Docket #0012 Date Filed: 2/24/2026

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

IN RE:	Chapter 11
BRDL LAND & INVESTMENT, et al.[1]	Case No. 26-_____
Debtors.	(Joint Administration Requested)[2]

AFFIDAVIT OF WILLIAM A. BARBEE
IN SUPPORT OF FIRST DAY RELIEF

I, William A. Barbee, hereby declare under penalty of perjury:

1. I am the Chief Restructuring Officer of BRD Land & Investment ("BRD"), BRDL Warden Station Holding Co, LLC ("Holding Co"), and BRDL Warden Station, LLC, ("Warden Station" and with Holding Co and BRD, the "Debtors"). In my time with the Debtors, I have become familiar with the Debtors' business, day-to-day operations, financial affairs, and books and records.

2. On the date hereof (the "Petition Date"), the Debtors commenced their case under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Western District of North Carolina (the "Chapter 11 Cases"). The Debtors continue to operate in the ordinary course of business as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. As of the Petition Date, the Debtors filed certain motions seeking interim and final relief (the "First Day Motions"). I submit this affidavit (the "Affidavit") in support of the

[1] The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): BRD Land & Investment, a South Carolina partnership (6940), BRDL Warden Station Holding Co LLC (0184), and BRDL Warden Station, LLC (4687). The Debtors' address is 6433 Bannington Road, Charlotte, NC 28226.

[2] The Debtors have also filed a contemporaneous motion requesting joint administration of their respective Chapter 11 bankruptcy cases.

26302152602240000000000013

relief sought as well as to provide details on the Debtors' background and the events leading to the Chapter 11 Cases. More specifically, Part I of this Affidavit describes the Debtors' businesses and the circumstances surrounding the commencement of these Chapter 11 Cases. Part II sets forth the relevant facts in support of the First Day Motions.

4. Except as otherwise indicated, all statements in this Affidavit are based upon my personal knowledge and my discussions with the Debtors' officers and directors as well as the Debtor's professionals, along with my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives. I am over the age of eighteen and authorized to submit this Affidavit on behalf of the Debtors. If called upon to testify, I could and would testify competently about the facts set forth herein.

I. BACKGROUND

7. BRD is a South Carolina partnership with its principal place of business located in Charlotte, North Carolina. BRD is an entitlement and permitting company focusing on selling shovel-ready land to national and regional homebuilders. More specifically, BRD identifies and acquires raw, undeveloped land, completing due diligence that includes, but is not limited to, surveys, geotechnical reports and environmental reports to ensure BRD's customers have confidence in purchasing and developing the property. BRD also coordinates with local municipal planning departments to entitle the property through any required rezoning and site plan approvals. Finally, BRD works with engineering firms to accomplish all the required permitting, allowing its projects to be shovel-ready once purchased by BRD's clients.

8. Warden Station, a North Carolina limited liability company, is a project-specific entity that holds title to real property in Horry County, South Carolina, for BRD's Warden Station project. BRD provides all services to advance the project. Holding Co, a North Carolina

limited liability company, is also a project-specific entity that is the sole Member and a Manager of Warden Station.

9. At its founding, the BRD's equity owners capitalized BRD. As BRD incurred expenses to operate, acquire land and accomplish the entitlements and permitting to sell the real property, BRD needed additional capital. Aside from the proceeds from selling projects, BRD (and at times its affiliates, including Warden Station) received capital from multiple sources: DLP Lending Fund, LLC, ("DLP") and various individuals and entities that loaned funds to BRD.

10. DLP lent BRD funds for use to purchase real property in exchange for mortgages and other security. Many of the loan transactions included interest-only monthly payments for a year or two and then a balloon payment of the remaining balance at maturity. While the relationship between DLP and BRD started productively and cooperatively, in 2025, DLP began a pressure campaign to use leverage to force paydowns of principal and to extract higher fees as discussed further below. As of the Petition Date, the Debtors believe the payoff amount of all loans held by DLP totals roughly $20 million, while the real property securing those loans is valued at roughly $34 million.

