IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	Chapter 11
CAMP MYSTIC, LLC,[1]	Case No. 26-90621 (CML)
Debtors.	(Jointly Administered)

DECLARATION OF KAREN NICOLAOU, DEBTORS' PROPOSED CHIEF RESTRUCTURING OFFICER, IN SUPPORT OF CHAPTER 11 PETITIONS AND SECOND DAY MOTIONS

I, Karen Nicolaou, pursuant to 28 U.S.C. § 1746, and under penalty of perjury, declare the following to the best of my knowledge, information, and belief.

I. Introduction and Qualifications

1. I am over 18 years of age, of sound mind, and fully competent to make this Declaration. If called upon to testify, I could and would competently testify to the matters set forth herein.

2. I am a Managing Director at Harney Partners. I am a certified public accountant and a certified valuation analyst. I have extensive experience managing and supporting companies in distressed and transition situations, including in chapter 11 proceedings.

3. I am the proposed Chief Restructuring Officer of Camp Mystic, LLC; Natural Fountains Properties, Inc.; Mystic Camps Management, LLC; and Mystic Camps Family Partnership, Ltd. (collectively, the "**Debtors**"). I have served in that position since June 26, 2026.

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Camp Mystic, LLC (4064), Natural Fountains Properties, Inc. (1414), Mystic Camps Family Partnership, Ltd. (9861), and Mystic Camps Management, LLC (9688). The location of the Debtors' service address for purposes of these chapter 11 cases is: 2689 Highway 39, Hunt, TX 78024.

In my capacity as the Chief Restructuring Officer, I am the authorized representative of the Debtors in these bankruptcy cases.

4. This Declaration is submitted in support of the voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") filed by Camp Mystic, LLC and its affiliated debtors (collectively, the "**Debtors**" or the "**Company**") on June 24, 2026 (the "**Petition Date**"), and in support of the Debtors' motions for relief discussed in Section VII of this Declaration (collectively, the "**Second Day Motions**").

5. My responsibilities include oversight of the Debtors' finances, operations, cash management, restructuring process, and these chapter 11 cases. In that capacity, I am familiar with the Debtors' operations, books and records, organizational and capital structure, and the circumstances leading to the commencement of these cases.

6. Except as otherwise indicated, the statements in this Declaration are based upon: (a) my personal knowledge; (b) my review of relevant documents, including the Debtors' books and records; (c) information supplied to me by other members of the Debtors' management or the Debtors' advisors; or (d) my opinion and good-faith business judgment based on my experience and knowledge of the Debtors' operations and financial condition. If called upon to testify, I could and would testify competently to the facts set forth herein on that basis.

7. I am authorized to submit this Declaration on behalf of the Debtors. The facts stated herein are, to the best of my knowledge, information, and belief, true and correct.

8. Camp Mystic (the "**Camp**") is a private summer camp for girls located near Hunt, in Kerr County, Texas. Founded in 1926, the Camp has operated for approximately one hundred years and has been owned and operated by the same family for approximately 85 years. Generations of Texas families have entrusted their daughters to the Camp, and the Camp has

long held a place of significance for its campers, alumnae, employees, and the surrounding community.

9. On July 4, 2025, an extraordinary flood struck the Texas Hill Country, including the Guadalupe River valley where the Camp's original campus is located. The flood caused catastrophic loss of life and extensive physical damage to the Camp's Guadalupe River campus. I do not, in this Declaration, offer any opinion or characterization regarding the cause of the flood, the foreseeability of the event, or the conduct of any person. Those matters are the subject of pending litigation and governmental inquiry and are reserved for resolution in the appropriate forums.

10. The events of July 4, 2025, gave rise to multiple wrongful-death lawsuits, significant governmental and regulatory attention, and severe operational and liquidity pressure on the Debtors. The Debtors have commenced these chapter 11 cases to preserve the value of their business, to provide a single, orderly forum in which claims arising from the July 4, 2025, flood may be addressed, and to protect the interests of the Debtors' employees, campers and their families, creditors, and other stakeholders. It is my good-faith business judgment that these objectives are best achieved through these cases.

