONTRACTS § 1:20 (4th ed.) ("When a bargain is void, it is as if it never existed."); Carton v. B & B Equities Grp., LLC, 827 F. Supp. 2d 1235, 1244–45 (D. Nev. 2011) (providing that a void contract "will be treated as though no contract ever existed"); Chicago Title Ins. Co. v. Renaissance Homes, Ltd., 679 P.2d 517, 521 (Ariz. Ct. App. 1983) (providing that a void contract "never had any legal existence or effect" and thus, "cannot in any manner have life breathed into it" (internal quotation marks omitted)).

17 Courts have applied this principle of law to conclude that a void deed of trust and notice 18 of lien could not be reformed. In In re Estate of Woodroffe, an Iowa court applied this principle 19 to determine that a void deed could not be reformed. 742 N.W.2d 94, 105-06 (Iowa 2007). In 20 Hayward Lumber & Inv. Co. v. Pride of Mojave Mining Co., a California court applied this 21 principle to determine that a void notice of lien could not be reformed. 110 P.2d 439, 440 (Cal. 22 Ct. App. 1941); see also Sequatchie Concrete Serv., Inc. v. Cutter Labs., 616 S.W.2d 162, 165 23 (Tenn. Ct. App. 1980) ("[W]here there is a positive or unambiguous description of the wrong 24 piece of property and not of property which the lien may properly attach, the description is 25 obviously insufficient to create or preserve a lien.").

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 <sup>&</sup>lt;sup>7</sup> Notably, BGI does not challenge the extensive federal case law in the Motion holding that recording a lien against federal land is illegal and thus such a lien is void.

Most notably, the Nevada Supreme Court has applied this principle of law to determine
 that a void complaint cannot be amended. See Washoe Med. Ctr. v. Second Judicial Dist. Court,
 122 Nev. 1298, 1300, 148 P.3d 790, 792 (2006); Otak Nevada, LLC v. Eighth Judicial Dist.
 Court, 127 Nev. 593, 599, 260 P.3d 408, 412 (2011). In Otak, the Nevada Supreme Court
 reasoned that "because a void pleading does not legally exist," it "cannot be amended." 127
 Nev. at 599, 260 P.3d at 412. For the same reasons, a void lien does not legally exist, and thus,
 cannot be amended.

8 Here, once BGI's original lien attempted to attach to federally owned land it became void
9 and ceased to legally exist. Since the original lien is void, BGI's three attempts at amending that
10 void lien are of no legal effect. Just like a void contract or complaint cannot be revived by an
11 amendment, so a void lien cannot be revived.<sup>8</sup>

Seeking to avoid this inconvenient fact, BGI directs the Court's attention to NRS 13 108.229(1), which permits lien amendments where the changes to the lien are not "material." 14 However, NRS 108.229 starts from the premise that the original lien, while flawed, is still valid 15 and in legal existence. The statute has no application in situations such as this where the original 16 lien is illegal and void.<sup>9</sup>

## C. The Deed of Trust Referenced by BGI Has no Bearing on the Instant Motion

Sensing that its primary argument (that the lien was never recorded against federally
owned land) is weak, BGI posits an alternative argument. BGI argues that since TSE granted
PNC Bank a security interest in the federally owned land on which the Project sits, BGI should
also be permitted to receive a security interest in the federally owned land via its mechanic's
lien. See Opposition at 13:14-18.

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<sup>9</sup> Even assuming the statute did apply BGI would not be able use it to amend its original lien. NRS 108.229(1) only permits amendments where the difference between the original lien and the amended lien is not "material" or "intentional." Here, the difference between the original lien and the amended lien is drastic. The original lien attempts to encumber 35,107.33 acres of federal land while the most recent amendment seeks to not encumber that land. This is a textbook example of a "material" lien variance.

 <sup>&</sup>lt;sup>8</sup> Of course, just as one can draft a new contract or complaint if the original contract/complaint is deemed void, BGI is free to create a brand new lien. If BGI takes that route, TSE will assess the merits of the new lien at that time.

BGI's "in the alternative" argument fails for two reasons. First, the Deed of Trust BGI relies on only conveys the "interest of Grantor (i.e. TSE)" in the real property and does not purport to give the bank an interest in any real property owned by the BLM. *See* Exhibit 4 to Opposition at § 1.1(d). Indeed, it would have been both impossible and illegal for TSE to grant the bank a security interest in federal land.

Second, even assuming, *arguendo*, that the Deed of Trust had purported to give the bank
a security interest in federal land, this has no bearing on the validity of BGI's original lien. As
pointed out in the Motion, under no circumstances may a lien attach to federal land without
being rendered void. TSE could not modify this rule even if it desired to. The only way federal
land may be validly liened is if a federal statute were created to expressly permit such a lien. See *Price v. United States*, 174 U.S. 373, 376, 19 S. Ct. 765, 766 (1899).

In sum, BGI's focus on the Deed of Trust is a red herring designed to distract this Court from the fact that BGI's lien is void because it was illegally recorded against federal land.

