

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

**In re:**

**SPIRIT AVIATION HOLDINGS, INC., et al.,  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 25-11897 (SHL)**

**Jointly Administered**

**DECLARATION OF FRED CROMER IN SUPPORT OF (I) THE WIND-DOWN  
MOTIONS AND (II) THE MOTION TO SHORTEN**

**Fred Cromer declares and says:**

1. I am the Executive Vice President and Chief Financial Officer of Spirit Aviation Holdings, Inc. (“**Holdings**”), a Delaware corporation that owns 100% of a certificated air carrier, Spirit Airlines, LLC (formerly Spirit Airlines, Inc.). Holdings and each of its subsidiaries (collectively with Holdings, “**Spirit**,” the “**Debtors**,” or the “**Company**”), is each a debtor and debtor in possession in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”). I have served as Spirit’s Executive Vice President and Chief Financial Officer since July 2024 and have more than three decades of experience in the aviation industry. The roles I served prior to joining Spirit include Chief Executive Officer at Xwing (a developer of advanced autonomy systems for aviation and defense), President of Bombardier Commercial Aircraft, President of International Lease Finance Corporation, and Vice President and Chief Financial Officer of ExpressJet Airlines. I hold a bachelor’s degree in economics from the University of Michigan and an MBA in Finance from DePaul University.

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<sup>1</sup> The Debtors’ names and last four digits of their respective employer identification numbers are as follows: Spirit Aviation Holdings, Inc. (1797); Spirit Airlines, LLC (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. As Spirit's Chief Financial Officer, I am generally familiar with its day-to-day operations, businesses, labor agreements, financial affairs, and the circumstances leading up to and during the pendency of the Chapter 11 Cases. I am over the age of 18 and authorized to submit this declaration (the "**Declaration**") on behalf of the Debtors in support of (i) the *Motion of the Debtors for Entry of an Order (I) Authorizing the Debtors to Wind Down Operations, (II) Approving the Debtors' Use of Cash Collateral and Amendments to the DIP Credit Agreement and Final DIP Order, (III) Authorizing Modification or Termination of the Debtors' Employee Programs, (IV) Approving Wind-Down Incentive and Retention Plan, (V) Approving Modification of Contract Rejection Procedures, (VI) Approving Non-Fleet Assets Sale Procedures, (VII) Approving Non-Fleet Assets Abandonment Procedures, (VIII) Approving the Use of Certain Third-Party Contractors, (IX) Approving Protections for Certain Persons Implementing the Wind-Down, (X) Enforcing an Administrative Stay, (XI) Authorizing the Preemption of Applicable Laws and Ordinances for the Debtors to Effectuate the Wind-Down, (XII) Authorizing the Debtors to Take Any and All Actions Necessary to Implement the Wind-Down, and (XIII) Granting Related Relief* (together with the exhibits and other attachments thereto, the "**Wind-Down Motion**"), (ii) the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Sell or Abandon Their Remaining Owned Aircraft, Engines and Other Related Equipment, (II) Establishing Procedures Related Thereto and (III) Granting Related Relief* (the "**Owned Aircraft Assets Motion**"), (iii) the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Reject Their Remaining Aircraft Equipment Leases, (II) Establishing Procedures Related Thereto and (III) Granting Related Relief* (the "**Leased Aircraft Assets Motion**"), and together with the Owned Aircraft Assets Motion, the "**Fleet Wind-Down Motions**"), (iv) and the *Ex Parte Motion of the Debtors for Entry of an Order Shortening Notice with Respect to the Debtors' Wind-Down Motions* (the

“**Motion to Shorten**” and together with the Wind-Down Motion and the Fleet Motions, the “**Wind-Down Motions**”),<sup>2</sup> each filed with the Court contemporaneously herewith, which I reviewed or had their contents explained to me.

3. Except as otherwise indicated, 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 and/or professional advisors to the Company, and/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.

