UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	**Chapter 11**
SPIRIT AVIATION HOLDINGS, INC., *et al.*,	**Case No. 25-11897 (SHL)**
Debtors.[1]	**Jointly Administered**

DECLARATION OF BRENT HERLIHY IN SUPPORT OF ORDER (I) AUTHORIZING THE TRANSACTION WITH RESPECT TO THE LGA SLOTS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, (II) AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM THEIR OBLIGATIONS UNDER THE TRANSFER AGREEMENT AND (III) GRANTING RELATED RELIEF

Brent Herlihy declares and says:

1. I am a partner in the Restructuring and Special Situations Group (the "**Restructuring Group**") of PJT Partners LP ("**PJT**"), which is the investment banker for Spirit Aviation Holdings, Inc. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, "**Spirit**," the "**Company**," or the "**Debtors**").

2. I submit this declaration (the "**Declaration**") in support of the *Order (I) Authorizing the Transaction With Respect To the LGA Slots Free and Clear of Liens, Claims, Interests and Encumbrances, (II) Authorizing the Debtors to Enter Into and Perform Their Obligations Under the Transfer Agreement and (III) Granting Related Relief* (the "**Order**"). I am familiar with the Auction[2] with respect to the LGA Slots, the Order, and the material terms thereof.

[1] 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] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the *Order (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*

3. Except as otherwise indicated herein, all statements set forth in this Declaration are based upon: (a) my experience as a restructuring professional; (b) my personal knowledge of the Debtors' operations, finances, and restructuring initiatives; (c) information I learned from my review of relevant documents; (d) information supplied to me by members of the Debtors' management and/or their other advisors; and (e) information that I received from other partners or employees of PJT working directly with me or under my supervision. I am not being compensated specifically for this testimony other than through payments received (or to be received) by PJT as a professional retained by the Debtors, subject to approval by the Court.[3] I am over the age of 18 years and am authorized to submit this Declaration on behalf of the Debtors. If called to testify as a witness, I could and would testify competently to the statements set forth in this Declaration.

<u>Qualifications</u>

3. PJT is a leading global financial advisory firm with more than 1,200 employees in sixteen offices in the United States, Europe, and Asia. The firm offers integrated advisory services for mergers and acquisitions, restructuring and special situations, fund placement, and shareholder engagement. PJT is an industry leader and has advised companies and creditors in all aspects of complex restructurings and bankruptcies. The firm has extensive experience providing financial advisory and investment banking services to financially distressed companies, including the representation of both debtors and lenders in the procurement and provision of postpetition financing. PJT is a registered broker-dealer with the United States Securities and Exchange

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Hearing(s), and (F) Approving the Assumption and Assignment Procedures [ECF No. 1213] (the "**Bidding Procedures Order**").

[3] Pursuant to PJT's engagement letter with the Debtors, subject to Court approval thereof, PJT will be entitled to receive certain fees in connection with the transactions described herein.

Commission, is a member of the Securities Investor Protection Corporation, and is regulated by the Financial Industry Regulatory Authority.

4. I joined PJT when it first spun off from The Blackstone Group L.P. ("**Blackstone**") in 2015. Prior to joining PJT in 2015, I worked in the Restructuring and Reorganization group at Blackstone from 2013 to 2015. Prior to that, I received a JD from Harvard Law School and an MBA from Harvard Business School. I also worked in the M&A group of Lazard from 2007 to 2009 after obtaining a BA in politics from Princeton University.