# D. Mechanic's Liens Are Void if They Impair the Federal Government's Security Interest

16 BGI next contends that its lien is still valid against the improvements built on the land 17 (i.e. against the Project) even if it is not valid against the land itself. BGI is wrong again. 18 "Sovereign immunity bars those suits that are prosecuted against the United States"<sup>10</sup> and "a 19 proceeding against property in which the United States has an interest is a suit against the United 20 States." United States v. Alabama, 313 U.S. 274, 282, 61 S.Ct. 1011 (1941) (emphasis added); 21 Fahey v. O'Melveny & Myers, 200 F.2d 420, 455 (9th Cir. 1952) (noting that this rule would 22 typically apply to property the government has a "financial stake" in); see also United States v. 23 Gen. Douglas MacArthur Senior Vill., Inc., 470 F.2d 675, 680 (2d Cir. 1972) ("local 24 governments cannot take any action to collect unpaid taxes assessed against property which 25 would have the effect of reducing or destroying the value of a federally held purchase-money 26 mortgage lien."). While not every lien or action will be void/barred just because it tangentially 27

28 <sup>10</sup> United States v. Rural Elec. Convenience Co-op. Co., 922 F.2d 429, 433 (7th Cir. 1991).

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affects a federal government security interest, actions are barred if they would negatively impact
 the government fise. United States v. Rural Elec. Convenience Co-op. Co., 922 F.2d 429, 436
 (7th Cir. 1991).<sup>11</sup>

4 Here, the federal government has both a formal security interest and would have to be 5 involved in any lien foreclosure action. The federal government also has a significant financial 6 stake in the TSE owned improvements (i.e. the Plant). TSE received a \$737 million loan 7 guarantee from the Department of Energy ("DOE") in order to build the Plant. See Exhibit F 8 (September 28, 2011 DOE news release). Because of this guarantee, TSE was able to secure 9 significant private financing for the Project. Exhibit G (Declaration of Justin Pugh). In return 10 for the guarantee, TSE granted the DOE a security interest in all the improvements that constitute 11 the Project. Id.

TSE is making payments on the private Project loans with, among other things, the revenue it receives from selling the power the Plant generates. *Id.* If BGI were permitted to maintain a mechanic's lien against the Project and foreclose on that lien, the practical result would be that TSE would be kicked off the Project and BGI would attempt to take over TSE's role of running the Plant. *Id.* This result would impair TSE's ability to make payments on the Project loans and increase the likelihood that the federal government would ultimately be forced to cover any shortfall or default, significantly damaging the public fisc. *Id.* 

Even more troubling, a lien foreclosure by BGI would likely endanger the viability of the entire Project. *Id.* TSE has a contract with NV Energy whereby NV Energy purchases power from the Project at significantly above market rates. *Id.* If BGI foreclosed and stepped into the shoes of TSE, the contract with NV Energy would be terminated, making it uneconomic to operate the Plant. *Id.* In this scenario, it is a certainty that the DOE would be forced to bail out the Project at massive expense to the taxpayer. *Id.* 

<sup>11</sup> Importantly, all of the cases cited by BGI where an entity was permitted to lien improvements involve improvements on *state* owned land rather than *federal* land and did not involve a federal government security interest. Moreover, even assuming the cases cited by BGI did conflict with federal case law, which they do not, federal law would take precedence under the Constitution's Supremacy Clause. U.S. Const., art. VI, cl. 2.

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In addition, assuming BGI's foreclosure went through, BGI would not even be permitted to operate the Plant without, among other things, going through the Federal Regulatory Commission's approval processes. *Id.* The certain delays associated with that process (assuming BGI would even qualify for approval) would also result in a shut down of the Plant.

5 The doctrine of sovereign immunity exists precisely to prevent the above scenarios. This Court should not permit BGI's dispute with TSE to threaten hundreds of millions in taxpayer 6 7 dollars that rely on (1) TSE continuing to run the Plant in an efficient and effective manner and 8 (2) the above market contract with NV Energy continuing to exist. Nor should the Court force 9 the DOE into a relationship with an entity (BGI) which the DOE never contemplated would be 10 involved with administering the Plant and which lacks the experience necessary to run such a state-of-the-art facility. Indeed, BGI would likely not even be approved by the Federal 11 12 Regulatory Commission to run the Plant. Stated another way, Nevada's mechanic's lien regime 13 was never intended for a federal project such as this and the doctrine of sovereign immunity bars 14 any and all liens by BGI (including the current lien) that pose a significant danger to the public 15 fisc.

### III. BGI'S FAILURE TO SERVE THE OWNER OF THE REAL PROPERTY WITH NOTICE OF ITS LIEN INVALIDATES THE LIEN

BGI concedes that it never gave a pre-lien notice to the BLM but argues that because it has a contract with TSE it did not need to serve a pre-lien notice under NRS 108.245(1). BGI's position is directly contradicted by both the statute<sup>12</sup> and Nevada Supreme Court case law. In *Hardy*, the Nevada Supreme Court held that "[t]he service of one owner [i.e. TSE] is not adequate to give notice to other owners [i.e. the BLM] of the potential claim." *Hardy Companies, Inc. v. SNMARK, LLC*, 126 Nev. 528, 541, 245 P.3d 1149, 1158 (2010) (emphasis

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 <sup>&</sup>lt;sup>12</sup> BGI attempts to trick the Court by conflating an owner of an improvement on real property (i.e. TSE) with an owner of real property (i.e. the BLM). However, the statute is not confusing. NRS 108.245(1) expressly requires notice to not just any "owner" but the "owner of the property." The term "property" is defined in NRS 108.22172 as "land, real property or [a] mining claim." Clearly, a pre-lien notice to the real property owner is always required unless one has a direct contract with the real property owner, which BGI does not have.