11. Turning to the various individuals and entities who loaned funds to BRD, these funds were sought by capital raisers with which BRD had prior relationships. BRD provided the capital raisers with financial and project information, which the capital raisers used to market loans to their various networks. BRD did not pitch or market the notes itself and did not control the pitches made by the capital raisers, relying on the capital raisers to be gatekeepers of those loaning funds to BRD, including the sophistication of the lenders, who BRD believed to all be

accredited investors. In exchange for gathering their respective pools of funds, BRD paid the capital raisers' fees and/or commissions.

12. As the capital raisers identified lenders, they notified BRD, and BRD documented the loans as promissory notes (the "Notes"), some of which offered or purported to offer security for the loans and others that were entirely unsecured. The loan amounts range from the five to seven figures. Many of the Notes matured after twenty-four (24) months, required interest only payments until maturity, and allowed an automatic extension of an additional twenty-four (24) months. As of the Petition Date, BRD believes the total amount of outstanding Notes is $66.5 million.

13. As of the date of this filing, BRD has fifteen (15) active projects located in Georgia, South Carolina and North Carolina.

14. The Debtors have enjoyed profitable operations with top line revenues exceeding $285 million at a consolidated level since 2019. However, in 2025, the Debtors experienced a substantial shift in the residential development industry, namely the drastic decline in (and in some cases the disappearance of) first-time home purchases to levels not seen since the 2008 financial crisis.

15. These market realities caused home builders to cancel or to renegotiate their land sale agreements with the Debtors. The Debtors saw thirteen (13) projects terminate in North Carolina, South Carolina and Georgia, while having seven (7) projects in Texas become nonviable due to market contraction. These terminations resulted in a reduction of total projected pipeline gross revenue of $390 million in 2025.

16. Compounding the Debtors' cash crunch, the Debtors' senior secured lender DLP Lending Fund, LLC, ("DLP") altered its approach to the Debtors. Previously, DLP exercised

restraint and flexibility following contract re-negotiations or other price reduction demands by homebuilders to close their transactions with the Debtors, which sometimes involved the Debtors seeking and obtaining consensual extension for payments due to DLP.

17. However, starting in 2025, DLP used extension requests and project closings as leverage to force the Debtors into paying additional fees and principal paydowns not required by the governing loan documents. For example, one of the Debtors' projects, Rolling Meadows, was set to close for $47,265,000 but the purchaser demanded a price concession of $11,901,000 to which the Debtors agreed given their inability to find a ready purchaser at the original contract price. DLP held a security interest in Rolling Meadows' real property and demanded an exit fee of $3.5 million to be paid immediately at closing rather than the October 2026 due date set by the loan documents. But DLP demanded that payment be advanced by a year and paid at closing in October 2025 to release its lien. DLP's demand of the "full proceeds" from the Rolling Meadows transaction exceeded the total amount owed to DLP under the specific Rolling Meadows loan, which was the only obligation that DLP's deed of trust secured. The Rolling Meadows loan agreement itself required that any surplus funds from the proceeds of the Rolling Meadows sale go to the BRD entity owning the real property. Despite those realities, DLP maintained its demand of the $3.5 million exit fee, which BRD ultimately paid to close the sale of Rolling Meadows.

18. For the Rolling Meadows project, the Debtors ultimately took a hit of more than $15 million thanks to the price concession and exit fee, reducing the gross revenue of the sale by roughly thirty percent (30%).

19. Ultimately, from July 2025 through January 2026, DLP reduced its debt by $7.15 million through its demands for accelerated debt repayments in exchanged for maturity date

extensions and lien releases. BRD made roughly $750,000 of those payments in December 2025 and January 2026. Before July 2025, DLP generally exercised restraint related to maturity date extensions and lien releases rather than using them as leverage to force the Debtors into additional, accelerated principal payments.

20. With DLP taking every available dollar, the Debtors saw their vendor accounts payable grow to more than $9 million by the end of January 2026 with certain suppliers and vendors refusing to provide services until the Debtors paid their invoiced balances. Some suppliers and vendors ultimately stopped work, leaving certain open projects in limbo and creating a circular problem—the Debtors needed cash to pay the vendors, but the Debtors could not generate that cash without selling their projects, for which they needed the vendors to complete their work.

