

**LBA/LBWID Liability Regarding the Dam & Parcel 165**  
**Questions Submitted by Lake Barcroft Residents & Answers**  
**(9/30/2024)**

1.

**Question: If LBA no longer owns the Dam and the land it is situated on, what would prevent the LBWID from operating the dam in some way that is at odds with LBA's preferred recreational use of the lake. For example, changing the lake levels, stopping the aeration, etc. In other words, by transferring ownership, what levels of control over the lake do we lose?**

*Answer: The LBWID is currently obligated by law to operate, maintain, and repair the Dam in a manner that is in compliance with all State and Federal laws and regulations, even if those laws and regulations are at odds with the recreational use of the Lake by LBA members. That will not change by the LBA transferring the ownership of Parcel 165 and the Dam to the LBWID. In addition, in 1973, via contractual agreement, the LBA agreed that "WID (LBWID) shall have the sole right to make all determinations relative to the operation, maintenance, repair, inspection, and testing of the Lake Barcroft Dam where such determinations are reasonably related, in the sole determination of the WID, to its soil and water conservation functions and duties under the WID Act." So, the LBWID has had the sole responsibility of operating the Dam in compliance with laws and regulations since 1973 and that would not change with transfer of ownership. Thus, restrictions on things like Lake levels and aeration that could affect LBWID's Lake management obligations cannot be included in the deed that will transfer the Lake to LBWID. However, as explained in response to other questions below, other restrictions will be included in the deed that do not interfere with LBWID's Lake management responsibilities but that further the interests of the Lake Barcroft community in the private recreational use of the Lake.*

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2.

**Question: Assuming that title to the dam is transferred and there is a hurricane in which the area is flooded and the damn overflows, how would LBA's liability be changed in as much as they would still be the owner of the lake and, as owners of the Lake they were allegedly negligent in providing a lake in which to accumulate the surplus rainfall. Would LBA's insurance company provide insurance protection on the basis that they are insuring the lake? I do not believe transfer of the dam will matter.**

*Answer: Lake Barcroft Dam is considered a pass-through-dam, meaning that it is required to safely pass through it the same amount of water that is coming into the Lake. The Lake is not intended to accumulate surplus rainfall, and failure to do so would not constitute negligence. Just because flooding may occur downstream of the Dam during large storms does not mean that the LBWID or LBA would be held liable. LBWID's and LBA's exposure to liability for downstream flooding is if the Dam releases more water than is coming into the Lake, by either a breach or malfunction of the Dam. LBA's ownership of the Lake should not itself establish liability for LBA if there is downstream flooding. The Dam is the mechanism that establishes and maintains the impoundment of water (the Lake). Any improper release of water that would cause injuries or damage would be a result of a Dam failure or malfunction of the Dam. If LBA does*

*not have any ownership ties to the Dam it would not be a proper defendant any a lawsuit resulting from a failure or malfunction of the Dam,*

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3.

**Question: Because Eleventh Amendment sovereign immunity inheres in states and not their subdivision or establishments, a state agency that wishes to claim state sovereign immunity must establish that it is acting as an arm of the state: “agencies exercising state power have been permitted to invoke the [Eleventh] Amendment in order to protect the state treasury from liability that would have had essentially the same practical consequences as a judgment against the State itself.” Justia quote**

*Answer: LBWID Counsel is comfortable that the LBWID is afforded sovereign immunity from tort in its performance of governmental functions. §10.1-538 of the Va. Code Ann. expressly classifies soil and water conservation districts as a political subdivision of the Commonwealth of Virginia. Va. Code Ann. §10.1-614 provides for the establishment of watershed improvement districts, such as the LBWID, within and as a part of soil and water conservation districts. The Virginia Attorney General has opined in a published opinion that soil and water conservation districts, as political subdivisions of the Commonwealth, are afforded sovereign immunity when performing governmental functions. Governmental functions are those that require the entity to perform functions exclusively for the betterment of the public welfare. The stormwater management, conservation, and Dam safety functions clearly are public safety and welfare functions.*

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4.

**Question: Are there any costs associated with the proposed transfer?**

*Answer: There will be minimal legal fees associated with the transfer. However, there will not be any real estate recording fees or sales tax levied on the conveyance.*

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5.