added). Critically, "[a] failure to serve the right person or entity cannot be cured." *Id.* at 542,
 245 P.3d at 1158. Thus, BGI's admitted failure to serve a pre-lien notice on the BLM is an
 additional reason to expunge its lien.<sup>13</sup>

4 Likely realizing that the Nevada Supreme Court has already rejected its primary 5 argument, BGI argues that, in the alternative, there was no need for it to give notice to the BLM because BGI's original lien only attached to the TSE owned improvements. This is another 6 7 misrepresentation. As shown in Section II(A), supra, BGI's original lien encumbered over 35,000 acres of federally owned land! To allow BGI's lien to stand under these circumstances 8 9 would eviscerate the purpose of Nevada's pre-lien statute which "is to put the owner on notice of work and materials furnished by third persons with whom he has no direct [contract]." Id. at 10 11 540, 245 P.3d at 1157.

12 BGI's only contract was with TSE. BGI had no contract (or contact) with the BLM whatsoever. Despite this, BGI makes the bold claim that the BLM somehow had "actual 13 14 knowledge" of the work BGI was performing due to a right of way lease<sup>14</sup> that the BLM granted to TSE to construct the Project on BLM land. Again, such an argument has already been 15 rejected by the Nevada Supreme Court. The Court has held that "actual knowledge requires that 16 17 the owner has to have been reasonably made aware of the identity of the third party seeking to 18 record and enforce a lien." Id. (emphasis added). The ground lease was an agreement between 19 TSE and the BLM and makes no mention of BGI. Thus, BGI cannot impute knowledge of its 20 work to the BLM via the lease.

To reiterate, the statute expressly required that BGI give the BLM a pre-lien notice prior
to recording its mechanic's lien. BGI admits to not giving this notice to the BLM. Thus, BGI's
lien must be expunged.

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- 25 26
- <sup>13</sup> BGI also failed to serve a pre-lien notice on Liberty Moly, LLC for its lien against APN No. 012-431 06, which is owned by Liberty Moly, LLC. This is an additional reason to expunge the lien.

28 <sup>14</sup> The ground lease is attached as Exhibit 3 to BGI's Opposition.

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### IV. BGI'S ATTEMPT TO LIEN THE TSE PARCELS IS ALSO INAPPROPRIATE AS BGI NEVER PERFORMED ANY WORK ON THOSE PARCELS

BGI argues that even if the Court is inclined to expunge its lien on the BLM land and the
improvements located on that land, the Court should allow BGI's lien to remain on the four TSE
Parcels.<sup>15</sup> However, Nevada law makes it impossible for such a request to be granted. NRS
108.222(1) provides that "a lien claimant has a lien upon the property [and] any improvements
for which the work, materials and equipment were furnished or to be furnished."

Here, BGI has never worked on the TSE Parcels nor are there any improvements on said parcels. Exhibit G (Declaration of Justin Pugh). Indeed, the parcels are located approximately 15 miles away from the Project site and were purchased by TSE purely for water rights. Id. BGI attempting to lien the TSE Parcels is the equivalent of a contractor performing work on an individual's primary residence and then liening both that residence and the owner's vacation home on which he never worked. Such a result is prohibited by NRS 108.222(1) which only permits liens on property which a contractor has worked on. BGI's overreach here gives the Court another reason to expunge the lien.

<sup>15</sup> The TSE Parcels are: APN Nos. 012-031-04, 012-131-03, 012-131-04 and 12-141-01.

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### 1 V. CONCLUSION

2 "Failure to either fully or substantially comply with the mechanic's lien statute will render a mechanic's lien invalid as a matter of law." Hardy Companies, Inc., 126 Nev. at 536, 245 P.3d 3 4 at 1155. Here, BGI has violated Nevada's mechanic's lien regime at every turn. It has (1) 5 illegally recorded a lien against federally owned land, (2) illegally recorded a lien against 6 improvements which secure federal loans and on which the public fisc completely depends, (3) 7 failed to give the required statutory notice to the real property owner of its intent to lien the 8 property and (4) recorded a lien against property (i.e. the TSE Parcels) on which BGI never 9 performed any work. BGI has made no attempt to comply with the statute. TSE requests that 10 the Court expunge BGI's lien and award TSE the fees and costs it has incurred due to BGI's 11 frivolous lien. To not grant this Motion is to endanger hundreds of millions in federal taxpayer 12 funds not to mention the numerous Nye County jobs which depend on the Project's continued 13 viability.

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DATED this  $3^{31}$  day of July, 2018.

Lee Roberts, Jr., Esq.