11. To enable the Debtors to operate during these cases and to minimize disruption, the Debtors have filed the Second Day Motions described in Section VII below. I believe, in my good-faith business judgment, that the relief requested in the Second Day Motions is necessary to avoid immediate and irreparable harm to the Debtors' estates and to preserve asset value. The relief requested is described in greater detail in the respective Second Day Motions, and I respectfully incorporate those descriptions by reference.

II. CORPORATE STRUCTURE AND ORGANIZATIONAL OVERVIEW

12. The Debtors comprise four affiliated entities. Based on the Debtors' records, those entities are:

(a) Camp Mystic, LLC ("**Camp Mystic LLC**"), a Texas limited liability company, which operates the Camp;

(b) Natural Fountains Properties, Inc. ("**NFP**"), a Texas corporation, which owns the real property and improvements on which the Camp operates;

(c) Mystic Camps Family Partnership, Ltd. ("**MC Family Partnership**"), a Texas limited partnership, which owns 100% of the equity in Camp Mystic, LLC and NFP; and

(d) Mystic Camps Management, LLC ("**MC Management**"), a Texas limited liability company, which is the sole general partner in MC Family Partnership and owner of 1% of the equity in MC Family Partnership.

13. Based on the Debtors' records, (a) the remaining 99% of the equity in MC Family Partnership is owned by its limited partners, consisting of individual members of the Eastland family and Eastland family trusts; and (b) 100% of the equity in MC Management is owned by Willette A. "Tweety" Eastland.

14. The corporate structure, organization, and equity ownership of the Debtors, based on the Debtors' records, are shown on **Exhibit A** to this Declaration.

15. Based on the Debtors' records, governing authority of the Debtors is as shown on **Exhibit B** to this Declaration.

III. BUSINESS OVERVIEW AND HISTORY

A. Company History

16. Camp Mystic was founded in 1926 as a private summer camp for girls on the South Fork of the Guadalupe River, near Hunt in Kerr County, Texas. The Camp has operated near the same location for approximately one hundred years, making 2026 its centennial.

17. Richard "Dick" Eastland and Willetta "Tweety" Eastland became involved in the Camp's operations in 1974 and assumed leadership of the Camp in 1987. Over the decades the Camp developed a substantial reputation among Texas families, with multi-generational enrollment and sustained demand.

B. Operations and Facilities

18. The Camp operates on an approximately 725-acre property near Hunt, Texas, comprising two campuses: (a) the original Camp Mystic Guadalupe River campus, situated along the Guadalupe River; and (b) the newer Camp Mystic Cypress Lake campus, located on the same property adjacent to Cypress Lake / Cypress Creek and developed in approximately 2019–2020.

19. The Guadalupe River campus historically included approximately 40 buildings, including cabins, a dining hall, recreation facilities, and administrative and support structures. The Cypress Lake campus includes 15 cabins.

C. Camper Enrollment and Revenue Model

20. The Camp's revenue is generated primarily through tuition paid by the families of enrolled campers for seasonal sessions. For what would have been the 2026 season, the Company's materials reflect tuition of approximately $3,475 per camper per session with approximately 863 children committed to attend before the 2026 season was cancelled.

21. Families typically pay deposits and tuition in advance of the season. As of the Petition Date, the Debtors hold over $1 million in camper deposits and prepaid tuition. Because the Camp will not operate in 2026, some camper families have agreed to allow the Debtors to hold these funds and roll them forward to a hoped-for 2027 season, rather than requiring refunds.

D. Workforce

22. The Debtors currently maintain a staff of approximately 11 employees, retained to maintain the buildings and grounds and preserve the value of the Debtors' assets pending a

determination of the Camp's future. In a normal operating season, the workforce also includes seasonal counselors, support staff, and security personnel.

IV. EVENTS LEADING TO CHAPTER 11

A. The July 4, 2025, Flood

23. On July 4, 2025, a severe and sudden flood occurred in the Texas Hill Country, including the Guadalupe River valley where the Camp's Guadalupe River campus is located. The flood caused catastrophic loss of life and extensive damage to that campus. Among those who died were 27 campers and counselors at the Camp, including one who remains missing, as well as the Camp's longtime director and co-owner, Richard "Dick" Eastland.