### **Background**

4. The Debtors respectfully request that the Court approve the Wind-Down (as defined below) on an emergency basis. Recent geopolitical events have resulted in a massive and sustained increase in fuel prices, and a corresponding rapid and unexpected decline in the Debtors’ liquidity situation. The Debtors and their advisors have searched for increased capital and any sources of savings or liquidity, leaving no option unexplored, while, in parallel, planning for a Wind-Down should it become necessary. Sadly, it became clear on Thursday that sufficient incremental liquidity will not be found, and there are no longer any viable paths to a restructuring or continued operations. Having fought valiantly for months to reorganize, and having all but succeeded, the Debtors are left with no alternative to an orderly wind-down of operations (the “**Wind-Down**”).

5. Just weeks ago, the Debtors were poised to implement a comprehensive and sustainable financial and operational restructuring. That restructuring was the result of a host of material compromises with the Debtors’ unions, secured lenders, aircraft lessors, engine suppliers,

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<sup>2</sup> Capitalized terms used but not immediately or otherwise defined herein shall have the meanings ascribed to them elsewhere herein or in the Wind-Down Motions, as applicable.

credit card processors, and other key parties, and the Debtors were poised to hold a hearing to approve the Disclosure Statement before this Court on April 15, 2026.

6. Despite these extraordinary achievements, Spirit was unable to proceed with the reorganization contemplated by the Plan. Geopolitical events and a massive and sustained increase in fuel prices will require U.S. airlines to spend billions of incremental dollars on fuel in 2026. And the material additional costs to Spirit proved to be too much for its available liquidity to absorb. Between March 1, 2026 and April 30, 2026 alone, Spirit's incremental fuel cost was nearly \$100 million.

7. When fuel prices spiked and stayed high and it became clear to the Debtors that the reorganization contemplated by the Plan was no longer feasible due to these unforeseeable circumstances, the Debtors worked quickly to seek sufficient incremental capital to sustain their operations. As was reported at the April 23, 2026 hearing, the Debtors were in advanced discussions with the United States Government regarding the terms of a potential rescue financing package. As of late last week, Spirit was informed that this potential new financing was no longer an available option. With this potential financing no longer available as a means of rescuing the Company, Spirit concluded that it had no choice but to pursue the Wind-Down.

8. I believe that the Wind-Down provides for an appropriate action plan, accounting for many critical considerations including (but not limited to) passenger and employee safety, aircraft grounding, aircraft crew repatriation, regulatory compliance, retention of key employees, maximization of value, and asset and aircraft security. In preparation for this effort, the Debtors have ceased all passenger flights, provided their employees and state and local government officials the required notice in accordance with the Worker Adjustment & Retraining Notification Act (the "**WARN Act**"), and terminated or are in the process of terminating those employees not

strictly necessary to the Wind-Down of the Debtors' estates. Through the Wind-Down Motions (as defined below), the Debtors seek to wind down their operations and preserve and sell all remaining assets in a value-maximizing manner.

9. The Debtors are presenting all of the information in the Wind-Down Motions to give the Court and all parties in interest visibility into the events forthcoming in the Chapter 11 Cases, to ensure full legal authority to execute the Wind-Down, and to disclose the events relating to the Wind-Down that took place prior to the hearing on the Wind-Down Motions. The safety of Spirit's guests and employees, and the maximization of value of the estates' assets for the Debtors' creditors are the guiding lights.<sup>3</sup>

### **Wind-Down of the Debtors' Operations**

#### **I. The Wind-Down Plan**

10. The Debtors, in consultation with their advisors, the Committee, and certain secured lenders, have developed the Wind-Down Plan. The Wind-Down Plan is the result of significant contingency planning and is intended to provide for an orderly Wind-Down that protects the safety of passengers and the Debtors' employees and seeks to maximize the value of Debtors' assets. While this contingency planning took time to work out, the Debtors hoped, throughout the process, to find a path to reorganization, and made the decision to pursue the Wind-Down only Friday evening.