Colby L. Balkenbush, Esq. WEINBERG, WHEELER, HUDGINS, GUNN & DIAL, LLC 6385 S. Rainbow Blvd., Suite 400 Las Vegas, NV 89118

Attorneys for Plaintiff Tonopah Solar Energy, LLC

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1	CERTIFICATE OF SERVICE				
2	I hereby certify that on the <u>31</u> day of July, 2018, a true and correct copy of the foregoing				
3	TONOPAH SOLAR ENERGY, LLC'S REPLY TO BRAHMA GROUP, INC.'S				
4	OPPOSITION TO TONOPAH SOLAR ENERGY, LLC'S MOTION TO EXPUNGE				
5	BRAHMA GROUP, INC.'S MECHANIC'S LIEN was served by mailing a copy of the				
6	foregoing document in the United States Mail, postage fully prepaid, to the following:				
7	Richard L. Peel. Esq.				
8	Eric B. Zimbelman, Esq. Ronald J. Cox, Esq. Peel Brimley, LLP				
9	3333 E. Serene Avenue, Suite 200 Henderson, Nevada 89074				
10	Attorneys for Defendant Brahma Group, Inc.				
11					
12					
13					
14	An employee of WEINBERG, WHEELER, HUDGINS				
15	GUNN & DIAL, LLC				
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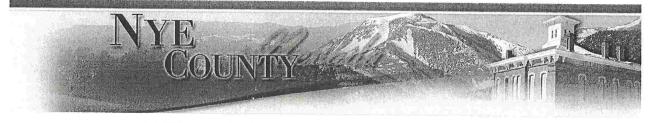
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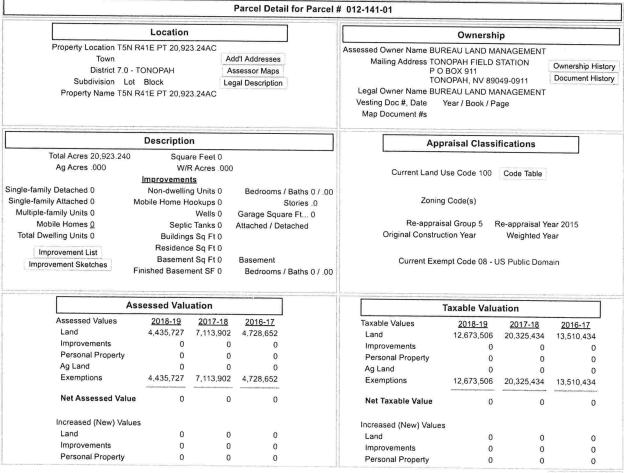
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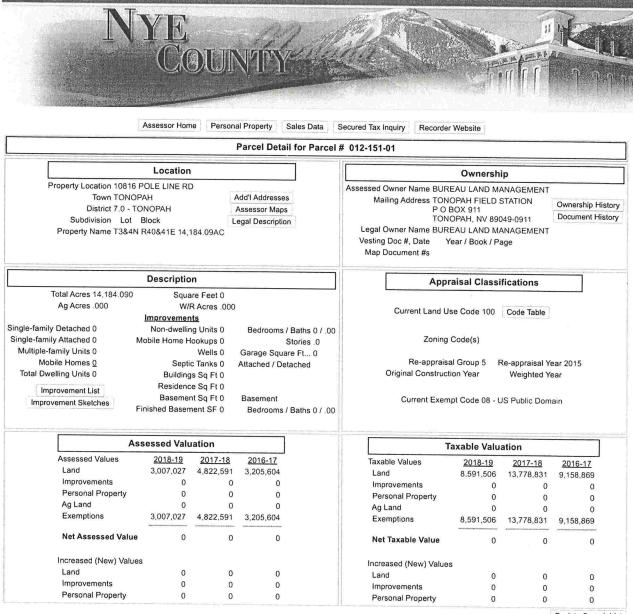


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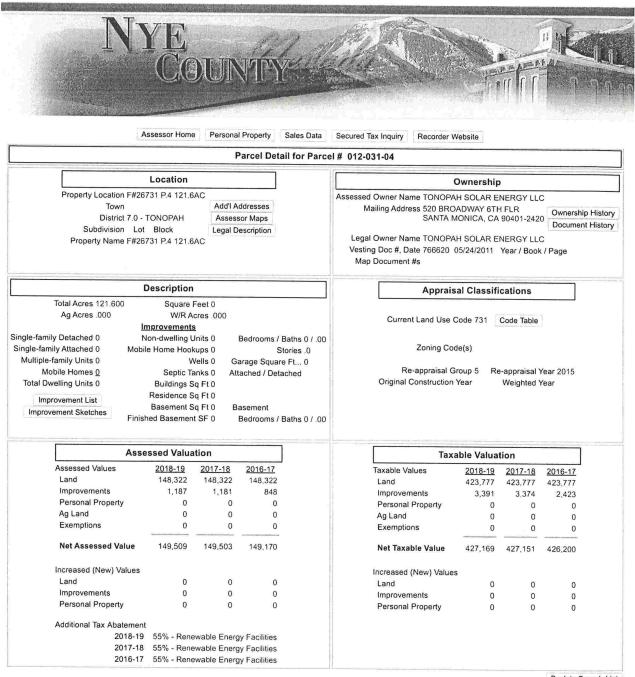
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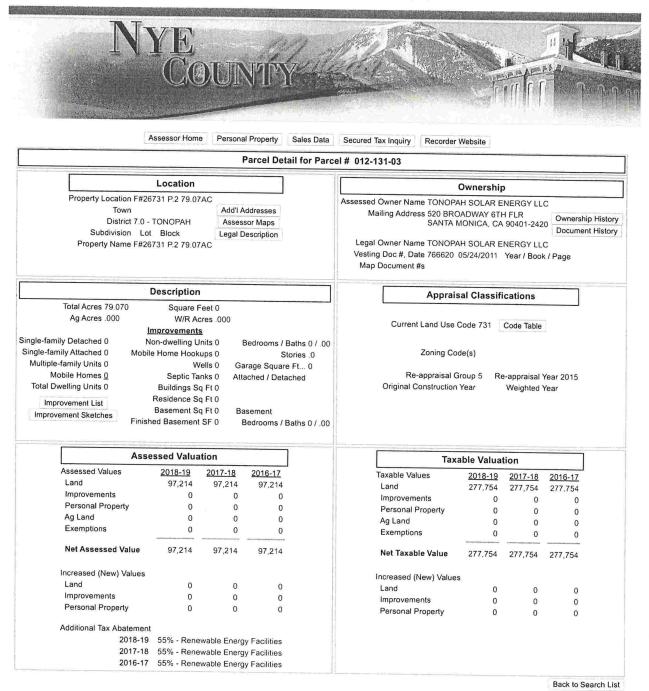
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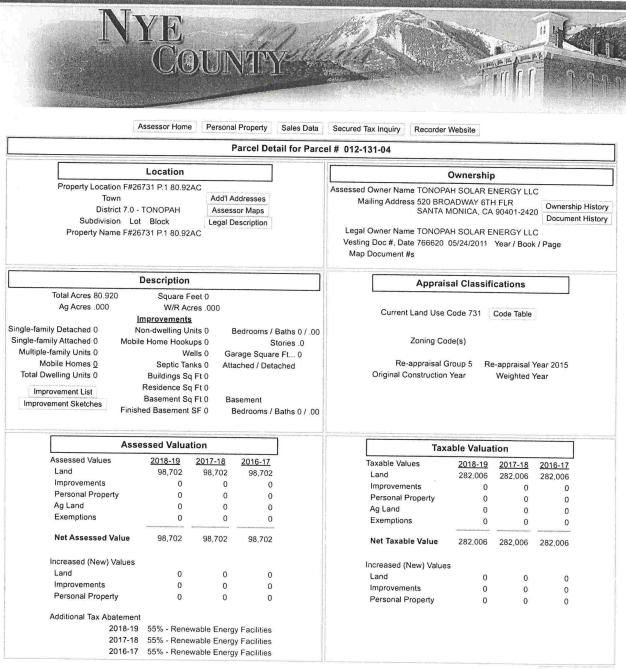