24. I describe the July 4, 2025, flood solely to explain the circumstances that led to these chapter 11 cases. I do not, in this Declaration, offer any characterization of the cause of the flood, whether the event was reasonably foreseeable, or the adequacy of any warning, response, or evacuation. The conduct of the parties and the cause of the losses are disputed and are the subject of the pending litigation and governmental inquiries described in Sections IV.C and V of this Declaration.

B. Operational and Financial Impact

25. The July 4, 2025, flood had a severe impact on the Debtors' operations and finances. The Guadalupe River campus sustained extensive physical damage, and the Debtors' ability to operate and generate revenue was materially impaired. In addition, the Debtors have incurred and continue to incur substantial costs, including remediation, professional, legal, and other costs arising from the event and its aftermath.

C. Regulatory and Governmental Matters

26. Following the July 4, 2025, flood, the State of Texas enacted legislation addressing youth camp safety. Public reporting indicates that in September 2025 the Governor

signed camp-safety legislation (publicly referred to as the "Heaven's 27 Camp Safety Act") that, among other things, restricts the licensing of youth camps with cabins located in certain floodplains or floodways, and imposes emergency-planning, training, and related requirements. The Debtors' youth-camp operations are subject to licensing and regulation by the Texas Department of State Health Services.

27. The July 4, 2025, flood has also been the subject of governmental and legislative inquiry, and public reporting references an investigation by state authorities. In April 2026, the Debtors withdrew their application to the Texas Department of State Health Services for a 2026 summer-camp license, and the Camp will not operate for the 2026 season. The Debtors intend to conduct their operations in compliance with applicable law and licensing requirements.

D. Liquidity Constraints and Need for Chapter 11 Relief

28. As a result of the foregoing—the loss of revenue and operational disruption following the July 4, 2025, flood, the costs arising from the event and its aftermath, and the burden and uncertainty of multiple pending and potential lawsuits and governmental inquiries—the Debtors face liquidity constraints that make it necessary to seek relief under chapter 11. It is my good-faith business judgment that commencing these chapter 11 cases is necessary to preserve the value of the Debtors' business, to provide a single forum in which the claims arising from the July 4, 2025, flood may be addressed in an orderly manner, and to protect the interests of the Debtors' employees, campers and their families, creditors, and other stakeholders.

V. PREPETITION LITIGATION

29. As of the Petition Date, the Debtors are defendants in five lawsuits arising from the July 4, 2025, flood, each pending in the District Court of Travis County, Texas, and

consolidated before the 459th Judicial District Court. Each of these lawsuits includes causes of action for wrongful death and names Debtors and non-Debtors as defendants.

VI. Restructuring Objectives

30. The Debtors commenced these cases to preserve asset value and provide an orderly process for addressing the claims arising from the July 4, 2025, flood. At a high level, the Debtors' contemplated path forward includes implementing a claims and plan process designed to resolve the prepetition litigation and other claims in a single forum, including through the marshalling of available insurance. The Debtors will work in good faith with all stakeholders, including any statutory committee, for a procedure that treats claimants fairly through an orderly resolution process and preserves value for the benefit of creditors.

VII. Second Day Motions

31. This Declaration is submitted in support of the Second Day Motions described below. The descriptions of the Second Day Motions in this Declaration are summaries; each motion sets forth the specific relief requested and the factual and legal bases for that relief. It is my good-faith business judgment that the relief requested in each Second Day Motion is necessary to avoid immediate and irreparable harm to the Debtors' estates and to preserve asset value.

A. Cash Management

32. The Debtors have asked for authority to (i) continue using their existing cash management system, including their current bank accounts, payment processes, and business forms, while they transition to new DIP accounts, (ii) maintain the Wells Fargo Bank Account ending in 2231 (the "**Operating Account**") postpetition as a restyled "DIP Account," (iii) pay outstanding prepetition Bank Fees as needed to facilitate the transition of the cash management

system to an authorized depository, and (iv) continue to use their preprinted business forms for the Operating Account as needed. The Debtors also request a temporary waiver of the bonding and depository requirements of section 345(b) of the Bankruptcy Code while they complete the transition to authorized debtor-in-possession accounts.

