

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

Re: ECF Nos. 354, 356-1, 357, 358

In re:

Chapter 11

SPIRIT AIRLINES, INC., et al.,

Case No. 24-11988 (SHL)

Debtors.¹

Jointly Administered

**DECLARATION OF BRUCE MENDELSON IN SUPPORT OF (I) CONFIRMATION
OF THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
SPIRIT AIRLINES, INC. AND ITS DEBTOR AFFILIATES AND (II) MOTION OF THE
DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO
REDACT COMMERCIALY SENSITIVE INFORMATION**

I, Bruce Mendelsohn, declare as follows:

Background and Qualifications

1. I am a Partner of Perella Weinberg Partners L.P. (“PWP”), the Debtors’² investment banker [ECF No. 282], which is part of a global financial services firm that provides corporate advisory and asset management services. I received a Bachelor of Arts degree in 1984 from Emory University and a Master of Business Administration in 1989 from the Wharton School at the University of Pennsylvania. I am a Partner and the Head of Global Restructuring of PWP, which I joined in 2016. Specifically, my experience in the investment banking and

¹ The Debtors’ names and last four digits of their respective employer identification numbers are as follows: Spirit Airlines, Inc. (7023); Spirit Finance Cayman 1 Ltd. (7020); Spirit Finance Cayman 2 Ltd. (7362); Spirit IP Cayman Ltd. (4732); and Spirit Loyalty Cayman Ltd. (4752). The Debtors’ mailing address is 1731 Radiant Drive, Dania Beach, FL 33004.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them elsewhere herein or in the following documents, as applicable: (a) the *Debtors’ Memorandum of Law in Support of Final Approval of the Disclosure Statement and Confirmation of the First Amended Joint Chapter 11 Plan of Reorganization of Spirit Airlines, Inc. and Its Debtor Affiliates* (the “**Confirmation Brief**”) filed substantially contemporaneously herewith, (b) the Disclosure Statement, (c) the Plan, or (d) the Scheduling Order. The rules of interpretation set forth in Article I.B of the Plan shall apply hereto. Unless otherwise specified, all references herein to “Articles” refer to articles of the Plan, and all references to “sections” refer to sections of the Bankruptcy Code. The summaries and descriptions of documents contained herein are qualified in their entirety by reference to the applicable provisions of such documents (e.g., the Disclosure Statement or the Plan). To the extent that there is any conflict between such summaries or descriptions and the applicable document, the latter shall control. This declaration is qualified in its entirety by the assumptions, limitations, disclaimers, and other notes in the Valuation Analysis, which are incorporated herein by reference.

capital structure advisory sector spans over 30 years, during which I have advised companies, creditors, shareholders, and other stakeholders with respect to issues relating to chapter 11 plan negotiations and exit financings, including evaluating business plans, cash flow forecasts and liquidity needs, as well as negotiating and structuring exit financing documentation. Prior to joining PWP, I was a Partner at Goldman Sachs where I worked from May 1998 to June 2015 and most recently served as Head of the Americas Restructuring Group and part of the U.S. Leveraged Finance team. I was named a Partner at Goldman Sachs in 2010. From 2006 to 2008, I served as Chief Underwriting Officer for North America, where I was a member of Goldman Sachs' Firmwide Capital Committee and its Special Situations Specialty Lending Investment Committee. I served as Global Head of the Special Assets and Bank Debt Portfolio groups from 2000 to 2008, and started at Goldman Sachs in the Securities Division where I spent two years working on the distressed bond and bank loan proprietary trading desks. Prior to Goldman Sachs, I worked for UBS and MJ Whitman in restructuring and distressed securities, and began my career in finance at Lehman Brothers.

2. I submit this declaration (the "**Declaration**") in support of confirmation of (a) the *First Amended Joint Chapter 11 Plan of Reorganization of Spirit Airlines, Inc. and Its Debtor Affiliates* [ECF No. 354] (as altered, amended, modified, or supplemented from time to time in accordance with the terms thereof (including all appendices, exhibits, schedules, and supplements (including any Plan Supplement) thereto), the "**Plan**"), including the Exit Revolving Credit Facility contemplated therein, and (b) the *Motion of the Debtors for Entry of an Order Authorizing the Debtors to Redact Commercially Sensitive Information* (the "**Sealing Motion**") [ECF No. 358].