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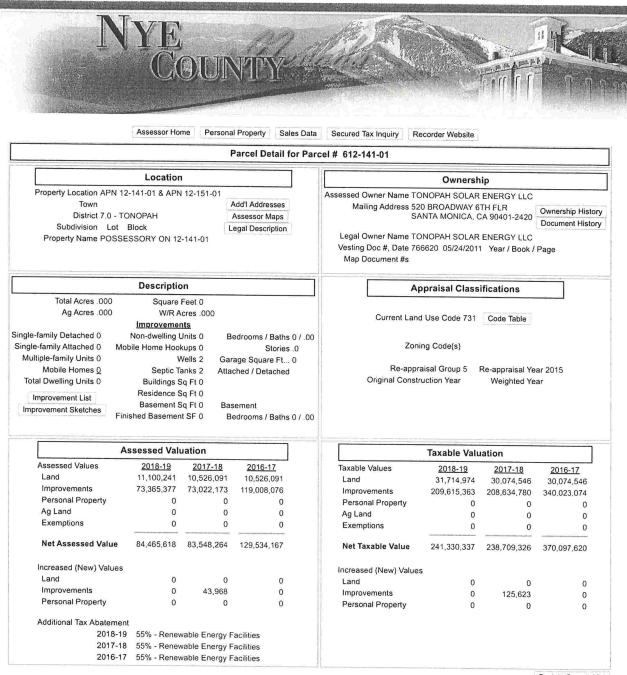
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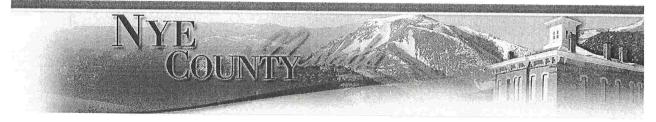
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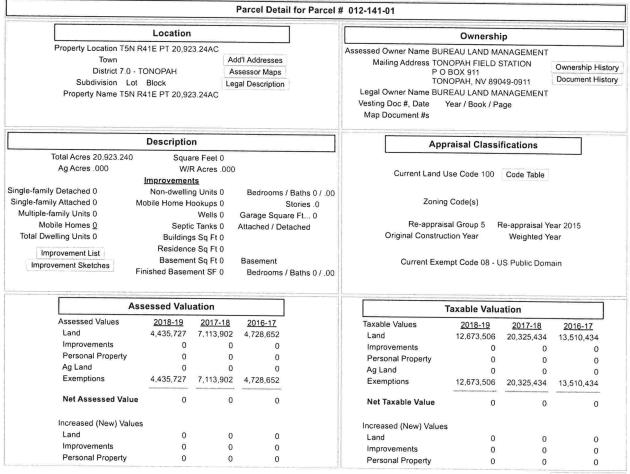
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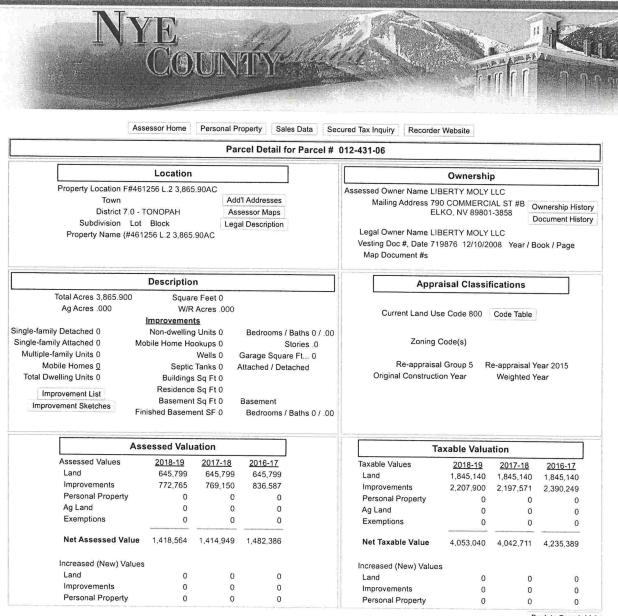
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## **EXHIBIT E**

