

Hearing Date and Time: 10:00 a.m.¹ on June 10, 2026
Reply Deadline: 12:00 p.m. on June 8, 2026

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017
Tel.: (212) 450-4000
Marshall S. Huebner
Darren S. Klein
Christopher S. Robertson
Joseph W. Brown

Counsel to the Debtors and Debtors in Possession

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

Re: ECF Nos. 1117, 1152

In re:

**SPIRIT AVIATION HOLDINGS, INC., et al.,
Debtors.²**

Chapter 11

Case No. 25-11897 (SHL)

Jointly Administered

**DEBTORS' REPLY TO PORT AUTHORITY'S OBJECTION TO DEBTORS'
BIDDING PROCEDURES MOTION**

Spirit Aviation Holdings, Inc. and its subsidiaries (collectively, the “**Debtors**” or “**Spirit**”), each of which is a debtor and debtor in possession in the Chapter 11 Cases,³ respectfully submit this reply (the “**Reply**”) to the *Objection to Debtors’ Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures For Sale Of The Debtors’ Assets, (B) Authorizing the*

¹ All times herein are expressed in prevailing Eastern Time.

² 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.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Debtors’ Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures For Sale Of The Debtors’ Assets, (B) Authorizing the Potential Selection of Stalking Horse Bidder(s), (C) Approving Bid Protections, (D) Scheduling Auction(s) for, and Hearing(s) to Approve, The Sale of the Debtors’ Assets, (E) Approving the Form and Manner of Notices of Sale, Auction(s), and Sale Hearing(s), And (F) Approving the Assumption and Assignment Procedures, (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests, and Encumbrances and (B) Authorizing Assumption And Assignment Of Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* [ECF No. 1117] (the “**Bidding Procedures Motion**”) or the Objection, as applicable.

Potential Selection of Stalking Horse Bidder(s), (C) Approving Bid Protections, (D) Scheduling Auction(s) for, and Hearing(s) to Approve, The Sale of the Debtors' Assets, (E) Approving the Form and Manner of Notices of Sale, Auction(s), and Sale Hearing(s), And (F) Approving the Assumption and Assignment Procedures, (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances and (B) Authorizing Assumption And Assignment Of Executory Contracts and Unexpired Leases, and (III) Granting Related Relief [ECF No. 1152] (the “**Objection**”), filed by the Port Authority of New York & New Jersey (the “**Port Authority**”) on June 3, 2026, and in further support of the Bidding Procedures Motion, and state the following:

1. As an initial matter, the objection of the Port Authority is the only objection from any party to the bid procedures. This speaks volumes—as these procedures were worked out with multiple key creditor groups as the best way forward with respect to maximizing the value of the Debtors' estates and bringing order and rationality to what otherwise could and would be a chaotic and unmanageable situation.

2. Second, the Objection is premature. The Port Authority in essence objects to a potential, unknown, future transaction with respect to LGA Slots—with one or more counterparties who have not yet even been selected. *See* Objection p. 2 (“based upon the foregoing, the Port Authority objects to the sale of the LGA Slots as identified in the Bidding Procedures Motion”). However, the Court is not at this time being asked to approve any transaction – as none yet exists. The Bidding Procedures Motion seeks approval of the Bidding Procedures, which simply provide a structure for an orderly, transparent and competitive process designed to maximize recoveries. Tellingly, the Port Authority does not in fact raise any concerns with respect to the Bidding Procedures themselves. Nothing in the Bidding Procedures prejudices the Port Authority's right

to object to any particular transaction in connection with a future hearing addressing one or more transactions with respect to the LGA slots.

3. Third, the Port Authority’s core assertion—that the Debtors are blithely unaware of the regulatory framework governing the LGA Slots—is flatly untrue, something the Port Authority could have instantly known had they merely called to ask. In point of fact, the Debtors are intimately familiar with the regulatory structure governing the LGA Slots, and have been engaging extensively and productively with the relevant federal regulatory authorities regarding the LGA Slots. And the Debtors of course intend to continue to work closely and productively with the relevant federal authorities regarding any proposed transaction with respect to the LGA Slots, and have now begun a dialog with the Port Authority as well. Should the Port Authority ultimately have concerns with respect to any transactions that come to fruition and are brought before the Court for approval, it may of course object at such time. Hopefully that will not be the case.

4. Courts routinely overrule objections to bidding procedures motions that raise substantive issues with proposed (or hypothetical) sale transactions. *See In re Voyager Digital Holdings, Inc.*, No. 22-10943 (MEW) (Bankr. S.D.N.Y. Aug. 5, 2022) [ECF No. 248] (approving bidding procedures and overruling certain objections raising issues for the sale hearing); *In re Innkeepers USA Tr.*, 448 B.R. 131, 148 (Bankr. S.D.N.Y. 2011) (approving bidding procedures and stalking horse bid “so that [the Debtors] may conduct an auction” while overruling certain objections raising issues for confirmation); *In re Verity Health Sys. of Cal., Inc.*, No. 18-20151 (ER) (Bankr. C.D. Cal. Oct. 31, 2018) [ECF No. 724] (approving bidding procedures while noting that consideration of objections to, for example, rejection of collective bargaining agreements were premature and better suited for sale hearing); *In re Fairway Group Holdings Corp.*, No. 20-10161 (JLG) (Bankr. S.D. N.Y. Feb. 21, 2020) [ECF No. 202] (approving bidding procedures and

stalking horse bid and arguing that assignment and assumption procedures were fair while overruling objections regarding the effects of assumption and assignment and satisfaction of cure amounts); *see also Free Lance-Star Publishing Co. of Fredericksburg, VA*, No. 14-30315 (KRH) (Bankr. E.D. Va. March 10, 2014) [ECF No. 111] (approving bidding procedures and scheduling a hearing to determine contested credit bid at a later date); *see also Merit Group, Inc.*, 464 B.R. 240, 257–58 (Bankr. D.S.C. July 12, 2011) (approving bidding procedures and reserving the right to revisit the appropriateness of any credit bid at a later date).

5. The Debtors therefore respectfully request that the Objection be overruled.

Dated: June 8, 2026
New York, New York

DAVIS POLK & WARDWELL LLP

By: /s/ Marshall S. Huebner
450 Lexington Avenue
New York, NY 10017
Tel.: (212) 450-4000
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