11. Despite months of pursuing options that would allow the Debtors to continue operating as a going concern, there is no stakeholder or third-party investor, public or private, who came forward willing to provide the necessary funding and I believe the current standalone plan is

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<sup>3</sup> Amongst other things, the Debtors have begun implementing the following aspects of the Wind-Down Plan: (a) ceased all passenger flights in order to ensure the safety of all employees and passengers; (b) the securing and aggregation of the Debtors' fleet and other assets in appropriate locations with the necessary security to preserve asset value, where practical; and (c) the termination of the majority of the Debtors' workforce.

not actionable in the current economic environment, leaving the Debtors with no choice but to pivot to a Wind-Down. Given that the conditions for the final draw as set forth in the DIP Credit Agreement have not been satisfied, the Debtors' cash position for carrying on as a going concern is untenable, and absent the Wind-Down, the Debtors would soon run out of cash.

12. As of approximately 3:00 a.m. Saturday morning, the Debtors ceased all passenger flight operations and asked the Federal Aviation Administration to issue a ground stop for Spirit flights to ensure no accidental dispatches. The Debtors determined that the safest time to make this announcement would be at a time when no planes were in the air and all crew who were away from their bases had sufficient time to check into hotel accommodations. Thus, the Debtors made this announcement in the early morning hours of Saturday morning, after the Debtors had confirmed that all planes were on the ground. These actions were taken to prioritize the safety of passengers and crew given the complex nature of airline operations.

13. The Debtors also provided their employees and relevant state and local government officials with notice, including under the WARN Act and any applicable state WARN Acts, and terminated those employees not necessary to the Wind-Down (including employees subject to collective bargaining agreements) (the "**Terminated Employees**").

14. The Wind-Down Plan is designed with a view to realizing the value of the Debtors' assets in the now-liquidating Chapter 11 Cases while protecting the safety of passengers and the Debtors' employees through, among other things: (a) the aggregation, protection, and preservation of assets at specific locations and storage facilities; (b) the continued employment of initially approximately 150 employees to oversee the Wind-Down (collectively, the "**Remaining**

**Employees,**” and together with the Terminated Employees, the “**Employees**”<sup>4</sup>; (c) the provision of retention payments to retain non-insider, non-senior management employees (the “**Non-Senior Management Employees**”) and potential incentive payments to three corporate officers (the “**Senior Management Employees**”) to motivate and encourage such employees and officers to remain and to complete and achieve many of the tasks and goals associated with the Wind-Down; (d) the sale or abandonment of assets in a value-maximizing manner; (e) the rejection of executory contracts and leases at the appropriate time; and (f) the use of third-party contractors that may be needed to implement the Wind-Down Plan.

15. I believe that the Debtors’ management and existing personnel have unique and essential understandings of the Debtors’ operations, which better positions them to maximize value of the assets and mitigate losses to the estates consistent with the parallel objective of accomplishing the Wind-Down in a reasonable amount of time. In contrast to the orderly wind-down contemplated by the Wind-Down Plan, I believe that a freefall shutdown and fire sale liquidation would, among other things, result in material damage to, and loss of value of, owned and leased aircraft, spare parts, and other key assets, and force the Debtors to incur significant additional administrative expenses. I believe that this would dissipate the value of the Debtors’ assets and lower recoveries for all stakeholders. The Wind-Down, as set forth in the Wind-Down Motions, allows for the Debtors to liquidate their assets over the next several months in an orderly and expeditious manner, maximizing the value of the Debtors’ estates while minimizing the harms

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<sup>4</sup> The Wind-Down Plan contemplates that the headcount for Remaining Employees will decrease to approximately 40 employees after the first three months of the Wind-Down as the majority of activities necessary to return crew members to base, move aircraft and close the execution and operational aspects of the Wind-Down Plan will be completed within that time frame.

associated with shutting down a large commercial airline. While it is most assuredly not the outcome the Debtors hoped for, the Wind-Down Plan is the value maximizing option.

## **II. The Wind-Down Budget**

16. The Debtors have consulted and negotiated with the Required DIP Lenders and have developed the Initial Wind-Down Budget. I understand that the Wind-Down Budget provides for payment of expenses necessary for the Wind-Down, including, among other things, payment of employee wage obligations for all working employees, payments to necessary critical vendors, and payment of debt service payments in respect of the HFS Aircraft (as defined in the Owned Aircraft Assets Motion).