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## **EXHIBIT F**

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### Department of Energy

## Energy Department Finalizes \$737 Million Loan Guarantee to Tonopah Solar Energy for Nevada Project

SEPTEMBER 28, 2011

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Home » Energy Department Finalizes \$737 Million Loan Guarantee to Tonopah Solar Energy for Nevada Project

Washington D.C. --- U.S. Energy Secretary Steven Chu today announced the Department finalized a \$737 million loan guarantee to Tonopah Solar Energy, LLC to develop the Crescent Dunes Solar Energy Project. The solar project, sponsored by SolarReserve, LLC, is a 110 megawatt concentrating solar power tower generating facility with molten salt as the primary heat transfer and storage medium. It will be the first of its kind in the United States and the tallest molten salt tower in the world. Located 14 miles northwest of Tonopah, Nevada on land leased from the Bureau of Land Management, the company anticipates the facility will fund 600 construction jobs and 45 permanent jobs. The Crescent Dunes Solar Energy facility is expected to avoid nearly 290,000 metric tons of carbon dioxide annually and produce enough electricity to power over 43,000 homes.

"If we want to be a player in the global clean energy race, we must continue to invest in innovative technologies that enable commercial-scale deployment of clean, renewable power like solar," said Secretary Chu. "Solar generation facilities, like the Crescent

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Dunes Solar Energy Project, help supply energy to local utilities and create hundreds of good, American clean energy jobs."

The project includes 17,500 heliostats (mirror assemblies) that collect and focus the sun's thermal energy to heat molten salt flowing through an approximately 640-foot tall solar power tower. The high temperature molten salt circulates from the tower to a storage tank, where it is then used to produce steam and generate electricity. Excess thermal energy is stored in the molten salt and can be called upon at any time to create additional steady, clean, renewable power for up to ten hours, even in the evening hours and when direct sunlight isn't available. This increases grid stability and reduces the need for carbon pollution emitting generators, which currently supplement intermittent renewable generation technologies during periods of no or low solar resource. The molten salt technology was demonstrated at the Solar Two facility in conjunction with the U.S. Department of Energy's National Renewable Energy Laboratory. Power from the project will be sold to Nevada Power Company, a utility subsidiary of NV Energy, Inc.

The Department of Energy's Loan Programs Office (LPO) administers three separate programs: the Title XVII Section 1703 and Section 1705 loan guarantee programs, and the Advanced Technology Vehicle Manufacturing (ATVM) loan program. The Title XVII loan guarantee programs support the deployment of commercial technologies along with innovative technologies that avoid, reduce, or sequester greenhouse gas emissions, while the ATVM loan program supports the development of advanced vehicle technologies. To date, the Department has issued loans, loan guarantees or offered conditional commitments for loan guarantees totaling nearly \$40 billion to support more than 40 clean energy projects across the United States, including several of the world's largest solar generation facilities, three geothermal projects, the world's largest wind farm, and the nation's first new nuclear power plant in three decades. For more information, please visit http://www.lpo.energy.gov.

News Media Contact: 202-586-4940

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## **EXHIBIT G**

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## **EXHIBIT G**

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\* . \* . 3. FTI is the project manager for Tonopah Solar Energy, LLC ("TSE") on the Crescent Dunes Solar Energy Project ("Project") located outside Tonopah, Nevada.

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4. I submit this affidavit in support of TSE's Reply to Brahma Group, Inc.'s ("BGI") Opposition to TSE's Motion to Expunge.

5. TSE is the developer of the Project and oversees construction activities.

6. TSE received an approximately \$737 million loan guarantee from the Department of Energy ("DOE") to assist with financing of the Project.

7. As a result, in part, of this loan guarantee, TSE was able to secure significant private financing for the Project.

8. TSE is making payments on the Project loans with, among other things, the revenue it receives from selling the power the Plant generates.

Upon information and belief, TSE would no longer be able to operate and 9. receive revenue from the Plant if BGI were permitted to maintain its mechanic's lien against the Project and foreclose on that lien. This would impact TSE's ability to make payments on the Project loans and increase the likelihood that the DOE would ultimately be forced to cover any shortfall or default. Were BGI to foreclose, the above market contract with TSE's only customer would likely be terminated. In the face of this termination, it would be wholly uneconomic to operate the plant as it would generate no cash flow beyond the costs of the operation of the plant. Moreover, if this contract is terminated, the probability of the DOE having to cover any shortfall becomes a certainty. Secondly, BGI could not foreclose and operate the plant without interruption in the face of various Federal Energy Regulatory Commission approval processes that vet owners and operators of power plants ahead of their owning or operating those plants. Any delay in this approval, or in the process that grants the approval in the first instance, would result in a cessation of the operations of the plant and also have the effect of compromising the contract with TSE's only customer, carrying all of the aforementioned consequences.