3. Although PWP is being compensated for its work as the Debtors' investment banker in the Chapter 11 Cases, I am not compensated separately for this Declaration or testimony. I am over the age of 18 years and am authorized to submit this Declaration. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of the relevant documents, information prepared or provided to me by employees of or professional advisors to the Company, or my opinion based upon experience, knowledge, and information concerning Spirit's operations. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

The Exit Revolving Credit Facility

4. I am aware that, to facilitate the Debtors' emergence from chapter 11, the Debtors are seeking authority for the Reorganized Debtors to enter into a senior secured revolving credit facility in an aggregate principal amount of up to \$300 million (the "**Exit Revolving Credit Facility**") with certain of its Prepetition RCF Lenders (the "**Lenders**") in accordance with the terms of the Commitment Letter and the other Exit RCF Documents. The Exit Revolving Credit Facility is comprised of (a) commitments by the Lenders to provide revolving credit loans and letters of credit in an aggregate amount equal to \$275 million and (b) an uncommitted incremental revolving credit facility in an aggregate amount up to \$25 million. The Exit Revolving Credit Facility will replace the Debtors' Prepetition Revolving Credit Facility. While the terms of the Exit Revolving Credit Facility are not binding on the Debtors until emergence, the Commitment Letter contains Solution Fees, payable upon entry of the Confirmation Order, which compensate the Lenders for committing to funding the Exit Revolving Credit Facility upon the signing of the Commitment Letter. The Exit RCF Documents also contain certain customary fees payable to the Arranger (together with the Solution Fees, the "**Exit RCF Fees**").

The Exit Revolving Credit Facility has been negotiated at arm's length and with the assistance of professional advisors.

5. Based on discussions with the Debtors, other members of the PWP team, and other advisors to the Debtors, I understand that the proposed Exit Revolving Credit Facility is necessary to provide the Reorganized Debtors with working capital in accordance with their historical capital needs and to fund general corporate expenditures following their emergence from the Chapter 11 Cases.

The Exit Revolving Credit Facility and Exit RCF Documents Should Be Approved

6. The Exit Revolving Credit Facility is necessary to facilitate the Reorganized Debtors' emergence from the Chapter 11 Cases. In my professional opinion, the principal economic terms proposed under the Exit RCF Documents (such as the pricing, the Exit RCF Fees, collateral, interest rate and default rate), are customary and usual for financings of this type in comparable circumstances. The Exit Revolving Credit Facility is also supported by the Required Consenting Stakeholders.

7. I believe that the Exit RCF Documents provide for necessary and fair compensation for the substantial undertakings of the Lenders, the terms of which are favorable for the Debtors given their post-emergence capital needs. In particular, the Commitment Letter that the Debtors have negotiated with the Lenders is a critical component of the Debtors' plans for a successful emergence. I believe the Lenders would not have agreed to arrange and provide the proposed Exit Revolving Credit Facility without the Debtors' commitment to pay the Solution Fees upon entry of the Confirmation Order and agreement to the other terms set forth in the Commitment Letter.

8. In my professional opinion, the economic terms of the Exit Revolving Credit Facility and the associated Exit RCF Fees, including payment by the Debtors of the Solution Fees upon entry of the Confirmation Order, are, taken as a whole, fair and reasonable given the facts and circumstances of the Chapter 11 Cases and current market conditions, taking into account the nature of the Debtors' business and their historical and projected future performance after the effective date of the Plan.

Sealing Motion

9. As described in the Sealing Motion, Exhibit A to the Plan Supplement [ECF No. 357-1] contains certain sensitive and confidential commercial information regarding the Exit RCF Fees (the "**Confidential Information**"). See Plan Supplement, Ex. A, § 4. The Commitment Letter requires that the Exit RCF Fees be kept confidential and, as a result, the Debtors are required thereunder to seek the relief requested in the Sealing Motion in order to obtain the Exit Revolving Credit Facility. The Debtors' failure to file the Sealing Motion and to keep the Exit RCF Fees confidential could risk loss of the Exit Revolving Credit Facility commitment.

10. In my opinion, it is common for financing providers to keep transaction fees private since this information is often viewed as proprietary, and could harm the syndication and marketing of a financing.

Conclusion

11. For the reasons stated above, and based on my experience and knowledge of the financing markets as well as my participation and involvement in the negotiation of the Exit Revolving Credit Facility, I believe that the Exit Revolving Credit Facility, taken as a whole, is necessary and appropriate for the consummation of the Plan, provides stability and a clear

pathway to emerge from chapter 11 in a timely and efficient manner, and allows for funding of the Reorganized Debtors' post-emergence capital needs. For the reasons set forth herein and in light of my discussions with the Debtors, other members of the PWP team and other advisors of the Debtors, I believe that the Debtors have exercised their sound business judgment with respect to the Exit Revolving Credit Facility and the Exit RCF Documents and that it is appropriate for the Debtors to file the Confidential Information under seal.

I, the undersigned, declare under penalty of perjury that the foregoing statements are true and correct.

Dated: January 16, 2025

/s/ Bruce Mendelsohn

Bruce Mendelsohn

Partner

Perella Weinberg Partners, LP