21. The financial and market conditions described above, coupled with an anticipated increase in litigation that began in January and February, led to the filing of the Chapter 11 Cases to fairly and efficiently resolve the Debtors' secured, unsecured and trade debts through an orderly process to maximize the value of the Debtors' assets and generate the greatest payment possible for the Debtors' creditors. To accomplish such an orderly process, the Debtors require the protections granted by the Bankruptcy Code to close the sales of certain projects, potentially assume and assign others, and determine the viability of the remaining projects. Without the protections of the Bankruptcy Code, the Debtors likely face a value-destroying race to the courthouse as DLP forecloses on its collateral while noteholders, suppliers and vendors file lawsuits, seek judgments and ultimately enforce those judgments against a dwindling list of assets held by the Debtors.

II. FIRST DAY MOTIONS

22. Concurrently with the filing of this Affidavit, the Debtor has filed a number of First Day Motions:

a. Emergency Motion of the Debtors for Interim and Final Orders Authorizing the Debtor to Use Cash Collateral and Granting Related Relief;

b. Debtors' Motion for Entry of Order Authorizing Debtors to Pay Certain Prepetition Taxes and Directing Financial Institutions to Honor and Process Related Checks and Transfers;

c. Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Continue Payroll and Payroll-Related Practices, Including Payment or Reimbursement of Certain Prepetition (A) Wages, Salaries, Vacation Pay and Other Compensation and Amounts Withheld from such Compensation; (B) Employee Health Benefits and Similar Benefits; (C) Reimbursement of Employee Expenses; and (D) Payment of All Costs Incident Thereto and (II) Authorizing Applicable Banks and Other Financial Institutions to Receive, Process, Honor and Pay Certain Checks and Transfers;

d. Debtors' Motion for Entry of an Order (I) Prohibiting Utilities from Altering, Refusing, or Discontinuing Services on Account of Prepetition Invoices; (II) Declaring, on an Interim Basis, that the Utility Companies have Adequate Assurance by Way of Current Payments, and (III) Establishing Procedures for Resolving Requests by Utility Companies for Additional Assurance of Payment;

e. Debtors' Motion for Order Authorizing (I) Maintenance of the Debtors' Prepetition Bank Accounts and (II) Continued Use of Existing Business Forms;

f. Debtors' Motion for Order Directing Joint Administration of Related Chapter 11 Cases; and

g. Application of the Debtors for an Order Authorizing the Retention and Employment of Kurtzman Carson Consultants, LLC d/b/a Verita Global as Claims, Noticing and Ballot Agent.

23. The facts set forth in the First Day Motions are incorporated herein in their entirety. The Debtors have tailored their requests to seek only the relief necessary at the outset of these Chapter 11 Cases.

24. I have reviewed each of the First Day Motions (including the exhibits thereto, if any), and I believe that the relief sought in each of the First Day Motions (a) is necessary to enable the Debtor to operate in chapter 11 with a minimum of disruption or loss of value and (b) constitutes critical elements to maximize the value of the Debtors' estates. The facts set forth in the First Day Motions are true and correct to the best of my knowledge and belief with appropriate reliance on other members of the Debtors' management and the Debtors' advisors.

25. I further believe the Debtor has, and will have, adequate cash flow and liquidity to pay all amounts the Debtor seeks authorization to pay through the First Day Motions and pay their anticipated post-petition obligations through this case.

CONCLUSION

In order to minimize any disruption in continuing the ordinary course of business for the Debtors or any potential loss of value to the Debtors' business operations, the Debtors' immediate objective is to take all necessary and required steps to protect the value of their business and the value of their assets following the commencement of the Chapter 11 Cases. The Debtor believes, and further I believe, that if this Court grants the relief requested in each

First Day Motion, the prospect for achieving these objectives, to the maximum benefit of creditors and the Debtor's estate, will be substantially enhanced.

William A. Barbee

Sworn to and subscribed before me
This the 24th day of February, 2026.

Notary Public

My Commission Expires: 10/30/2026