Page 2 of 3

	10.	BGI's lien	was recorded	agains	st the	followi	ng asses	sor's	parcel	numl	oers
("A	PN No	os.") which	are owned by	TSE:	012-0	)31-04,	012-131	-03,	012-13	1-04	and
12-	141-01										

11. APN Nos. 012-031-04, 012-131-03, and 012-131-04 are approximately 280 acres of land that TSE owns purely for water rights. No aspect of the Project is located on these parcels nor did BGI ever perform any work on these parcels. Moreover, upon information and belief, these parcels are located approximately 15 miles away from the Project site.

12. TSE also owns APN No. 612-141-01 which is not land but simply a right of way/easement over APN 12-141-01, a parcel owned by the BLM.

Justin Pagh

DATED this 31st day of July, 2018.

SUBSCRIBED AND SWORN to before me this  $\underline{\exists^{s+}}$  day of July, 2018.

WEINBERG WHEELER HUDGINS GUNN & DIAL

NOTARY PUBLIC

Yolanda LaGuerra Notary Public, State of New York No. 011A4977093 Certificate Filed in Queens County, Commission Expires May 16, 2013

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PEE	5 L. Berene Avenue, Suite 200				
Hen	derson, Nevada 89074-6571				
Facs	phone: (702) 990-7272 simile: (702) 990-7273				
ezim	l@peelbrimley.com helman@peelbrimley.com				
Attor	@peelbrimley.com rneys for Brahma Group, Inc.				
9					
10	FIFTH JUDICIAL DIS				
11	NYE COUNTY,	NEVADA			
limit	IOPAH SOLAR ENERGY, LLC, a Delaware ed liability company,	CASE NO. : CV 39348 DEPT. NO. : 2			
13	Plaintiff,	DEF 1. NO. : 2			
14 vs.	r minuri,	BRAHMA GROUP, INC.'S			
15	HMA CROUD DIG - New Low	SUPPLEMENT TO ITS OPPOSITION TO TONOPAH SOLAR ENERGY,			
16	HMA GROUP, INC., a Nevada corporation,	LLC'S MOTION TO EXPUNGE BRAHMA GROUP, INC.'S			
17	Defendant.	MECHANIC'S LIEN			
18	BRAHMA GROUP, INC. ("Brahma"), by an	d through its counsel of record, Peel Brimley			
19 <u>LLP</u>	, hereby supplements its Opposition ("Opposi	tion") to the Motion to Expunge filed by			
20 TON	JOPAH SOLAR ENERGY, LLC ("TSE"), by p	roviding (i) a copy of the Notice of Right to			
	Lien <sup>1</sup> served on the United States Bureau of Land Management via Certified Mail number 7016				
11·	0000 2311 4839, and (ii) a printout <sup>2</sup> from the U				
li li	ting information for Certified Mail number 7016				
24 //./					
25 ///					
26 ///					
27 ///					
$\begin{array}{c} 28 \\ \hline {}^{1} A co \\ {}^{2} The \end{array}$	ppy of the Notice of Right to Lien is attached hereto as Exh printout is attached hereto as Exhibit B.	ibit A.			
	Page 1 of 3				

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AA000272

**AFFIRMATION** Pursuant to NRS 239B.030 The undersigned does hereby affirm that the preceding document does not contain the social security number of any person. Dated this <u>JPP</u> day of August, 2018. PEEL BRIMLEY LLP RICHARD L. PEEL, ESQ. Nevada Bar No. 4359 ERIC ZIMBELMAN, ESQ. Nevada Bar No. 9407 RONALD J. COX, ESQ. Nevada Bar No. 12723 3333 E. Serene Avenue, Suite 200 Henderson, Nevada 89074-6571 Attorneys for Brahma Group, Inc. 

## PEEL BRIMLEY LLP 3333 E. SERENE AVENUE, STE. 200 HENDERSON, NEVADA 89074 (702) 990-7272 ♦ FAX (702) 990-7273

1	CERTIFICATE OF SERVICE					
2	Pursuant to Nev. R. Civ. P. 5(b), I certify that I am an employee of PEEL BRIMLEY,					
3	LLP, and that on this day of August, 2018, I caused the above and foregoing document,					
4	BRAHMA GROUP, INC.'S SUPPLEMENT TO ITS OPPOSITION TO TONOPAH					
5	SOLAR ENERGY, LLC'S MOTION TO EXPUNGE BRAHMA GROUP, INC.'S					
6	MECHANIC'S LIEN to be served as follows:					
7	by placing same to be deposited for mailing in the United States Mail, in a sealed					
8	envelope upon which first class postage was prepaid in Las Vegas, Nevada; and/or					
9	pursuant to NEFCR 9, upon all registered parties via the Court's electronic filing					
10	system;					
11	pursuant to EDCR 7.26, to be sent via facsimile;					
12	to be hand-delivered; and/or					
13	other electronic mail					
14	to the attorney(s) and/or party(ies) listed below at the address and/or facsimile number indicated below:					
15						
16	D. Lee Roberts, Jr., Esq. Colby L. Balkenbush, Esq.					
17	WEINBERG, WHEELER, HUDGINS GUNN & DIAL, LLC					
18	6385 S. Rainbow Blvd., Suite 400					
19	Las Vegas, NV 89118 <u>Iroberts@wwhgd.com</u>					
20	cbalkenbush@wwhgd.com Attorneys for Plaintiff Tonopah Solar Energy, LLC					
21						
22						
<u>23</u>	Manue MALanen					
24	An employee of <b>PEEL BRIMLEY, LLP</b>					
25						
26						
27						
28						
	Page 3 of 3					

