

Exhibit A

American Aviation Investments
44, South Munn Avenue
Suite 1 N (Bruyning)
East Orange, New Jersey 07018
973 678 2890

5 September 2008

Mr. Douglas Yakola
Chief Operating Officer
ATA Airlines, Inc.
7337 West Washington St.
Indianapolis, Indiana 46231

Letter of Intent for the Purchase of ATA Airlines, Inc.

We wish by this letter to declare and confirm the intention of American Aviation Investments (hereinafter referred to as the "Purchaser") with respect to the sale by ATA Airlines, Inc (the "Seller") of certain assets of ATA Airlines described herein, and to refer to the main terms and conditions under which the acquisition may be completed.

Given the legal circumstances surrounding this sale it is desirable that the Seller and the Purchaser agree to such terms and conditions as would facilitate the reorganization of the airline, and the recommencement of business, in as short a time as is possible.

On April 2, 2008, the Seller filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Case") in the United States Bankruptcy Court for the Southern District of Indiana (the "Bankruptcy Court"). Consummation of the purchase is subject to, among other the things, prior approval of the Bankruptcy Court.

1.1

We hereby offer to pay to Seller the sum of \$1,300,000 (one million and three hundred thousand dollars) (the "Stock Purchase Price") for the company, which includes the following authorities and assets:

1. The Air Carrier Operating certificate No.AMTA029A (the "Operating Certificate"), which was first issued by the Federal Aviation Administration on 11/05/90 and still valid as to this day.
2. The Department of Transportation Certificate of Public Commerce and Necessity, if any
3. To the extent not expired, terminated, rejected, or otherwise sold or disposed of on or before confirmation of a chapter 11 plan in the Bankruptcy Case, all licences, franchises, patents, trade names/trademarks, copyrights, contracts as are necessary to normal operations and any client database, computer software, the goodwill, and all intangibles owned by or licensed to and constituting the intellectual property of the airline.

4. All of the outstanding stock of the Seller (or a wholly-owned subsidiary of the Seller that contains the assets listed in this paragraphs 1.1 and 1.2), free of any liabilities or any claims.

1.2

We hereby offer to pay to Seller the sum of \$2,500,000 (the "Slot Purchase Price," and together with the Stock Purchase Price, the "Purchase Price") for the rights to such airport slots that are non-transferable, adhere to and are inseparable from the Seller.

1.3

The parties shall exercise all reasonable diligence to ensure that the assets listed in paragraphs 1.1 and 1.2 (collectively, the "Assets") are valid, functional, and in the possession of the Seller at the time of sale.

1.4

Subject to the terms and conditions described herein (including prior approval of the Bankruptcy Court), the Seller agrees to sell, and Purchaser agrees to purchase, the Assets (or such of the Assets that meet the limitations of paragraph 1.3 above), free and clear of liens, claims, and encumbrances. The Purchaser shall pay the full amount of the Purchase Price (after application of the Deposit (defined below)) by wire transfer of immediately available funds to the Seller at the closing of the transaction. The purchase shall be subject to potential higher and better offers by third parties pursuant to bid procedures approved by the Bankruptcy Court. If and when the offer made by the Purchaser is approved by the Bankruptcy Court, a date may be set for the closing of the transaction and the final Purchase Price confirmed.

1.5

The Purchaser shall deliver to the Seller by wire transfer of immediately available funds a deposit of US\$850,000 (the "Deposit") within one business day after the Bankruptcy Court's approval of the Purchaser as the purchaser of the Assets. The Deposit will be credited against the amounts payable to the Seller at the closing. The Deposit will be refundable only in the event that (a) a chapter 11 plan effectuating the transactions contemplated herein is not confirmed on or before January 31, 2009 or (b) the Federal Aviation Administration revokes or invalidates the Operating Certificate before the closing of the transaction for a reason(s) other than domestic ownership requirements or a breach of the Purchaser's obligations under this letter agreement. Notwithstanding the above, the parties may by common accord agree to an extension of the time for plan confirmation beyond January 31, 2009.

The Deposit shall be held in a segregated account maintained by the Seller at National City Bank, N.A. in accordance with an order of the Bankruptcy Court.

1.6

In addition to the Assets listed in paragraphs 1.1 and 1.2, the Purchaser is also interested in acquiring any airline slots at Ronald Reagan National Airport in Arlington, VA, that are owned by the Seller and are transferable. Such slots are understood to be the slots that are transferable by sale and not those non-transferable slots mentioned in paragraph 1.2. To the extent the parties reach an agreement concerning the sale of such airline slots, such transaction will be the subject of a separate letter of intent or similar document.