33. I believe that this relief is necessary to facilitate an orderly transition in the early stages of the chapter 11 cases The relief is narrowly tailored to allow the Debtors time to comply with the *Region 7 Guidelines for Debtors-in-Possession* and the Bankruptcy Code while minimizing the disruption to the Debtors' financial system. By allowing the Debtors to continue using their existing cash management system until the transition to compliant debtor-in-possession accounts is complete, the Court can help preserve liquidity and allow management to focus on the substantive requirements of the chapter 11.

B. Extension of Time to File Schedules and Statements of Financial Affairs

34. The Debtors have requested entry of an emergency order extending the deadline to file their schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs by an additional forty-five days, for a total of fifty-nine days from the Petition Date, so that the new deadline would be August 24, 2026. The motion requests that the extension be granted without prejudice to the Debtors' ability to seek further extensions for cause, along with related relief.

35. I believe that the requested extension is in the best interests of the estates because it will allow the Debtors to prepare complete and accurate schedules and statements rather than submit incomplete or possibly inaccurate filings. The Debtors' management and professionals have had to focus on stabilizing the Chapter 11 cases and preparing first-day pleadings after filing under emergency circumstances, and many financial records and documents were damaged in the July 2025 Kerr County floods. Additional time is therefore necessary to reconstruct

records from electronic sources and third parties, ensuring the required disclosures are accurate and reliable, which will facilitate the efficient administration of the Chapter 11 cases and avoid prejudice and confusion to creditors and other parties in interest.

C. Consolidated Creditor List, Redaction of Names, and Related Relief

36. The Debtors seek entry of an emergency order authorizing them (a) to file a single consolidated creditor matrix and a single consolidated list of their largest unsecured creditors rather than separate lists for each debtor entity, (b) to redact certain personally identifiable and sensitive information from those filings, and (c) to approve the proposed form and manner of providing notice of the commencement of these jointly administered chapter 11 cases. The motion also requests related relief necessary to implement these procedures efficiently at the outset of the bankruptcy proceedings.

37. I believe that the requested relief is necessary to reduce the administrative burden and expense associated with preparing separate creditor lists for each affiliated debtor. Because many creditors are common to multiple Debtors, a consolidated creditor matrix and a consolidated list of the largest unsecured creditors will eliminate duplication, streamline noticing procedures, reduce costs, and facilitate the efficient administration of these chapter 11 cases in accordance with the Southern District of Texas's complex case procedures. The Debtors intend to include more than thirty unsecured creditors on the consolidated list because many large claims are substantially similar in amount and nature, making a broader consolidated list more appropriate.

38. I also believe that redaction of individual names and addresses is warranted because the Debtors' creditor body includes numerous individuals whose personal information, if made public, could expose them to identity theft, harassment, or other privacy risks. Applicable bankruptcy rules authorize redaction of sensitive information, and privacy obligations, including

potential obligations under the European Union's General Data Protection Regulation, further support the requested protections. I further believe that emergency consideration is appropriate because prompt approval of these procedures is essential to providing timely notice, ensuring an orderly transition into chapter 11, and maximizing the value of the bankruptcy estates for all stakeholders.

D. Utilities

39. The Debtors are asking the Court to ensure that all essential utility services, including electricity, water, telecommunications, waste disposal, and similar services, continue without interruption during the Chapter 11 process. They are requesting an order that prevents utility providers from disconnecting or refusing service because of the bankruptcy filing, approves a proposed cash deposit of approximately $2,380.32 as adequate assurance of future payment, authorizes payment of certain prepetition utility obligations in the approximate amount of $2,116.00, and establishes a structured process for resolving any disputes with utility providers over the amount of assurance required.

40. I believe this relief is necessary because reliable utility service is fundamental to preserving the Debtors' property, maintaining limited ongoing operations, and protecting the value of the assets during the restructuring process. Even though the Camp's operations are limited at this time, the Debtors must continue maintaining their facilities, responding to public inquiries, and safeguarding their assets. Any interruption in utility service would jeopardize those efforts and could significantly impair the Debtors' ability to successfully reorganize. The Debtors also expect to have sufficient liquidity to pay all postpetition utility obligations as they come due, consistent with their historical payment practices.