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PEEL BRIMLEY LLP 3333 E. SERENE AVENUE, STE. 200 HENDERSON, NEVADA 89074 (702) 990-7272 ♦ FAX (702) 990-7273

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# **EXHIBIT A**

13-17-0037-E01 62376

### NOTICE OF RIGHT TO LIEN

27020661

#### IN ACCORDANCE WITH NRS § 108.245

THIS IS NOT A LIEN AND THIS IS NOT A REFLECTION ON THE INTEGRITY OF ANY CONTRACTOR OR SUBCONTRACTOR

27020661

The name and address of any lender or reputed lender and/or assigns is:

FCC: 7016 2140 0000 2311 1739 NO LENDER REPORTED, PROJECT OWNER: TONOPAH SOLAR ENERGY, LLC C/O SOLAR RESERVE 2425 OLYMPIC BLVD, SUITE 500 EAST SANTA MONICA, CA 90404

The name and address of the owner or reputed owner is:

FCC: 7016 2140 0000 2311 4839 27020661 UNITED STATES BUREAU OF LAND MANAGEMENT TONOPAH FIELD STATION PO BOX 911 TONOPAH, NV 89049-0911

The name and address of the original contractor is:

FCC: N/A 27020661

You are hereby notified that: (Name and address of claimant)

BRAHMA GROUP, INC. 1132 SOUTH 500 WEST SALT LAKE CITY, UT 84101

You are hereby notified that the claimant will furnish materials, of the following general description:

WARRANTY MAINTENANCE / MECHANICAL

The building, structure or improvement is located at:

CRESCENT DUNES SOLAR APN #'S 12-151-01 AND 12-141-01 11 MILES NORTH GABBS POLE LINE RD TONOPAH, NV

The name and address of the person or firm who contracted such labor, services, equipment or material is:

SOLAR RESERVE 2425 OLYMPIC BLVD SUITE 500 EAST SANTA MONICA, CA 90404

The name and address of the subcontractor or person or firm who contracted services:

27020661

27020661

SOLAR RESERVE 2425 OLYMPIC BLVD SUITE 500 EAST SANTA MONICA, CA 90404

The name and address of the Sub-Subcontractor or the person designated by the Owner to receive a copy of this notice:

FCC 7016 2140 0000 2311 2408 NYE COUNTY BOCC PO BOX 153 TONOPAH, NV 89049-0153 NOTICE TO PROPERTY OWNER

THIS IS NOT A NOTICE THAT THE CLAIMANT HAS NOT BEEN OR DOES NOT EXPECT TO BE PAID, BUT A NOTICE REQUIRED BY LAW THAT THE CLAIMANT MAY, AT A FUTURE DATE, RECORD A NOTICE OF LIEN AS PROVIDED BY LAW AGAINST THE PROPERTY IF THE CLAIMANT IS NOT PAID.

PROOF OF SERVICE AFFIDAVIT
I J.L. KUPRATIS, declare:
That copies of this Notice were served by first class certified mail, postage prepaid on the Lender, Owner and Original Contractor at their respective addresses as shown on this document on: <u>FEBRUARY 15,</u> <u>2017</u> .
l declare, under penalty of perjury, that the foregoing is true and correct. Executed on: FEBRUARY 15, 2017 <sub>at</sub> Brea, California.
Otheret;)

Agent for Claiman, Notice Preparer

Prepared by: CRM Lien Services, Inc. • 3010 Saturn Street • Suite 103 • Brea, CA 92821 • 714.524.0844 • www.crmlsi.com

# **EXHIBIT B**

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**USPS Tracking**<sup>®</sup>

FAQs > (http://faq.usps.com/?articleId=220900)

Track Another Package +

Tracking Number: 70162140000023114839

Remove X

Your item was delivered at 3:17 pm on February 17, 2017 in TONOPAH, NV 89049.

## **⊘** Delivered

February 17, 2017 at 3:17 pm Delivered TONOPAH, NV 89049

### **Tracking History**

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**February 17, 2017, 3:17 pm** Delivered TONOPAH, NV 89049 Your item was delivered at 3:17 pm on February 17, 2017 in TONOPAH, NV 89049.

**February 17, 2017, 8:31 am** Available for Pickup TONOPAH, NV 89049

February 17, 2017, 7:06 am Arrived at Unit TONOPAH, NV 89049

February 16, 2017, 11:14 pm

Departed USPS Regional Facility LAS VEGAS NV DISTRIBUTION CENTER

4

**February 16, 2017, 1:20 pm** Arrived at USPS Regional Facility LAS VEGAS NV DISTRIBUTION CENTER

**February 15, 2017, 10:11 pm** Departed USPS Regional Facility SANTA ANA CA DISTRIBUTION CENTER

**February 15, 2017, 9:11 pm** Arrived at USPS Regional Facility SANTA ANA CA DISTRIBUTION CENTER

**Product Information** 

 $\checkmark$ 

See Less 🔨

### Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs (http://faq.usps.com/?articleId=220900)