IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

IN RE:	)	Case No. 26-
	)	
LOURDES UNIVERSITY,	)	CHAPTER 11
	)	
Debtor-in-Possession.	)	Judge __________

IN THE UNITED STATES BANKRUPTCY COURT
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IN RE:	)	Case No. 26-
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LOURDES PROPERTIES, LLC,	)	CHAPTER 11
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DECLARATION OF SISTER NANCY LINENKUGEL, OSF, DM
IN SUPPORT OF BANKRUPTCY FILING

I, Sister Nancy Linenkugel, hereby declares under penalty of perjury as follows:

1. I am the President of Lourdes University (the "University" or "Lourdes") and Lourdes Properties, LLC ("LP"), the above-captioned debtors and debtors-in-possession (each a "Debtors" and collectively, the "Debtors"). In this capacity, I am familiar with the history of the Debtors, the day-to-day operations of the Debtors, and the events leading up to the filing of this bankruptcy case.

2. Except as otherwise indicated, all facts set forth herein are based upon personal knowledge, my review of relevant documents, or my opinion based upon experience, knowledge, and information concerning the Debtors. I am authorized to submit this Declaration on behalf of the Debtors.

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3. Lourdes is an Ohio nonprofit corporation and has been a sponsored ministry of the Sisters of St. Francis, Sylvania, Ohio ("SOSF"). The Congregational Minister and other members of the General Council of Sisters serve as the members of Lourdes (the "SOSF Members"). The SOSF Members hold certain reserved rights, including approval of changes to the University's mission, objectives, or purposes, to preserve alignment with Lourdes' Catholic identity and the mission of its sponsoring organization.

4. Lourdes' mission is to provide a values-centered education, rooted in Catholic and Franciscan traditions, that enriches lives and advances academic excellence through the integration of the liberal arts and professional studies. Lourdes began in 1942 as an extension campus of the College of St. Teresa in Winona, Minnesota. In 1958, Lourdes was founded as Lourdes Junior College and initially offered associate degree programs for members of the SOSF until lay women were admitted beginning in 1969. In 1981, the Board of Trustees (the "Board") approved Lourdes' transition to a four-year college, and the University later expanded its academic offerings to include additional undergraduate degree programs. During this period, Lourdes primarily served adult learners and a smaller population of academically focused traditional students.

5. Beginning in 2000, Lourdes acquired real property to support student residences and other University activities. Certain properties were acquired through special purpose entities formed for that purpose. LP holds title to Wickford Apartments, Lourdes Commons, and part of the recreation center used for sports and other activities, together with certain additional parcels. Lourdes Main Street Properties, LLC ("LMS") (a non-debtor subsidiary of the University) holds title to two adjoining parcels of vacant land. The University holds title to the remaining portion of the recreation center. The Wickford Apartments, Lourdes Commons, recreation center, and

related land and ancillary parcels are collectively referred to as the "Properties."

6. In 2011, Lourdes undertook a significant transition. With expanded degree offerings and the launch of intercollegiate athletics, Lourdes became Lourdes University and shifted toward a more traditional undergraduate student body. This transition included participation in NAIA athletics, the addition of numerous athletic programs, recruitment of international student-athletes, and expansion of University facilities, including the recreation center.

7. While the transition was intended to expand enrollment and strengthen the University's long-term prospects, the expanded academic offerings, athletic programs, and facilities increased operating costs and financial obligations, contributing to the budgetary challenges that would persist in the years that followed.

8. Throughout its history, and increasingly in later years, Lourdes received substantial financial assistance from SOSF through cash support and in-kind cost reductions. Between 2001 and 2025, SOSF's financial support to Lourdes totaled more than $76 million. SOSF also advanced funds for expenses, and amounts remain owing by Lourdes and LP to SOSF.

9. In 2020, SOSF and the Board initiated a three-year strategic plan to restructure the University's operations and partially reduce its debt burden. During the 2022 budgeting process, significant financial challenges became apparent, including the omission of essential operating expenses from the University's budget planning.