17. I understand that the Initial Wind-Down Budget contemplates and reflects the consensual use of the DIP Lenders' Cash Collateral (to the extent not constituting Revolving Priority Collateral) under the Final DIP Order to provide funding for the initiation of the Wind-Down Plan during the period covered thereby. I understand that these sources of financing may be supplemented with the proceeds realized by the Debtors as their assets are sold and their businesses are wound down. I believe the Wind-Down Budget will facilitate an orderly Wind-Down in Chapter 11 while maximizing recoveries on estate assets for the benefit of the Debtors' lenders and other creditors. I believe that the consensual use of Cash Collateral (to the extent not constituting Revolving Priority Collateral) in accordance with the Wind-Down Budget provides a stable path that will allow the Debtors to wind down their businesses and sell assets in a controlled and organized way in accordance with the Wind-Down Plan.

18. The Debtors believe that after Wind-Down related and certain administrative expenses are paid, the Debtors may be able to pay other administrative expense claims. However, the Debtors cannot at this time commit to the payment in full of all accrued administrative expense claims. The Debtors need time to complete the Wind-Down, reduce administrative burn, monetize

their assets, and evaluate and resolve outstanding administrative claims in order to determine how much value might be available for distribution to other creditors.

### **III. Amendments to DIP Credit Agreement**

19. I understand that the DIP Credit Agreement contains certain provisions that require adjustment in light of the Debtors' current circumstances. Following extensive negotiations with the DIP Lenders, the Debtors (with the consent of the Required DIP Lenders and the DIP Facility Agent) are therefore seeking to modify the DIP Credit Agreement as described in the Wind-Down Motion.

20. Through the Wind-Down Motion, the Debtors request that the five business day notice requirement under paragraph 2(e) of the Final DIP Order be deemed satisfied such that Amendment No. 2 to DIP Credit Agreement will be effective immediately upon entry of the Proposed Order. I believe that it is impractical and unnecessary for the Debtors to wait five business days (or more) for approval of an essential component of the relief sought therein.

### **IV. Amendments to Final DIP Order**

21. Likewise, I understand that the Final DIP Order contains certain provisions that need to be revised to facilitate the Debtors' ability to implement the Wind-Down Plan in accordance herewith. Following extensive negotiations with their Required DIP Lenders, the Debtors therefore also seek approval of the Final DIP Order Amendment No. 2 on the terms set forth in the Wind-Down Motion.

### **V. Termination of Employees and Modification or Termination of Employee Programs, As Necessary**

22. **Employee Termination.** As the Debtors are no longer viable as a going concern and have pivoted to solely focusing on a safe liquidation of the Debtors' estates, the Debtors have terminated those employees not strictly necessary to the Wind-Down, including employees subject

to collective bargaining agreements. Given that the Debtors have terminated the vast majority of their work force, the Debtors need the ability to modify the terms of or terminate their various Employees Programs as necessary in the Debtors' business judgment. While not exhaustive, the anticipated treatment of certain Employee Programs is set forth below.

23. **Health and Welfare.** The Debtors currently offer several health and welfare benefit plans (collectively, the "**Health and Welfare Plans**") to applicable Employees, including, but not limited to, coverage for medical and prescription drugs, dental, vision, life insurance, accidental death and dismemberment, disability, flexible savings and health savings, employee assistance, and identity protection. Consistent with past Company practice, Employees who remain employed by the Debtors will continue to receive their existing coverage through May 31, 2026, whereas any Terminated Employees who are terminated before May 31, 2026, will have the opportunity to obtain coverage through COBRA through May 31, 2026 (to the extent applicable to a particular benefit offering). Following this period, the Health and Welfare Plans will be terminated, and the Debtors will immediately cease to have any ongoing obligation to make payments to any Health and Welfare Plans.

