

IN THE SUPREME COURT OF THE STATE OF NEVADA

VIRGIN VALLEY WATER DISTRICT,  
Appellant,  
vs.  
PARADISE CANYON, LLC, A NEVADA  
LIMITED LIABILITY COMPANY,  
Respondent.

No. 87661

**FILED**

**AUG 28 2025**

ELIZABETH A. BROWN  
CLERK OF SUPREME COURT  
BY   
DEPUTY CLERK

*ORDER VACATING JUDGMENT AND REMANDING*

This is an appeal from a district court order awarding attorney fees and costs. Eighth Judicial District Court, Clark County; Timothy C. Williams, Judge.

The district court granted respondent Paradise Canyon's motion for attorney fees, costs, and prejudgment interest following a judgment against appellant Virgin Valley Water District. In light of this court's recent decision in *Virgin Valley Water District* reversing the district court's decision in part, however, Paradise Canyon is no longer deemed the prevailing party. See *Virgin Valley Water Dist. v. Paradise Canyon, LLC*, 141 Nev., Adv. Op. 19, 567 P.3d 962 (2025); *Frederic & Barbara Rosenberg Living Tr. v. MacDonald Highlands Realty, LLC*, 134 Nev. 570, 579-80, 427 P.3d 104, 112 (2018) (concluding an award of attorney fees and costs must necessarily be reversed when the underlying decision upon which the award was based is reversed); see also *Iliescu, Tr. of John Iliescu, Jr. & Sonnia Iliescu 1992 Fam. Tr. v. Reg'l Transp. Comm'n*, 138 Nev. 741, 752, 522 P.3d 453, 462 (Ct. App. 2022) (vacating an award of attorney fees because the

underlying judgment was reversed in part and the prevailing party was no longer determined).

In *Virgin Valley Water District*, we reversed in part the judgment in favor of Paradise Canyon and remanded the matter for further proceedings consistent with that opinion. See 141 Nev., Adv. Op. 19, 567 P.3d at 976. Specifically, our affirmance principally went to conclusions of law not going to the ultimate issue of the appeal, including that

While the District argues that Paradise Canyon has no perpetual right to renew the lease, the judgment's conclusion in § 13—that Paradise Canyon may renew the lease, provided it is not in breach, at the rate that the District sets—aligns with our construction in this regard, and we affirm that section. We agree with Paradise Canyon that the trial court correctly construed beneficial use and therefore affirm §§ 3 to 5 of the judgment. And as the parties have not presented argument on the subjects of §§ 1 to 2 and 6 to 12, we decline to overturn the conclusions in those portions of the judgment.

*Id.* at 972.

This court, however, reversed the district court's conclusion that the implied covenant of good faith and fair dealing supplied a basis to negate the "[d]istrict's exercise here of the broad discretion provided to it by the lease." *Id.* at 971. This court also concluded that the district court erred in charging the jury with making numerous determinations that were matters of law, answered by the unambiguous provisions of the lease. *Id.* at 972. These included

determining whether Paradise Canyon had justified expectations that rates paid by SNWA would not affect its new rate, that the rate would be set according to the local market rate in Mesquite, or that the local rate would exclude SNWA's rents

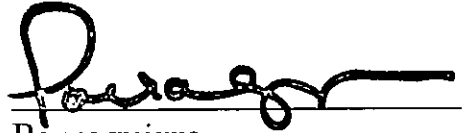
paid. It further charged the jury with determining the fair rental value of the water shares, whether the District breached the lease, and what the total damages were if the District breached the lease.

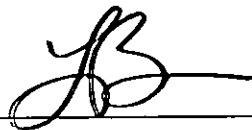
*Id.*

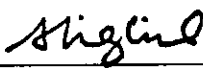
With that said, this court decided that the “finding of breach of contract and its calculation of damages rest on these faulty premises” and “cannot stand.” *Id.* This court instructed the district court on remand to “determine whether Paradise Canyon established disputed factual issues warranting resolution by a jury in light of the proper construction of the agreement concerning District’s ‘sole and absolute’ discretion to set the rate.” *Id.* Thus, contrary to the bases for affirmance, the reversal in contrast went specifically to the ultimate issues such that the parties are situated to litigate the gist of the dispute on remand. Moreover, the reversal nullified the lower court’s damages award based on the issues reversed. Thus, despite affirmance on some grounds, Paradise Canyon is no longer considered the “prevailing party” given that the core litigation has been reinstated. *See City of Dallas v. Dallas Morning News, LP*, 281 S.W.3d 708, 718 (Tex. App. 2009) (concluding that, based on reversal of the judgment, there was “no longer a final judgment in this matter and therefore no prevailing or substantially prevailing party.”); *Winn-Dixie Stores, Inc. v. Dolgencorp, LLC*, 602 F. App’x 513, 514 (11th Cir. 2015) (explaining that an “opinion had the effect of vacating the district court’s cost award because [the court] vacated the judgment to which it was tied.”); *Am. Infra-Red Radiant Co. v. Lambert Indus., Inc.*, 41 F.R.D. 161, 163 (D. Minn. 1966) (explaining that it was logical for the entire apportionment of costs to be vacated when the relative extent to which the parties prevailed changed by an appellate decision). Accordingly, because the attorney fee award was predicated on Paradise Canyon being the prevailing party under that now-

reversed judgment, the basis for the fee award no longer exists.  
Accordingly, we

ORDER the judgment of the district court VACATED AND  
REMAND the matter to the district court for proceedings consistent with  
this order.

 J.  
Parraguirre

 J.  
Bell

 J.  
Stiglich

cc: Hon. Timothy C. Williams, District Judge  
Lansford W. Levitt, Settlement Judge  
Hutchison & Steffen, LLC/Reno  
Hutchison & Steffen, LLC/Las Vegas  
Robison, Sharp, Sullivan & Brust  
Sylvester & Polednak, Ltd.  
Eighth District Court Clerk