10. In response, Lourdes engaged an independent consulting firm comprised of experienced higher education leaders to conduct a comprehensive review of the institution's viability. The consultants concluded that Lourdes could remain viable only if substantial

operational and financial changes were implemented. An interim president was appointed in 2022 to lead those efforts. Despite corrective measures, the University's financial condition continued to deteriorate, and operating deficits increased. During this period, Lourdes requested, and SOSF provided, additional financial support to sustain operations.

11. In January 2023, SOSF agreed to provide additional funding in an effort to stabilize the University. As a condition of that funding, a new president was appointed, and additional financial controls and oversight measures were implemented. Despite continued financial support from SOSF through 2024 and 2025, and ongoing efforts to improve operations, the University was unable to achieve a sustainable financial turnaround.

12. In December 2025, the entire Board, less those who were also members of the SOSF, abruptly resigned after the SOSF declined to provide additional funding absent the development and implementation of a viable turnaround plan. This required the SOSF to appoint a new Board of Trustees in 2026 (the "New Board"). Following its appointment, the New Board conducted a thorough review of the University's financial condition, operations, and long-term prospects, including alternative operating models. After evaluating the institution's continued operating losses, dependence on sponsor funding, and lack of a viable path to financial sustainability, the New Board reviewed potential alternatives, including the continued operation of certain academic programs. Following that review, the SOSF Members (in the exercise of their reserved powers) determined that the University should cease operations. Consistent with SOSF Member's determination and its own fiduciary responsibilities, the New Board voted to close the University and begin an orderly wind-down of operations.

13. Lourdes then turned its focus to protecting students and helping them continue their education elsewhere, consistent with the mission of SOSF and Lourdes. Lourdes entered

into numerous teach-out agreements, including a primary teach-out agreement with the University of Toledo, as well as other transfer arrangements.

14. In 2026, to facilitate the wind-down of the University, SOSF made additional loans to Lourdes, including a $650,000 term loan and a $1,250,000 line of credit, later increased to $2,600,000. Both loans are secured by mortgages on certain of the Properties, including the recreation center. In addition to these secured loans, the University and LP owe SOSF substantial unsecured amounts for prior advances and unreimbursed expense-sharing obligations.

15. As the wind-down process progressed, the University determined that a court-supervised process would be necessary to preserve and maximize the value of its assets, resolve creditor claims in an orderly manner, and facilitate the liquidation of its real estate and other assets.

16. In addition to the debt owed to SOSF, LP and the University owe additional obligations to BNY and Signature. LP owes approximately $9,276,667 (without deductions for escrow accounts being held) to Bank of New York Mellon ("BNY"), as Bond Trustee under certain bonds issued in 2020 by the Port Authority of Toledo, secured by mortgages on Lourdes Commons and the Wickford Apartments. LP also owes approximately $385,846 to Signature Bank, N.A. ("Signature") in connection with a loan secured by a mortgage on Lourdes Commons and the Wickford Apartments, which is subordinate to the mortgages securing the debt owed to BNY. In addition, the University and LP owe approximately $3,670,671 to Signature on account of a term loan in the original principal amount of $5,000,000, and the University owes approximately $966,700 to Signature on account of a line of credit in the maximum principal amount of $1,000,000. These Signature obligations are not secured by real

estate but may be secured by personal property of limited value.

17. In July 2026, the New Board determined that chapter 11 would provide the most effective mechanism for an orderly and efficient wind-down of the University's affairs. On August 10, 2026, the University filed this chapter 11 case in the Northern District of Ohio. Because ownership of the Properties and the related secured indebtedness are intertwined with LP, LP also commenced a chapter 11 case on the same date.

I declare under the penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing statements are true and correct, to the best of my knowledge, information, and belief, and as to those statements made upon information and belief, I believe them to be true.

LOURDES UNIVERSITY

By: Sister Nancy Linenkugel
Name: Sister Nancy Linenkugel, OSF, DM
Title: President

LOURDES PROPERTIES, LLC

By: Lourdes University,
Sole Member

By: Sister Nancy Linenkugel
Name: Sister Nancy Linenkugel, OSF, DM
Title: President

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