24. **Retirement Plans.** The Debtors maintain a single-employer, 401(k) retirement plan administered by the Charles Schwab Corporation (the "**401(k) Plan**"), under which Spirit provides certain matching contributions to eligible employees. In particular, the 401(k) Plan provides that eligible participants receive matching contributions equal to 50% of their elective deferrals to the extent that such deferrals do not exceed 6% of the participant's eligible compensation; provided that the following groups of employees receive matching contributions equal to 100% of their elective deferrals to the extent that such deferrals do not exceed 6% of the participant's eligible compensation: (i) employees who are flight attendants covered under the

Collective Bargaining Agreement between Spirit Airlines, Inc. and the Flight Attendants in the service of Spirit Airlines, Inc. as presented by the Association of Flight Attendants-CWA, AFL-CIO; (ii) employees who are flight dispatch officers covered under the Collective Bargaining Agreement between Spirit Airlines, Inc. and the Flight Dispatch Officers in the service of Spirit Airlines, Inc. as represented by The Professional Airline Flight Control Association; and (iii) mechanics who are part of the mechanics' pay scale. In addition, certain of the Debtors' employees in Puerto Rico are party to the Spirit Airlines, Inc. Puerto Rico Retirement Savings Plan (the "**Puerto Rico Retirement Plan**"). In addition, the Debtors maintain a separate contribution plan for their pilots (the "**Pilots' Retirement Plan**," and together with the 401(k) Plan and the Puerto Rico Retirement Plan, the "**Retirement Plans**"), under which Spirit provides nonelective contributions to pilots (which are capped at 8% of the Employee's compensation), subject to applicable IRS limits. If nonelective contributions that would otherwise have been made to the Pilots' Retirement Plan cannot be made due to IRS limits (referred to as "excess amounts"), payment of such excess amounts is made directly to the impacted pilot by March 15th of each following year.<sup>5</sup> For the avoidance of doubt, all participants in the Retirement Plans will receive their vested 401(k) accounts, which I understand are not assets of the Debtors' estates.

25. **Severance.** As of the Petition Date, the Debtors had two plans in place to benefit eligible salaried employees in the event of a reduction in force: (i) the 2025 Executive Severance Plan (as amended, the "**2025 Severance Plan**") and (ii) the 2017 Executive Severance Plan (as amended, the "**2017 Severance Plan**", the terms of which are substantially similar to the 2025 Severance Plan). I understand that the 2017 Severance Plan was rejected pursuant to section 365

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<sup>5</sup> Additional detail regarding the 401(k) Plan and the Pilot's Retirement Plan is set forth in the Wages Motion.

of the Bankruptcy Code effective as of March 30, 2026. The 2025 Severance Plan provides benefits to employees at the Director level or above who have been employees for at least six months of full-time service (measured from their date of hire as an Executive, Vice President, or Director-level employee), who are involuntarily terminated, including as a result of Change in Control Termination, as defined in the 2025 Severance Plan; *provided*, however, that the CEO shall not be an Eligible Employee, as defined in the 2025 Severance Plan, for Severance Plan purposes unless the Board of Directors approves the CEO's participation via board resolution.

26. In the ordinary course of business, the Debtors incur severance-related obligations (collectively, the "**Severance Obligations**") pursuant to the 2025 Severance Plan and other severance policies, as well as through specific employment or similar agreements, or as a matter of practice (including the Company's severance practice for employees below the Director level). These Severance Obligations require the Debtors to provide eligible employees with certain payments and benefits in connection with a reduction in force, including severance pay, subsidized COBRA premiums, outplacement services, enhanced retirement travel benefits, and the accelerated vesting and distribution of certain outstanding STIP and LTIP awards, both as defined in the Wages Motion.

27. I understand that, pursuant to the Final Wages Order, the Debtors have continued to accrue and pay such obligations in the ordinary course of business to Eligible Non-Insider Employees or have entered into separate consensual agreements.

