Docket #0470 Date Filed: 06/15/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
AF LIQUIDATING, LLC, *et al.*,[1]	Case No. 26-10183 (MFW)
Debtors.	(Jointly Administered)
	Re: D.I. 376, 380 & 456

SPIRIT AIRLINES, LLC'S RESERVATION OF RIGHTS AND LIMITED OBJECTION TO THE AFG DEBTORS' PLAN

Spirit Airlines, LLC f/k/a Spirit Airlines, Inc. ("Spirit"), by and through undersigned counsel, hereby files this reservation of rights and, to the extent necessary, limited objection to the *Combined Disclosure Statement and First Amended Plan of Liquidation of Avenger Flight Group, LLC and its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code* (D.I. 376) (as may be amended, modified, or supplemented from time to time and including all exhibits or supplements thereto, including the Plan Supplement, the "Plan")[2] proposed by the above-captioned debtors and debtors in possession (the "AFG Debtors"). Spirit incorporates by reference its *Limited Objection and Reservation of Rights to (I) the Notice of Potential Assumption, Assumption and Assignment, or Transfer of Executory Contracts and Unexpired Leases (D.I. 163)*

[1] The Debtors in these Chapter 11 Cases and the last four digits of their respective federal tax identification numbers are: AF Liquidating, LLC (1216); AF Dallas III Liquidating, LLC (5615); AF Dallas IV Liquidating, LLC (5558); AF Dallas Liquidating, LLC (3418); AF EU Operations Liquidating Corp. (9406); AF FLL Liquidating, LLC (6470); AF Latam Holding Liquidating Corp. (6475); AF Latam Sim Holdings II Liquidating, LLC (0473); AF Latam Sim Holdings III Liquidating, LLC (2592); AF Latam Sim Holdings IV Liquidating, LLC (0093); AF Latam Sim Holdings Liquidating, LLC (6475); AF Latam Liquidating, LLC (9545); AF Mexico Liquidating Corp. (1402); AF Orlando Liquidating, LLC (8409); AF Sanford Liquidating, LLC (6661); AF Sim Holding Liquidating Corp. (3325); AF Group Europe Liquidating, Corp. (5908); AF Group Topco Liquidating, LLC (5643); and AF Training Liquidating, LLC (6206). The Debtors' service address is 2800 Valley View Lane, Suite 180, Irving, Texas 75062. Debtor AF Liquidating, LLC was formerly known as Avenger Flight Group, LLC.

[2] Capitalized terms used but not defined herein are used as defined in the Plan.

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and (II) the Debtors' Sale Motion (D.I. 13) (D.I. 246) and its *Motion and Request for Allowance and Payment of Administrative Expenses* (D.I. 457) (the "Administrative Expense Request") and respectfully states as follows:

1. Spirit was a customer of Avenger Flight Group, LLC ("AFG"). AFG provided flight simulator training, operating, and maintenance services on full-flight simulators and flight training devices, governed by that certain Training Agreement, by and among Spirit and AFG, dated November 11, 2011 (as amended from time to time, the "Training Agreement").[3]

2. Spirit owns certain full-flight simulators, flight training devices, and other personal property that the AFG Debtors housed, used, operated, and/or serviced pursuant to the Training Agreement with Spirit. To date, certain of Spirit's property, including Spirit's full-flight simulator A320-21 (Serial Number: 11081) and two (2) door trainers, remain in leased locations that the AFG Debtors assigned to AFG Newco, LLC ("Newco") on May 9, 2026 (D.I. 394) (the "Sale Closing Date"), pursuant to the *Order (I) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (II) Approving the Debtors' Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* (D.I. 292) (the "Sale Order") approving the sale of substantially all of the AFG Debtors' assets to Newco, including accounts receivable and certain claims and causes of action of the AFG Debtors. The Sale Order reserved and preserved Spirit's rights, including rights of setoff, recoupment and otherwise, against the AFG Debtors and Newco.

3. On June 3, 2026, Spirit timely filed its Administrative Expense Request and corresponding proof of claim No. 74, pursuant to that certain *Order Extending Bar Date for Spirit*

[3] The terms of the Training Agreement and associated amendments are confidential and otherwise in the AFG Debtors' possession. Spirit can make available a copy of the Training Agreement upon reasonable request, subject to appropriate confidentiality protections.

Airlines (D.I. 382). Spirit is owed not less than $6,541,398.00 for flight credits and other amounts accrued under the Training Agreement to be paid in cash of which not less than $4,682,847.29 accrued prior to February 11, 2026 (the "Petition Date") and not less than $1,858,550.71 accrued on or after the Petition Date through the Sale Closing Date.

4. The Training Agreement provides that flight credits accrue on account of, among other things, AFG's use of Spirit's simulators and sale of third-party flight hours on the simulators as well as maintenance expenditures that AFG was obligated but failed to cover on account of Spirit's simulators. AFG was obligated to apply these flight credits to invoices and/or to pay such flight credits in cash to Spirit but failed to do so. Since the AFG Debtors' Petition Date through the AFG Debtors' rejection of the Training Agreement on May 9, 2026, Spirit's full-flight simulators have been available to AFG and AFG's customers, and on information and belief, AFG and/or its customers have used Spirit's simulators/training devices and accordingly flight credits and other amounts that have accrued under the Training Agreement remain due and payable to Spirit.

5. Spirit, Newco, and the AFG Debtors are currently negotiating a resolution of their open issues, including reconciling their respective claims and related issues. Spirit is hopeful that these issues will be resolved consensually. Spirit files this reservation of rights and limited objection to reserve and preserve all its rights as to its administrative expense claim and corresponding proof of claim No. 74 in the event a consensual resolution cannot be reached among the parties.

6. Spirit also hereby reasserts and preserves its setoff and recoupment rights against the AFG Debtors and Newco, which were timely asserted and preserved in connection with the AFG Debtors' interim and final postpetition financing orders, the Sale Order, and most recently

in Spirit's Administrative Expense Request and corresponding proof of claim. Setoff and recoupment rights timely asserted cannot be extinguished pursuant to confirmation of the AFG Debtors' Plan. *See In re Continental Airlines*, 134 F.3d 536, 542 (3d Cir. 1998) (holding that "the right of a creditor to set-off in a bankruptcy reorganization proceeding must be duly exercised in the bankruptcy court before the plan of reorganization is confirmed; the failure to do so extinguishes the claim"); *In re Flagstaff Realty Assocs.*, 60 F.3d 1031, 1036-1037 (3d Cir. 1995) (holding that confirmed plan did not extinguish creditor's recoupment rights).

7. Finally, Spirit reserves and preserves all of its rights with respect to the confirmation of the AFG Debtors' Plan, including, without limitation, the right to object to any aspect or provision included in any amended Plan, Disclosure Statement, Plan Supplement and/or any revised proposed order confirming the Plan and approving the Disclosure Statement on a final basis filed hereafter, and reserves and preserves its right to amend and/or supplement this reservation of rights and limited objection.

WHEREFORE, for the reasons set forth herein, Spirit requests that any order confirming the AFG Debtors' Plan and approving the Disclosure Statement on a final basis conform to Spirit's reservations herein.

Dated: June 15, 2026
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Jonathan M. Weyand

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CERTIFICATE OF SERVICE

I, Jonathan M. Weyand, certify that I am not less than 18 years of age, and that service of the foregoing was caused to be made on June 15, 2026, in the manner indicated upon the parties identified in the service list below and via CM/ECF on all counsel and parties registered to receive such electronic notifications.

/s/ Jonathan M. Weyand
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