2.1

Given the historical and economic association with the city of Indianapolis and the state of Indiana, and the presence of trained and available personnel in the area, the Purchaser will, insofar as it is practicable, base its operations and establish its headquarters in that city and that state.

2.2

Existing labor contracts signed by the Seller will be extinguished by the Seller, and will not be assumed by the Purchaser.

2.3

The Purchaser, upon acquiring the Assets, will retain, with their consent, such of the existing managerial and technical personnel as is required by the Federal Aviation Regulations (including Section 119.65 thereof) for the operation of the airline (collectively, the "Section 119 Personnel"). The Section 119 Personnel will ensure the transition and may, if so desired, be integrated into the new structure.

The Seller shall be responsible for the costs and reasonable expenses (including salary and other compensation) incurred to retain the Section 119 Personnel until the closing of the contemplated transaction. The Purchaser shall have the right, if he so desires, to appoint one or more persons to interface with the Seller's management and other employees to assist with the transition of the company as contemplated herein. If the Purchaser exercises its right to assign such person(s), the Purchaser shall be solely and directly responsible for all costs and expenses (including salary and other compensation) incurred to retain such individual(s).

2.4

The Purchaser will provide sufficient capital, from its own funds, external or any other sources, to:

- develop profitable long distance routes, primarily to and from Latin America, Africa and Europe
- establish passenger service and code-share agreements to secure feeder service directed to certain hubs and to identify revenue-positive niches in the domestic market
- review the fare structures in light of current high operating costs and competitor's fare.

- acquire the necessary aircraft for charter and wet lease contracts
- once we have become eligible, bid for military transport and other government contracts

We are persuaded, based upon preliminary study of the market, that demographic changes, the augmentation of operating costs and the requirement for a modified business model, as well as new opportunities opened by United States accords with the European Union and many other sovereign states, will define and determine the direction the new ATA Airlines will take.

3.1

In terms of the duration of the sale procedure, taking into account the requirements of the chapter 11 process, the parties cannot at this time accurately project a closing date, but both Purchaser and Seller declare themselves disposed to a rapid consummation of the sale under the terms and conditions described herein.

3.2

Subject to the Seller's prior written consent, the Purchaser may transfer any agreement of sale to its successors, assigns or to third parties, which will be incorporated in the State of Indiana or any of the United States of America. Any such successor, assign, or third party to which the sale agreement is transferred shall satisfy the requirements under applicable United States laws and regulations for the ownership and operation of a commercial airline.

4.1

The terms and conditions of the contemplated transaction as described in this letter agreement are not meant to be exhaustive. After execution of this letter agreement, the Seller and the Purchaser will draft and engage in good-faith negotiations regarding a purchase agreement and other necessary definitive documents. The definitive documents will contain customary representations, terms, and conditions for a transaction of this type, taking into account the pendency of the Bankruptcy Case.

4.2

Although it is the parties' understanding that they intend to negotiate the definitive documents in good faith, this letter agreement constitutes a legally binding and enforceable agreement regarding the transaction contemplated herein.

4.3

The Purchaser agrees that it will hold all information regarding the Seller or the Assets that it receives from the Seller in connection with the purchase in strict confidence and will not disclose any of such information other than to its directors, officers, employees, agents and

representatives who need to know such information for the purpose of evaluating the transaction. The Purchaser shall inform such recipient party(ies) of the confidential nature of such information and shall direct such recipient party in writing to treat such information in confidence. In the event that the transaction contemplated herein is not consummated, the Purchaser will return all information furnished to it by the Seller and all copies thereof on request by the Seller. The above limitations on use and disclosure shall not apply to information that (a) was known to the Purchaser before receipt thereof from the Seller; (b) is learned by the Purchaser from a third party entitled to disclose it; (c) becomes known publicly other than through the Seller; or (d) is required by law, court order, legal process or the rules or regulations of any securities exchange to be disclosed by the Purchaser.

4.4

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF INDIANA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS OF THE STATE OF INDIANA.

The Seller's authorized representative will, by affixing his signature at the end of this letter, signify his assent to the terms and conditions outlined in this offer, specifically accepting the price and confirming the list of assets to be sold.

American Aviation Investments will be pleased to respond to any questions and to provide clarification concerning any of the matters contained in this herein.

I remain

Yours faithfully



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American Aviation Investments

AGREED TO AND ACCEPTED
September 5, 2008

ATA Airlines, Inc.

By: 

Name: Doug Yakola

Title: Chief Operating Officer