**Question: How would the transfer agreement effect the easement that comprises the driveway/entry to the WID compound with the adjacent residential property? Does that need to be addressed? I'm assuming that since LBA owns the land the easement agreement is between the LBA and the homeowner and this would likely need to be amended with the transfer of ownership. Is there any risk of the easement being terminated and WID risking loss of site access due to the transfer?**

*Answer: The land upon which the access road/driveway to the LBWID compound is owned by private 3<sup>rd</sup> parties. The LBWID and LBA are both beneficiaries of an ingress/egress easement across that property, the section which makes up the access road/driveway for the LBWID compound. That ingress/egress easement will remain in effect for the benefit of both the LBWID and the LBA*

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6.

**Question: Have provisions been made related to LBA storage at parcel 165? The LBA has had a storage unit/shipping container located on the WID grounds for many years and now that we don't have a physical location for the LBA/Lake Manager as we did with Chris Lawson, have provisions been identified in the transfer agreement to allow for continued on site storage and if so, how large (a shipping container, a shed, area based on square footage, etc.)? If the LBA lost the storage ability at the WID we would need to relocate these items to a storage unit which would incur added monthly expenses, as well as the lack of convince of have the location within the LBA boundary.**

*Answer: A license agreement will be established at the same time the Parcel 165 conveyance deed is recorded for the benefit of LBA to maintain its existing storage and maintenance facilities.*

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7.

**Question: Can we subdivide Lot 165? If so, perhaps we should maintain ownership of the part of lot 165 that is not in the flood plain?**

*Answer: (See the attached maps showing the Resource Protection and Dam Spillway Areas.) Because the earthen sections of the Dam (also referred to as the earthen embankments) extend a significant distance beyond the concrete/masonry Dam structure, they are recognized as critical elements of the Dam and would be considered an element of the Dam if they eroded and contributed to an improper release of water or larger/complete Dam failure. Because the LBA's general liability insurance policy contains an exclusion clause for "any and all exposures and operations in relation to the Dam," any portion of Parcel 165 that is associated with the Dam should not be retained by LBA. Perhaps an outlot of the small western-most portion of Parcel 165 could be severed, but it is unclear what benefit this outlot, which would have no or limited access, would provide LBA. In fact, any LBA ownership of even an outlot in Parcel 165 would likely complicate LBA being dismissed from a lawsuit associated with Parcel 165 and the Dam. Subdivision of Parcel 165 would also incur engineering and legal expenses. We see no benefit in the suggested subdivision and substantial potential downside.*

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8.

**Question: If we transfer the ownership of the dam to LBWID, what protections do we have against either the state legislature or even more likely a state bureaucrat from the executive branch deciding to drain the lake? They could easily cite either some environmental regulation or the risk to lives/property downstream as their justification. Is it possible to add a covenant to the deed that prevents that from occurring?**

*Answer: In 1973, via contractual agreement, the LBA agreed that "WID (LBWID) shall have the sole right to make all determinations relative to the operation, maintenance, repair, inspection, and testing of the Lake Barcroft Dam where such determinations are reasonably related, in the sole determination of the WID, to its soil and water conservation functions and duties under the WID Act." The conveyance of the Dam*

would not change this situation. Since 1973 and through today, the LBWID as a Political Subdivision of the Commonwealth of Virginia is bound to adhere to all State and Federal laws, even those that pertain to the operation, maintenance, and repair of the Dam. Even under the current existing arrangement between the LBA and the LBWID, if a higher level of either State or Federal Government could justify via law or regulation to force the draining of the Lake, the LBA and the LBWID would have to cooperate. However, to represent the best interest of the property owners of the Lake Barcroft community, prior to any action, the LBWID would attempt to affect the substance of any requirement and do its due diligence to ensure that laws or regulation/s that are being cited by the Government are in fact enforceable and that the division of Government trying to enforce them has standing. There has been no such attempt in the past 51 years.

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9.

**Question: With respect to the proposal to turn the parcel ownership over to LBWID, you state that LBWID is a state entity and entitled to sovereign immunity; but I don't think sovereign immunity for LBWID in such situations is all that clear. Do you have a particular case or cases upon which you are relying?**

*Answer: The LBWID's obligations regarding the Lake Barcroft Dam fall within the definition of governmental functions performed for the benefit of public welfare and safety for which sovereign immunity will protect the LBWID from tort liability. Some key authorities clarifying these issues include: Hoggard v. City of Richmond, 172 Va. 145 (1939), City of Virginia Beach v. Carmichael Dev. Co., 259 Va. 493 (2000), City of Chesapeake v. Cunningham, 268 Va. 624 (2004), Robertson v. W. Va. Water Auth., 287 Va. 158, 161 (2014), and 1985-86 Va. Op. Att'y Gen. 149.*

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10.