28. Given the Debtors have pivoted from an operating business to a sole focus on liquidating the Debtors' estates in a safe, efficient, and value-maximizing manner, and the vast majority of the Debtors' workforce will no longer be required, the various Employee Programs will no longer provide any appropriate benefit to the Debtors' estates, and would otherwise

continue to incur obligations that the Debtors would be responsible for. As such, I believe it is imperative that the Debtors have the ability to modify the terms of or terminate the Employee Programs to provide benefits consistent with the terms of the Wind-Down Budget and to the extent such modification or termination is necessary to facilitate the Wind-Down, or is otherwise in accordance with the terms of the Wind-Down Budget.

29. I believe these actions are warranted and appropriate under the current circumstances of these Chapter 11 Cases. As an initial matter, the Debtors require the funding provided by the DIP Lenders in order to effectuate the Wind-Down, and must comply with the provisions of any approved Wind-Down Budget in order to ensure continued access to that funding. Accordingly, to the extent the Wind-Down Budget limits the continuation of the 2025 Severance Program or other Employee Programs, it is appropriate to modify or terminate such plan in order to prevent the unnecessary incurrence of administrative expenses to the extent the Debtors lack the necessary funding to make continued payments under such plan. I believe that the funds made available to the Debtors' estates via the Wind-Down Budget will not permit them to continue operating the Employee Programs. Accordingly, obtaining the authority to make and implement such modifications as are necessary and appropriate at this time.

30. This flexibility is essential to maximize recoveries and avoid jeopardizing the Debtors' source of funding. Any modifications or terminations will be carefully examined and only implemented if deemed necessary, in the Debtors' business judgment and after due notice to the Committee in accordance with the Final Wages Order, to reduce the Debtors' exposure to the incurrence of unnecessary administrative claims that are not necessary to effectuate the Wind-Down.

## **VI. Amended Rejection Procedures**

31. The Debtors anticipate that they will need to reject a number of Contracts and Leases over the course of the Wind-Down and are in the process of identifying such Contracts and Leases. To facilitate this process efficiently and expeditiously, I believe modifying the Rejection Procedures to permit the Debtors to reject Contracts and Leases at a later date (such procedures the “**Amended Rejection Procedures**”) is appropriate. The Amended Rejection Procedures are intended to reflect the Debtors’ change in circumstances and provide the Debtors with the authority to reject contracts on an accelerated timeline, thus preserving precious resources and facilitating a swift Wind-Down. I believe that shortening the Rejection Objection Deadline and deadline for filing a claim is appropriate given the drastic change in circumstances since the Assumption and Rejection Procedures Order was entered by this Court and is crucial for ensuring the Wind-Down is effectuated as expeditiously as possible.

32. Because the implementation of the Wind-Down ultimately will obviate the Debtors’ need for (ultimately, all of) their Contracts and Leases, I believe that the modifications to the Rejection Procedures and the determination to reject such Contracts and Leases is a manifestly proper and non-controversial exercise of business judgment made in the best interests of the Debtors’ estates and creditors. Maintaining Contracts and Leases unnecessary to the Wind-Down would needlessly deplete the assets of the Debtors’ estates to the direct detriment of their creditors and shortening the Rejection Objection Deadline will further benefit both the estates and creditors

## **VII. Fleet Wind-Down Motions**

33. The Fleet Wind-Down Motions seek authority to implement procedures to reject, sell or abandon the Debtors’ fleet assets, including its Owned Equipment and Leased Equipment. With respect to the Owned Aircraft, and solely to the extent that the applicable Aircraft Equipment

Counterparties that have security interests in the applicable Owned Aircraft reach an agreement with the Debtors on providing financing to undertake a sale process (each a “**Sale Process Agreement**”), Spirit will endeavor to sell the Owned Aircraft pursuant to the Owned Equipment Sale Procedures. However, for any Owned Aircraft for which Spirit does not enter into a Sale Process Agreement or which Spirit is unable, in its business judgment, to sell in an economical and value-maximizing manner pursuant to such Sale Process Agreement, Spirit will abandon such Owned Aircraft and make the Owned Aircraft available to the applicable Aircraft Equipment Counterparty “as-is where-is” for abandonment and subsequent repossession. Based on Spirit’s prior marketing process, Spirit believes that the Owned Aircraft are unlikely to have sufficient value to justify incurring additional costs during the pendency of a sale process, absent the entry into a Sale Process Agreement.