41. I further believe the proposed procedures strike an appropriate balance between protecting the interests of the utility providers and preserving the Debtors' resources. Rather than

requiring the Debtors to respond to multiple individual demands for additional security, the proposed process provides a reasonable deposit together with an orderly, Court-supervised mechanism for resolving any legitimate objections. This approach minimizes unnecessary disruption, allows management to remain focused on administering the bankruptcy case, and protects the value of the estate for the benefit of all stakeholders.

E. Employment of Claims, Noticing, and Solicitation Agent

42. The Debtors have filed an application seeking authority to retain Epiq Corporate Restructuring, LLC ("**Epiq**") as their claims, noticing, and solicitation agent in these chapter 11 cases. Epiq would be responsible for administering the claims and noticing process, including maintaining the claims register and docketed pleadings, serving notices and court documents on parties in interest, assisting with solicitation and balloting if a chapter 11 plan is proposed, processing proofs of claim, maintaining case records, providing public access to case information, preparing affidavits of service, and performing other administrative functions required in a large and complex bankruptcy case. The Debtors request that Epiq be compensated in the ordinary course of business pursuant to the parties' engagement letter, including approval of a $25,000 retainer, and represent that Epiq is disinterested, qualified, and possesses the experience and expertise necessary to perform these duties efficiently and effectively.

43. I believe that this relief is necessary on an emergency basis to facilitate an orderly transition into chapter 11 and to ensure that notices, pleadings, and court orders are promptly and accurately disseminated to creditors and other parties in interest from the outset of the cases. Given the anticipated size and complexity of these chapter 11 cases, I believe that retaining a professional claims and noticing agent is necessary to promote efficient case administration, reduce administrative burdens on the Clerk of the Court and the Debtors, and help ensure compliance with the Bankruptcy Code, Bankruptcy Rules, and local procedures. I further believe

that Epiq's rates and proposed compensation are reasonable and that employing Epiq on the terms described in the application is in the best interests of the estates and all stakeholders.

F. Conclusion

44. Based on the foregoing, I respectfully submit that the relief requested in the Second Day Motions is necessary and appropriate, is in the best interests of the Debtors' estates and their creditors, and should be granted.

VIII. RESERVATION OF RIGHTS

45. Nothing in this Declaration is intended to be, or should be construed as, an admission of any fact, claim, or liability, or a waiver of any of the Debtors' rights, claims, defenses, or remedies, all of which are expressly reserved. This Declaration is submitted without prejudice to the Debtors' positions in any litigation, arbitration, or governmental proceeding.

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VERIFICATION UNDER PENALTY OF PERJURY

Pursuant to 28 U.S.C. § 1746, I, Karen Nicolaou, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: July 2, 2026

/s/ Karen Nicolaou
Karen Nicolaou, CPA, CVA
Debtors' Proposed Chief Restructuring Officer