**Question: My concern would be that if the state is given ownership, the state may do whatever it wants with the parcel including opening it to the public, charging for usage, etc. On the other hand, when students enter the property to party illegitimately, property owners promptly state that the ownership is private.**

*Answer: A restriction will be included in the conveyance deed that precludes recreational use of Parcel 165 or recreational access to the Lake via Parcel 165.*

*Also note that the LBWID is a "Political Subdivision of the Commonwealth of Virginia"—it is not the "State" or a State Agency. Fairfax County, City of Falls Church, and the City of Alexandria are also Political Subdivisions of the Commonwealth of Virginia. We provide those examples because the "State" has no more authority over the LBWID than it does over Counties or Cities in Virginia. Counties and Cities in Virginia have rights to independently regulate the use of their facilities providing it is not in conflict with State law. The LBWID was established as a Political Subdivision of the Commonwealth of Virginia to perform stormwater management and environmental and Dam safety functions. In addition, the LBWID was created by Court Order solely for the purpose of repairing, restoring, and improving the Lake Barcroft Dam and managing and stabilizing erosion and water runoff. Requiring Parcel 165 to be open to the public*

and used for anything contradictory to these statutory and court-ordered purposes likely would exceed the legislature's authority and LBWID's powers and purpose.

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11.

**Question: If turning the parcel over to LBWID is such a good idea, why was it not done 50 years ago?**

*Answer: We do not know the answer to this. We could only speculate. That said, according to our review of the records, LBA and its predecessors were historically able to obtain insurance for exposures relating to the Dam. That is no longer the case.*

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12.

**Question: Your concern also seems to be that LBA would not be afforded insurance coverage via the LBWID insurance policy if LBWID is not named in the lawsuit against LBA in the event to dam malfunction. Why couldn't LBWID be joined into the lawsuit or "intervened" into the lawsuit?**

*Answer: The LBWID could also be named or joined in the lawsuit, however, the LBWID would most certainly claim its sovereign immunity and seek being dismissed /removed from the suit. LBWID's insurer has advised us that LBWID's insurance will only offer the LBA defense and coverage if the LBWID is named and remains in the lawsuit.*

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13.

**Question: Why not set up a "contract" between LBA and LBWID in which LBA could hold LBWID responsible and join LBWID into any such action so that the insurance coverage applies?**

*Answer: As a Political Subdivision of the Commonwealth of Virginia, the LBWID is prohibited from entering agreements that would effectively indemnify contracting parties. The Virginia Attorney General has issued an opinion classifying such indemnification agreements as an "impermissible waiver of sovereign immunity." Sovereign immunity may only be waived by an express action of the General Assembly. Also, as noted above, even if LBWID joins the lawsuit, once it is dismissed due to its sovereign immunity, we have been informed that LBWID's insurance would no longer cover LBA.*

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14.

**Question: If the beneficiaries of dam maintenance and failure prevention include 5000 individual properties, and LBWID has taxing authority, then, in the interest of fairness, would it be possible at some point to have them contribute to the insurance and armoring costs?**

*Answer: It is being implied that because downstream property owners are potentially at risk because of the Lake Barcroft Dam, they should bear some of the responsibility and cost for insuring it and*

*maintaining it. We should remember that for LBA to have a private community recreational lake, the Dam is necessary. If there were no Lake and no Dam, there would be no dam inundation zone risk to downstream owners. In addition, the LBWID's taxing authority is limited to the boundaries of the Lake Barcroft community.*

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**15.**

**Question: Parcel 165 is zoned R2 (Residential, two dwelling units per acre). Is there any mechanism to prevent LBWID from selling part of the parcel to build a house or two to fund any future expenses? Would it be worthwhile to have the parcel rezoned to prevent this possibility?**

*Answer: The majority of Parcel 165 is unbuildable for residential purposes because it is within the Dam spillway, the flood plain, and a Resource Protection Area (RPA) (see the attached map). However, there will be a covenant included in the deed that will preclude the Property from being used for residential occupancy.*