34. With respect to the Owned Spare Engines and Spare Parts, I believe that the proposed Owned Equipment Sale Procedures will allow the Debtors to sell the Owned Equipment in a controlled, fair and open fashion that seeks to maximize the value of the Owned Equipment before the Debtors make any determination to abandon the Owned Equipment. The applicable sale thresholds were determined with the assistance of Spirit’s advisors based on the value of the Owned Equipment and the desire to reduce the administrative cost and delay of requiring separate Court approval for each transaction. Spirit does not have the liquidity to run a lengthy auction process which would further strain the Debtors’ limited liquidity to the detriment of the Debtors’ stakeholders. Continuing to own and be obliged to pay mortgage payments and provide for the maintenance and insurance for the Owned Equipment when they will not be in revenue service will, in my judgment, be purely a cash drain on the Debtors’ estates that will reduce recoveries for all stakeholders.

35. Relieving the Debtors' estate of these obligations is necessary to and will facilitate the Debtors' orderly wind down and will maximize recoveries for all stakeholders. I believe that the abandonment procedures for the Owned Equipment are appropriate under the circumstances; they will ensure that the Debtors are able to quickly and efficiently provide for the termination of their obligations under the respective mortgage or other financing agreements and allow Aircraft Equipment Counterparties expeditious access to their respective Owned Equipment.

36. With respect to the Leased Aircraft and Leased Spare Engines, I believe that the Leased Aircraft Assets Motion provides for orderly wind-down procedures that will conserve the Debtors' resources and enable the safe return of all equipment to the applicable Aircraft Equipment Counterparties. Spirit will cooperate reasonably in the return of Aircraft Records to the applicable Aircraft Equipment Counterparties and the filing of any necessary documentation in connection with the return of the Leased Equipment, provided that Spirit shall not be required to maintain staffing or incur third-party costs with respect to such cooperation. I believe that this is the extent of the assistance that Spirit can commit to provide for the Aircraft Equipment Counterparties in connection with the rejection of the Leased Equipment. In light of the decision to cease operations and its limited liquidity, Spirit will be unable to in an economical manner, or without financial assistance from the Aircraft Equipment Counterparties, assist the Counterparties with ferry flights or further physical operational tasks to return the Leased Equipment. Spirit will also be unable to afford to continue insuring or paying for storage for the Leased Equipment. In my judgment these obligations would represent substantial burdens on the Debtors' estate, quickly deplete Spirit's remaining liquidity, and sharply and unnecessarily reduce recoveries for other stakeholders.

### **VIII. Non-Fleet Assets Sale Procedures**

37. The Debtors seek to establish procedures to monetize the Non-Fleet Assets through the Wind-Down Motion. I believe the Non-Fleet Assets Sale Procedures constitute the most efficient and cost-effective way to capitalize on the value of the Non-Fleet Assets while protecting the best interests of the Debtors, their estates and their creditors. I believe that a significant portion of the Debtors' Non-Fleet Assets (including any lots thereof) will be sold for a purchase price less than or equal to \$1,000,000. The Debtors' ability to dispose of such assets without requiring separate Court approval is critical to the successful implementation of the Wind-Down. In addition, the Non-Fleet Assets Sale Procedures will protect the Debtors against the declining value of the Non-Fleet Assets, save the Debtors potentially significant interim storage costs, eliminate certain administrative costs, reduce professional fees, and expedite the sale of the Non-Fleet Assets for the benefit of the Debtors' estates and their creditors.

### **IX. Non-Fleet Assets Abandonment Procedures**

38. The Debtors expect to take all reasonable steps to sell the Non-Fleet Assets. However, certain obsolete materials and equipment, non-repairable equipment and other assets may not be saleable or the cost of marketing or storing such assets in preparation for sale would likely exceed the proceeds therefrom. Accordingly, to the extent the Debtors determine a sale of a Non-Fleet Asset cannot be consummated at a price greater than the costs of sale, I believe that the Debtors should have the authority to abandon such Non-Fleet Asset in accordance with the Abandonment Procedures laid out in the Wind-Down Motion.