5. I have approximately thirteen years of experience advising financially distressed companies, creditors, and sponsors in chapter 11 restructurings, out-of-court workouts, and other special situations. At both Blackstone and PJT, I have worked on a broad range of restructuring and reorganization assignments for companies, creditor groups, special committees, governmental entities, and acquirers of distressed assets. I have worked across numerous industries including power, technology, media/telecom, retail, automotive, industrials, aerospace, and oil and gas. I have advised senior management and boards of directors in a wide variety of industries in connection with restructurings, mergers and acquisitions, and financing transactions. I have extensive experience advising companies and their stakeholders in chapter 11 restructurings, out-of-court workouts, and other distressed transactions, including in the following representative publicly disclosed transactions, among others: Aegean Marine Petroleum, Anthology, APC Automotive, Automores Gildemeister, Azul Airlines, BCBGMAXAZRIA, Covia, Danaos, Desarrolladora Homex, ExGen Texas Power, Frontera Holdings, Fusion Connect, GenOn Mid-Atlantic, Key Energy Services, LATAM Airlines Group, Preferred Sands, Quicksilver Resources, Sandy Creek Energy Station, SAS Scandinavian Airlines, Talen Energy Supply, and Vice Media Group.

<u>Retention of PJT</u>

6. PJT has been engaged as investment banker to the Debtors, and members of my team and I have been working closely with the Debtors, since approximately July 2, 2025. Since its engagement, PJT has rendered investment banking advisory services to the Debtors in connection with, among other things, the Debtors' evaluation of financing and strategic alternatives to right-size their financial position. Additionally, PJT has worked with the Debtors' management and other professionals retained by the Debtors, and has become generally familiar with the Debtors' business, including their operations, assets, market dynamics, capital structure, cash flows, and liquidity.

<u>The Marketing Process</u>

7. During the marketing process, the Debtors received multiple bids from potential bidders. Following the LGA Slots Final Bid Deadline, the Debtors carefully reviewed and evaluated each bid received to determine whether it satisfied the requirements of a Qualified Bid under the Bidding Procedures, including the required deposit and adequate evidence of financial wherewithal to consummate the transaction. Based on that review, the Debtors, in the exercise of their sound business judgment and in consultation with the Consultation Parties, designated seven (7) of the bids received as Qualified Bids.

8. Ihsan Air, LLC by and through its proposed parent and affiliated bidder, Ihsan Holdings (collectively, "**Ihsan**") was among the parties that submitted a bid. However, PJT and the Debtors determined, in their sound business judgment, that Ihsan's bid <u>did not</u> satisfy the requirements set forth in the Court-approved Bidding Procedures to constitute a Qualified Bid. Among other things, Ihsan did not submit written evidence demonstrating financial wherewithal, operational ability, and corporate authorization to consummate the proposed transaction, despite

PJT explicitly requesting twice, in writing, that Ihsan do so. Ihsan's submission was also not accompanied by a cash deposit in an amount equal to ten percent of the consideration set forth in its bid. In my view, these multiple deficiencies were fatal. Accordingly, I believe that the Debtors, working with their advisors, acted reasonably, appropriately, and in accordance with the Bidding Procedures in determining that Ihsan was not a Qualified Bidder, and in declining to invite Ihsan to participate in the Auction.

The Auction

9. In accordance with the Bidding Procedures and the Bidding Procedures Order, the Debtors conducted an Auction with respect to the LGA Slots, which commenced on Thursday, July 16, 2026 and concluded on Friday, July 17, 2026 at the offices of Davis Polk & Wardwell LLP ("**Davis Polk**").

10. The Debtors' advisors, Davis Polk and PJT, moderated the Auction. At the outset, the Debtors' advisors recited the seven (7) Qualified Bids received for the LGA Slots. The Debtors' advisors then confirmed with each Qualified Bidder that (i) each Qualified Bidder had not and would not collude or coordinate with any other bidder or any other person concerning the sale or other transaction concerning the Debtors' assets, that each Qualified Bidder reviewed and understood the Bidding Procedures, and that each consented to the jurisdiction of the Bankruptcy Court, (ii) each Qualified Bidder's bid was an irrevocable, binding, good-faith, bona fide offer, and (iii) each Qualified Bidder intended to consummate the proposed transaction if selected as the Successful Bidder.