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**16.**

**Question: How does changing the ownership of Parcel 165 prevent a lawsuit against LBA?**

*Answer: Changing ownership would not prevent a lawsuit being filed against LBA. However, after the transfer, because the LBA would no longer be the owner of Parcel 165 or the Dam, it would likely not be a proper defendant in any lawsuit alleging injuries or property damage occurring on that parcel or from the operation, maintenance, and repair of the Dam from the date of the change of ownership moving forward.*

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**17.**

**Question: If a lawsuit was filed against LBWID, how would LBA not become involved, since the only beneficiaries of the lake are the landowners?**

*Answer: As an initial matter, the premise is not correct because the landowners are not the only beneficiaries of the Lake. The Lake also serves to retain and regulate the runoff of storm waters and to retain silt and storm debris, in addition to serving as a private recreation area.*

*In addition, LBA would not be a proper defendant because the Dam is the mechanism that establishes and maintains the impoundment of water. Any improper release of water that would cause injuries or damage would likely be a result of an issue related to the operation, maintenance, and/or repair resulting in a Dam failure or malfunction of the Dam. If LBA does not own the Dam nor the land upon which the Dam and related facilities sit, it would not be a proper defendant in any a lawsuit resulting from a failure or malfunction of the Dam from the date of the change in ownership of the Dam and Parcel 165 moving forward.*

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18.

**Question: If LBWID is already a 'government entity' can it not obtain bonding as it stands? How does ceding ownership of Parcel 165 change that status?**

*Answer: Procuring title to Parcel 165 would not change LBWID's status and authority to issue bonds. But if the LBWID has fee-simple ownership of Parcel 165 and the Dam, then it may make available other forms of Government funding, in addition to or in lieu of bonds, such as grants and special legislative appropriations, which would not saddle Lake Barcroft residents with the costs of paying interest and principal on bonds.*

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19.

**Question: When will we be given an estimate of the cost? Hasn't this 'armoring' discussion been underway for over a year? Nothing on the website has clarified this yet.**

*Answer: This discussion is centered around the transfer of ownership of Parcel 165. As such, this question is outside the scope of the current proposal before the LBA.*

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20.

**Questions: Whose legal opinion is recommending the change in ownership?**

*Answer: The details of the proposal to transfer title to the Dam and Parcel 165 is based upon an analysis undertaken by counsel retained by the LBWID. LBA has also had its own counsel conduct a separate and independent review of the matter. There appear to be advantages to both LBWID and LBA if title is transferred, so long as certain safeguards are put in place.*

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21.

**Questions: Might it also make sense for WID to transfer ownership of the Women's Garden to LBA?**

**I don't understand why or how WID obtained ownership of that property, but the situation means that LBA's rules don't apply in the Women's garden area.**

*Answer: This discussion is centered around the transfer of ownership of Parcel 165. As such, this question is outside the scope of the current proposal before the LBA.*

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22.

**Question: By using the term conveyance, am I to understand that we are "giving" them the land, as opposed to selling it to them or paying them to take it, in exchange for them accepting the liability you discuss?**

*Answer: The LBA would transfer ownership of Parcel 165 and the Dam to the LBWID without monetary compensation. The benefit to LBA for doing so would be that the LBA would no longer have liability exposure for the 4.5123-acre Parcel 165 or for the operation, maintenance, or repair of the Dam.*

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**23.**

**Question: What is LBWID getting out of it?**

*Answer: The benefit to LBWID is that it is currently pursuing favorable Governmental sources of funding for the Dam Embankment Armoring Project. LBWID owning the Dam and Parcel 165 would simplify, facilitate, and improve the likelihood for such funding, hopefully reducing the amount or interest rate of bonds sold to finance the required Project. Securing favorable Government funding for the armoring project would reduce the costs placed on the Lake Barcroft residents, who will ultimately be responsible for the costs incurred by LBWID to upgrade the Dam, whether bonding costs or otherwise.*

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**24.**

**Question: It seems that LBWID would be accepting considerable liability; so what is their upside?**

*Answer: The level of LBWID's potential liability will not change as a result of a transfer of ownership of Parcel 165 and the Dam. Currently the LBA and LBWID both have potential liability and can possibly be sued. The LBWID has liability insurance for the Dam and has the protection provided by the defense of sovereign immunity. After the transfer of Parcel 165 to LBWID, LBWID would continue to be able to defend its liability with the insurance it now has and the sovereign immunity it enjoys. In contrast, LBA does not have liability insurance for the Dam, nor does it enjoy sovereign immunity. The benefit of transferring fee-simple ownership of the Parcel 165 and the Dam to the LBWID is that the LBA will greatly reduce the possibility of being exposed to liability without increasing LBWID's liability. LBWID's fee-simple ownership of Parcel 165 and the Dam would also substantially streamline the processes for receiving favorable Government funding for the armoring project.*