39. There may be little, if any, demand for certain of the Debtors' assets in today's marketplace. For example, certain of the Debtors' assets are unique to the Debtors' businesses and cannot be used by other entities. As such, the Transaction Values would be so discounted that, in many cases, it will be more costly for the Debtors to sell the assets than abandon them. Where the

cost savings associated with such abandonment exceed the available sale proceeds (taking into account costs of, among other things, interim storage, shipping and marketing), I believe the assets are of inconsequential value and benefit to the estates and, as such, are appropriate for abandonment.

40. I believe the Abandonment Procedures are fair and appropriate and balance the need to expeditiously relieve the Debtors of burdensome costs while providing advance notice of proposed property dispositions to interested parties.

#### **X. Use of Third-Party Contractors**

41. In connection with the Wind-Down, and in accordance with the Wind-Down Budget, the Debtors expect to utilize third-party contractors to complete certain tasks necessary to the Wind-Down (“**Third-Party Contractors**”). For example, the Debtors anticipate requiring: (a) various security personnel to secure the Debtors’ assets, including additional security at the Debtors’ headquarters and maintenance hangars; (b) personal security for the Debtors’ employees for a limited period of time following announcement of the Wind-Down; (c) transportation/logistics personnel, including contract pilots, to coordinate the collection and transportation of, among other things, the aggregation of the Debtors’ Fleet Assets; (d) payroll services; (e) document management services; (f) regulatory consultants; and (g) various other temporary services. Given the termination of the majority of the Debtors’ workforce, the discrete nature of the tasks to be performed and the necessity of such services the Third-Party Contractors will provide, I believe the proposed use of Third-Party Contractors to carry out certain tasks necessary to the Wind-Down is the most cost-efficient means of effectuating the Wind-Down and will provide for the Wind-Down to be conducted in a safe, expeditious, and prudent manner, under the supervision of qualified individuals.

## **XI. Administrative Stay**

42. In light of the Debtors' current circumstances and the limited financial resources at their disposal, the proposed Wind-Down is the Debtors' only viable path forward. The Debtors need time to conduct an orderly evaluation of the universe of outstanding administrative claims in order to ensure fair and efficient distributions to creditors. In order to avoid a rush to the courthouse by creditors holding administrative claims that would cause significant disruption to the Debtors during the Wind-Down, I believe that it is necessary and appropriate for the Court to impose the requested Administrative Stay. I believe that this will promote the orderly progression of the liquidation, without requiring the Debtors to respond to, analyze, or litigate asserted administrative claims filed by creditors seeking to obtain a first-in-time advantage over others.

### **Motion to Shorten**

43. The Debtors have requested that the Motion be heard on May 5, 2026. Given the circumstances, it is necessary for the Wind-Down to begin as soon as possible. The Debtors must begin returning aircraft that have significant carrying costs, informing critical vendors of payment, rejecting burdensome contracts that are no longer necessary, along with other time-sensitive components of the Wind-down Plan. Any delay will cause chaos, confusion and cost the estate significant time and money, all at a time when the Debtors are not generating any revenue. Given the Debtors have already terminated a vast majority of their workforce and ceased all flights, it is imperative that a hearing on the Wind-Down Motions be heard as expeditiously as possible in order for the Debtors to seek the relief necessary to facilitate an orderly Wind-Down, avoid unnecessary loss in value of the estate assets, and retain the Non-Senior Management Employees who are crucial to the success of the Wind-Down.

**Conclusion**

44. For the reasons set forth above, I believe that the relief requested in the Wind-Down Motions is fair, equitable, and reasonable and represents a sound exercise of the Debtors' business judgment and is the best available option to maximize value for the benefit of all creditors.

*[Signature page follows]*

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

Dated: May 4, 2026  
New York, New York

*/s/ Fred Cromer*

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Fred Cromer  
Executive Vice President and Chief  
Financial Officer  
Spirit Aviation Holdings, Inc.