11. The Debtors' advisors then announced the Opening Bid, which came with a total consideration of $33 million for all 22 LGA Slots. The Debtors' advisors emphasized that, in selecting the Opening Bid, the Debtors considered not only economic factors, but also

contingencies related to required regulatory approvals, the need for airport space, and other noneconomic factors, and that due to highly regulated nature of the LGA Slots, these noneconomic factors may be outcome-determinative if the Debtors believe that a bid is unlikely to be consummated. For example, there were other bids that provided for prices in excess of $5.0 million per slot pair, but the Debtors and their advisors, in consultation with the Consultation Parties, determined that those bids were highly unlikely to be consummated, taking into account the need for governmental approval of the transfer of the LGA slots.

12. After numerous rounds of active and competitive bidding, JetBlue Airways Corporation ("**JetBlue**" or "**Successful Bidder**") submitted the highest or otherwise best bid for the LGA Slots, consisting of total cash consideration of $58.5 million for the transfer of all 22 LGA Slots. The Debtors, after consultation with the Consultation Parties, selected JetBlue's bid as the Successful Bid.

13. The Debtors, after consultation with the Consultation Parties, further designated the bid submitted by Frontier Airlines, Inc. ("**Frontier**" or the "**Alternate Bidder**"), consisting of total consideration of $57.5 million for the same 22 LGA Slots, as the Alternate Bid.

14. The competitive dynamic at the Auction was robust. The increase in the consideration from the $33 million Opening Bid to the $58.5 million for the Successful Bid, and the margin of $1 million between the Successful Bid and the Alternate Bid reflects that the Auction proceeded until each participant had been afforded a full opportunity to improve its offer, and confirms that the value of the LGA Slots was tested.

15. The Bidding Procedures permitted Partial Bids for fewer than all 22 LGA Slots, and the Debtors considered and evaluated such Partial Bids, in consultation with the Consultation Parties, throughout the Auction. At various points during the Auction, certain Qualified Bidders,

with the prior consent of the Debtors, elected to combine their bids with one another to bid jointly on complementary sets of LGA Slots. At various points, aggregate bids for fewer than all 22 LGA Slots, whether standing alone or in combination, constituted the Leading Bid. The Debtors evaluated each such combination on an aggregate value basis. That the Auction ultimately concluded with a single bid for all 22 LGA Slots underscores that the Successful Bid exceeds the aggregate value obtainable from partial and combined bids.

16. Throughout the Auction, the Debtors carefully evaluated each bid and considered not only economic factors, but also contingencies related to required regulatory approvals, the need for airport space, the likelihood of consummation of a transaction, and other noneconomic factors.

17. I believe that the Successful Bid represents the highest or otherwise best bid for the LGA Slots, and that the Alternate Bid represents the next highest or otherwise best bid for the LGA Slots. I believe that the Successful Bid has a greater certainty of closing, ability to close promptly, and a higher total consideration as compared to the other bids submitted prior to and at the Auction.

18. The Debtors, with the assistance of their advisors and in consultation with the Consultation Parties, selected the Successful Bid after careful review and consideration of all competing offers submitted at the Auction. I believe that the Auction, which included seven certificated air carriers, lasted approximately 14 hours and involved multiple bids in multiple forms and multiple rounds, was substantively and procedurally fair to all parties, and conducted in a diligent, non-collusive, fair and good-faith manner.

19. I further believe that the Transfer Agreement and the Alternate Transfer Agreement were negotiated at arm’s length and in good faith. To my knowledge, no bidder acted in a collusive or fraudulent manner with any person.

20. For the foregoing reasons, I believe that the proposed transfer of the LGA Slots to the Successful Bidder should be approved. The robust marketing and Auction process undertaken by the Debtors, with the assistance of the Debtors' advisors (including PJT and Davis Polk), has resulted in all of the LGA Slots receiving a Successful Bid that represents the highest or otherwise best value that the Debtors can reasonably expect to receive for the LGA Slots. Accordingly, for the reasons stated above, I believe that entering into the Transfer Agreement and consummating the transfer of the LGA Slots to the Successful Bidder maximizes value for the Debtors' estates, is fair and reasonable, and represents a sound exercise of the Debtors' business judgment.

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

Dated: July 21, 2026

/s/ Brent Herlihy
Brent Herlihy
Partner
PJT Partners LP