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**25.**

**Question: I'm concerned because it is a government entity that some future government might determine that the deal we struck is not in the public interest and change the terms, such as opening the lake to use by non-residents. I understand we will still own the beaches and the property along the lake such that they couldn't allow outsiders to come in and fish and swim in those areas, but are there protections to prevent them from setting up a beach/Boat ramp area down by the dam on the land that is theirs that could be used by outsiders? Are there safeguards in our contract /deed with them to protect against this possibility? Again, I realize we own the lakebed and can argue they can't do this, but they are the government after all, and might try to use eminent domain, or some other confiscatory tool to provide a benefit to non-residents at our expense. We must keep in mind that there are more non-resident voters than resident. I can see an argument that some future politician would make to say the government has assumed this great liability and**



**gotten no benefit, and that this entitles the government to require that the lake be made public for the public good. It's important that the deed or any contract associated with this conveyance to prevent such occurrence.**

*Answer: There will be a covenant in the deed that will prohibit the transferred Property from being used for recreation or for gaining recreational access to the Lake via the Property. The LBWID has a very specific purpose, which limits the activities it can undertake, and opening Parcel 165 up for public recreation is outside of this purpose.*

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**26.**

**Question: Will the reversionary clause to LBA be automatic or will it be at the option of LBA to take back parcel 165?**

*Answer: Title to the Dam and Parcel 165 will revert back to LBA in the event that LBWID is dissolved, terminated, or ceases to exist. This reversion would be automatic so as to best protect LBA's interest in the property and Dam in that as the reversionary owner, LBA would be included in the process of determining a replacement entity for the LBWID to operate and maintain the Dam. Moreover, it is not clear how such an option would even operate since the refusal to accept reversion would have to occur before the dissolution triggers the reversion. In addition, for the reasons discussed in response to the questions below, if automatic reversion occurs, LBA should not be taking back property that is encumbered with mortgages, liens, or other liabilities that LBA would acquire. As such, there is no need for the LBA to have an option to refuse reversion.*

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**27.**

**Question: Depending on any outstanding lien(s) or possible liability related to taking back parcel 165 in the future would it be beneficial for the reversion to be at the option of the LBA?**

*Answer: This language reverts title to the Dam and Parcel 165 back to LBA in the event that LBWID is dissolved, terminated, or ceases to exist. The reversionary clause would be automatic, this is so that LBA's interest in the property and Dam is protected and they would be included in the process of determining a replacement entity for the LBWID to operate and maintain the Dam. Furthermore, if the LBWID owns the property there will be no liens, mortgages, or liabilities that are able to be attached to the property. The LBWID is a Government entity and the Government will not allow private persons or private entities to gain stake through mortgages or liens in Government-owned land. Any liabilities created by the operation of the Dam prior to reversion would not be liabilities that attach to the land, and thus, would not become liabilities of LBA.*

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**28.**

**Question: Will LBWID be able to mortgage parcel 165 to pay for repairs or liability related to the dam? LBWID may be limited as a governmental entity as to putting liens on property, but I would like**

**to understand the potential for such a lien be transferred to the LBA should the reversionary clause in the transfer deed be exercised.**

*Answer: Once Parcel 165 is transferred to LBWID, it will be Government-owned land which cannot be mortgaged under Virginia law. In addition, a covenant will be added to the deed that prohibits the LBWID from encumbering the property with a mortgage. Moreover, a mortgage would not be practical or desirable. The LBWID is authorized by statute and charter to issue bonds and incur indebtedness in furtherance of purposes for which it was established, including the repairing, restoring, and improving the Lake Barcroft Dam (such as the armoring project). However, LBWID's power to incur debt and issue bonds is subject to the approval of two thirds of the property owners located within the district (LBA members), as well as the Virginia Soil and Water Conservation Board. The ability to issue bonds to raise capital, along with obtaining Federal and State grants, is a preferable means to raise funds compared to refinancing land through a mortgage. The terms and interest of governmental bonds (General Obligation Bonds) are much more favorable than refinancing or taking out a mortgage on the land. General Obligation bonds are backed by the "full faith and credit" of the issuer, they are not backed by property or other public assets. In addition, it is extremely unlikely that a bank or finance company would accept the land, and the liability exposure it has, as collateral for a loan. If the land was mortgaged and the loan was defaulted on, and the bank took possession, the bank would assume all responsibilities and liabilities that are associated with it.*

