



SO ORDERED.

SIGNED this 9 day of July, 2026.

A handwritten signature in blue ink, reading "David M. Warren".

David M. Warren
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION

In the Matter of:
DOLPHIN SHORES INVESTMENTS, LLC
Debtor

Chapter 11
Case No.: 25-04467-5-DMW

**CONSENT ORDER ALLOWING MOTION FOR AUTHORITY TO
USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363**

This matter having come before the Court on the Motion for Authorization to Use Cash Collateral Pursuant to 11 U.S.C. §363, filed by Dolphin Shores Investments, LLC (the “**Debtor**”) on March 27, 2026 (the “**Motion**”) [DE #48]; upon the consent of the Debtor, by and through his counsel, Clayton W. Cheek, and Churchill Funding I, LLC, Tryon Street Acquisition Trust I, OneIM RTL, LTD., and Athene Annuity and Life Co. (collectively, the “**Creditors**”), by and through their counsel, G. Wade Leach, III; the Court having considered the Motion and the file; the Court hereby makes the following Findings of Fact and Conclusions of Law:

This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(A), (D), (K), (M), and (O). The Court has jurisdiction pursuant to 28 U.S.C. §§ 151, 157 and 1334, and the Court has authority to hear this matter pursuant to the General Order of Reference entered by the United States District Court for the Eastern District of North Carolina on August 3, 1984.

The Debtor filed the above-captioned case on November 9, 2025 (the “**Petition Date**”) [DC #1]. The Debtor has operated as a Debtor-in-Possession since the Petition Date.

The Debtor owns a completed and fully developed four-story condominium building containing thirty-six (36) covered parking spaces and twelve (12) two-bedroom condos and twelve (12) three-bedroom condos located at ‘2272 Dolphin Shores Drive SW, Supply, NC,’ which is referred to as “**Building F**”.

In order to maintain and protect Building F, the Debtor asserts it will be required to incur certain operating expenses, including, but not limited to, insurance, utilities, and repair and maintenance.

“Cash collateral” is defined by the Bankruptcy Code as, “cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest...” 11 U.S.C. § 363(a).

The Debtor acknowledges that Creditors may have a lien on post-Petition cash collateral, and pre-Petition rents in accordance with 11 U.S.C. §§ 361 and 363. Therefore, the Debtor seeks to continue its use of post-Petition cash collateral in the ordinary course of business.

The Creditors assert that they have a security interest in Building F arising from a number of deeds of trust, including an Assignment of Leases and Rents provisions, thereby possibly giving rise to an interest in the Debtor’s post-Petition cash collateral and pre-Petition rents.

Section 363(c)(2) of the Bankruptcy Code governs the Court’s approval of the use of cash collateral and provides that a debtor “may not use, sell, or lease cash collateral...unless (A) each entity that has an interest in such cash collateral consents; or (B) the Court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. § 362(C)(2). Section 363 further provides that upon request of an entity that has an interest in property to be used by a debtor, the Court shall prohibit or condition such use as is necessary to provide adequate protection of such interest. 11 U.S.C. § 363(e).

Building F is necessary for the Debtor's reorganization.

The Debtor has requested authority to use the pre-Petition and post-Petition proceeds generated from the leases of Building F, which constitute the collateral of the Creditors, for the payment of the on-going operating expenses, including without limitation routine repairs and maintenance of Building F. (The Debtor will file a motion with the Court for approval of any sales of the Real Properties and the distribution of any proceeds of such sale.)

NOW, THEREFORE, IT IS HEREBY ORDERED, by and with the consent of the below parties, that the Debtor is authorized to use cash collateral, subject to the following terms and conditions:

1. The Debtor may use cash collateral, unless otherwise prohibited by this Order, as set forth in the budget which is attached hereto as '**Exhibit A**'. No cash collateral can be used for any other purpose without specific written authorization of Creditors.

2. Notwithstanding 11 U.S.C. § 552, the Creditors' liens on the collateral securing the indebtedness owed shall extend to the Debtor's post-petition assets to the same extent that they existed as of the Petition Date, provided that nothing in this Order shall be deemed to grant the Creditors a post-petition lien on the types of assets, if any, in which the Creditors did not possess a valid, perfected, enforceable, and otherwise non-avoidable pre-petition lien(s). The post-petition liens and security interests provided for herein shall survive the term of this Order to the extent that the pre-petition lien was valid, perfected, enforceable, and non-avoidable as of the Petition Date. The Debtor does not waive and expressly reserves for itself and its bankruptcy estate (including other creditors and any Committee in this proceeding), the right to challenge the validity and priority of the pre-petition liens of the Creditors and, derivatively, the post-petition liens provided for hereunder.

3. If any or all of the provisions of this Order are hereafter modified, vacated or stayed by any subsequent order of this Court or any other court, such stay, modification or vacation shall not affect the validity or enforceability of any security interest, lien or priority authorized or created hereby prior to the effective date of such modification, stay, vacation or final order to the extent that said security interest, lien or priority is valid, perfected, enforceable and otherwise non-avoidable as of the Petition Date. The validity and enforceability of all security interests, liens and priorities authorized or created in this Order shall survive the conversion of this case to a proceeding under Chapter 7 of the Bankruptcy Code or the dismissal of this proceeding. This Order shall be binding upon and inure to the benefit of the Debtor and the Creditors. This binding effect is an integral part of this Order.

4. Further hearing on this matter shall be heard on July 28, 2026, at 10:00 a.m. at the United States Bankruptcy Court, 300 Fayetteville Street, 3rd Floor Courtroom, Raleigh NC, or at such other time as this Court may set the matter for hearing.

WE CONSENT:

By: /s/ G. Wade Leach, III
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