EXHIBIT A

DEBTORS' CORPORATE STRUCTURE AND ORGANIZATION

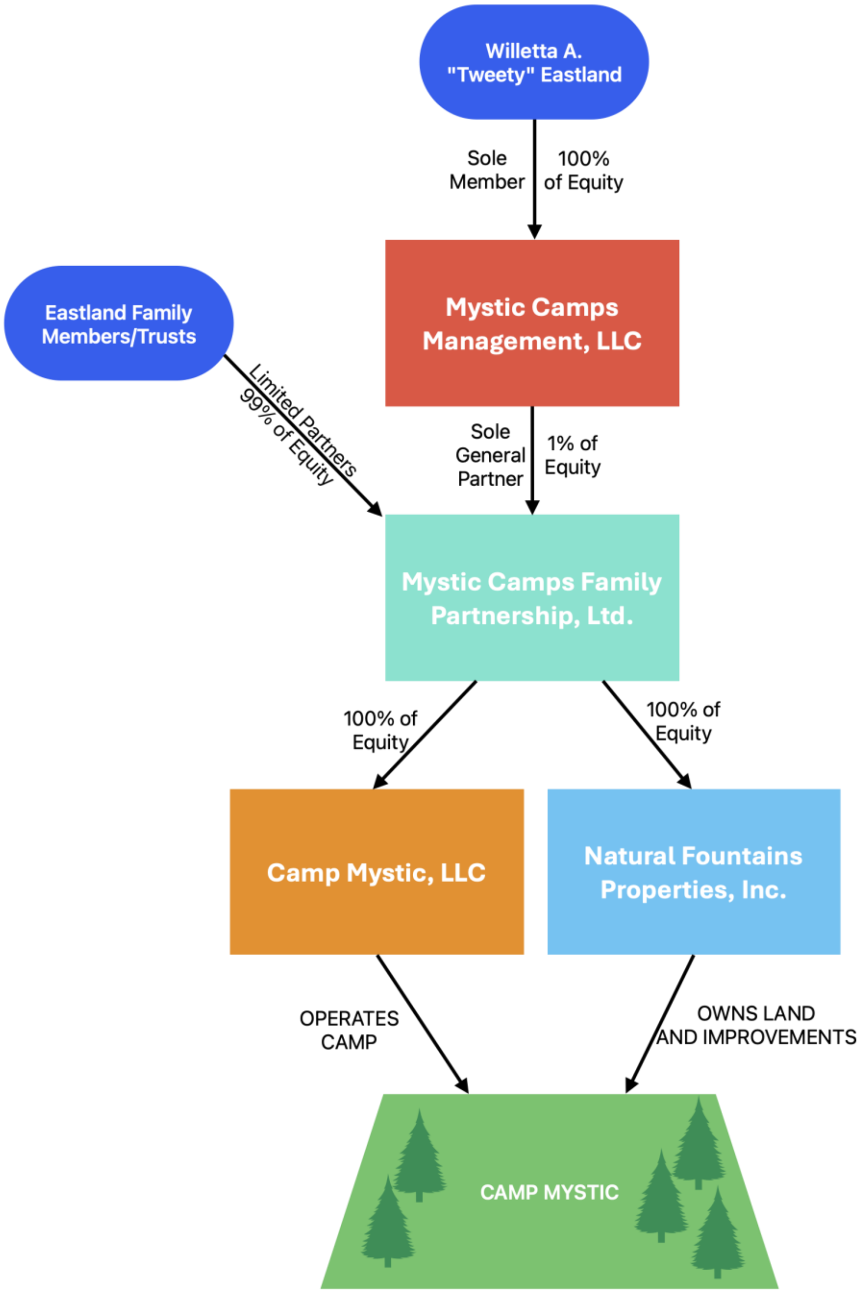
Willetta A. "Tweety" Eastland
Sole Member
100% of Equity
Eastland Family Members/Trusts
Mystic Camps Management, LLC
Limited Partners
99% of Equity
Sole General Partner
1% of Equity
Mystic Camps Family Partnership, Ltd.
100% of Equity
100% of Equity
Camp Mystic, LLC
Natural Fountains Properties, Inc.
OPERATES CAMP
OWNS LAND AND IMPROVEMENTS
CAMP MYSTIC

EXHIBIT B

GOVERNING AUTHORITY OF THE DEBTORS

Debtor	Equity Ownership	Governance
Camp Mystic, LLC	MC Family Partnership – 100%	**Governing Equity Holder**: MC Family Partnership (Sole Member) **Managers**: Willetta A. “Tweety” Eastland Richard G. Eastland, Jr. George A. Eastland Edward S. Eastland
Natural Fountains Properties, Inc.	MC Family Partnership – 100%	**Governing Equity Holder**: MC Family Partnership **Directors**: Willetta A. “Tweety” Eastland Richard G. Eastland, Jr. George A. Eastland Edward S. Eastland
Mystic Camps Family Partnership, Ltd.	MC Management – 1% Limited Partners – 99%	**Governing Equity Holder**: MC Management (Sole General Partner)
Mystic Camps Management, LLC	Willette A. “Tweety” Eastland – 100%	**Governing Equity Holder**: Willette A. “Tweety” Eastland (Sole Member) **Managers**: Willetta A. “Tweety” Eastland Richard G. Eastland, Jr. George A. Eastland Edward S. Eastland