*Regarding liens, Government projects are immune to liens since the Government will not let any private citizen or private entity gain a stake in their projects. Therefore, if LBWID were to hold fee-simple-title to Parcel 165 and the Dam, contractors and/or suppliers would not be able to file a lien on the property. And as such, if the reversion clause were triggered by the LBWID being dissolved/terminated, the property would transfer back to the LBA free of any liens.*

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**29.**

**Question: Would the LBWID be able to transfer parcel 165 to another entity once it had fee ownership?**

*Answer: There will be a covenant included in the deed that will prohibit the LBWID from selling or transferring ownership of the property to any other entity other than the LBA. The only situation in which Parcel 165 would be transferred after LBWID obtains fee-simple-ownership would be upon LBWID's dissolution. In that case, Parcel 165 and the Dam would revert to LBA.*

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**30.**

**Question: Would the reversionary clause cover the potential transfer, voluntarily or involuntarily, of parcel 165 from LBWID to another entity?**

*Answer: There will be a covenant included in the deed that will restrict the LBWID from selling or transferring ownership of the property to any other entity other than the LBA. Thus, there is no foreseeable*

circumstance in which Parcel 165 could be transferred, outside of a reversion to LBA if LBWID were to cease to exist.

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31.

**Question: Since LBWID is a Virginia Government Entity, what protections does the community have against Virginia voters/politicians from voting to remove funding for the dam (which they will now be owners of) and deciding that its more economical to remove the dam than to continue to maintain and operate it. The dam serves no useful purpose to anyone outside of LBA homeowners. Personally, if I were a voting member of the public that found out I was now the owner of a dam that only serves the purpose of maintaining a private lake for 1,000 homes, I'd be voting to remove taxpayer funding. I'm not necessarily against the transfer of the deed but am curious about the ramifications of allowing the 1 piece of property that is the sole reason why we have a lake in the first place being handed over to a government agency that could possibly deem the dam no longer in the best interest of VA voters statewide.**

*Answer: This question incorrectly assumes two things. First, it assumes that the dam only serves the purpose of maintaining a private lake for 1,000 homes. That is not correct, because the lake also serves to retain and regulate the runoff of storm waters and to retain silt, which has downstream and community-wide benefits, in addition to serving as a private recreation area. Second, it assumes that the public at large would be funding the operation, repair, and maintenance of the Dam after its transfer to LBWID. The operation, repair, and maintenance of the Dam are currently funded, and would be funded after the transfer, by the homeowners in Lake Barcroft, not by the general public. The boundaries of the LBWID's tax district are exactly the same as the boundaries of the Lake Barcroft Association; therefore, only homeowners of the Lake Barcroft Community are taxed by the LBWID to fund the operation, maintenance, and repair of the Dam. The Lake Barcroft WID does not receive any annual funding/appropriations from the Virginia General Assembly. The LBWID also has the ability to seek grants and special appropriations from the Commonwealth of Virginia. The legislature may refuse the grant or appropriations. But in that case, Lake Barcroft homeowners alone would still be responsible for the costs of operating, maintaining, and repairing the Dam. In addition, the LBWID is a "Political Subdivision of the Commonwealth of Virginia"—it is not the "State" or a State Agency. Fairfax County, the City of Falls Church, and the City of Alexandria are also Political Subdivisions of the Commonwealth of Virginia. We provide those examples because the "State" has no more authority over the LBWID than it does over Counties or Cities in Virginia. Counties and Cities in Virginia have the right to levy taxes to fund their government programs/operations that serve their constituents.*

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32.

**Questions: Assuming a third-party claim against LBA that is reduced to a judgment, could that claim be discharged via a bankruptcy proceeding?**

*Answer: LBA's intent is to avoid a judgment against it by transferring Parcel 165 to LBWID. LBA does not wish to risk a judgment against it, and then try to protect itself by declaring bankruptcy. Additionally, filing for bankruptcy is not an absolute means of protecting an entity's assets, therefore, LBA's assets (reserve funds, common properties, etc.) could still be at risk.*