

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:)	Chapter 11
)	
ATA Holdings Corp., et al., ¹)	Case No. 04-19866
)	(Jointly Administered)
Debtors.)	

**DEBTORS' THIRD MOTION FOR ENTRY OF AN ORDER EXTENDING TIME TO
ASSUME OR REJECT UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY ON SHORTENED NOTICE TO AND
INCLUDING THE EARLIER OF JULY 5, 2005, OR THE DATE ON WHICH A PLAN
OF REORGANIZATION IS CONFIRMED**

The above captioned debtors and debtors-in-possession (collectively, the "Debtors") hereby move (the "Motion") this Court for an order (the "Order"), substantially in the form attached hereto as Exhibit A, pursuant to 11 U.S.C. § 365(d)(4) extending the deadline to assume, assume and assign, or reject unexpired leases of nonresidential real property to and including the earlier of July 5, 2005, or the date on which a plan of reorganization is confirmed.

In support of this Motion Debtors state the following:

JURISDICTION

1. On October 26, 2004 (the "Petition Date"), each of the Debtors filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Bankruptcy Court"), its respective voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. as amended (the "Bankruptcy Code") commencing these Chapter 11 Cases. The Debtors continue to operate their businesses and

¹ The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassador Travel Club, Inc. (04-19869), ATA Leisure Corp. (04-19870), Amber Travel, Inc. (04-19871),

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manage their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. On November 1, 2004, the United States Trustee appointed an official committee of unsecured creditors (the "Committee") pursuant to § 1102(a)(1) of the Bankruptcy Code.

3. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

4. The statutory basis for the relief sought herein is Section 365(d)(4) of the Bankruptcy Code.

RELIEF REQUESTED

5. For the reasons stated below, the Debtors request that the Court enter an order, pursuant to section 365(d)(4) of the Bankruptcy Code, extending the date on or before which the Debtors may assume, assume and assign, or reject unexpired leases of nonresidential real property to and including the earlier of July 5, 2005, or the date of confirmation of a plan of reorganization, without prejudice to the Debtors' right to seek a further extension of such deadline.

BASIS FOR RELIEF

6. As of the Petition Date, the Debtors were lessees or sublessees with respect to a number of unexpired leases of nonresidential real property (collectively the "Leases" and individually, a "Lease"). The initial sixty-day period provided by section 365(d)(4) of the

American Trans Air Execujet, Inc. (04-19872), ATA Cargo, Inc. (04-19873), and Chicago Express Airlines, Inc. (04-19874).

Bankruptcy Code allowed the Debtors until December 27, 2004 to assume, assume and assign, or reject their Leases.

7. On December 7, 2004, Debtors filed their Motion For Entry Of An Order Extending Time To Assume Or Reject Unexpired Leases Of Nonresidential Real Property On Shortened Notice (Docket No. 571) (the "First Motion").

8. On December 21, 2004, the Court entered the Interim Order Granting Debtors' Motion For Entry Of An Order Extending Time To Assume Or Reject Unexpired Leases Of Nonresidential Real Property On Shortened Notice (the "Interim Order") (Docket No. 881). The Interim Order extended the deadline by which the Debtors' must assume, assume and assign, or reject the Leases up to and including January 4, 2005.

9. On January 26, 2005, the Court entered the Order Extending The Deadline To Assume Or Reject Nonresidential Real Property *Nunc Pro Tunc* To January 4, 2005 (the "First Order") (Docket No. 1292). Pursuant to the First Order, the Debtors had through the earlier of February 25, 2005 or the date of confirmation of a plan of reorganization to either assume, assume and assign, or reject the Leases. The First Order was without prejudice to the Debtors' rights to seek further extensions of time to assume, assume and assign, or reject the Leases.

10. On February 11, 2005, the Debtors filed Debtors' Second Motion For Entry Of An Order Extending Time To Assume Or Reject Unexpired Leases Of Nonresidential Real Property On Shortened Notice To And Including The Earlier Of May 3, 2005, Or The Date On Which A Plan Of Reorganization Is Confirmed (Docket No. 1397) (the "Second Motion"). The Court granted the relief requested in the Second Motion by an order dated March 1, 2005

(Docket No. 1571) (the "Second Order"). The Second Order was without prejudice to the Debtors' right to seek further extensions.

11. The Debtors are unable to make a fully informed decision with regard to the Leases by May 3, 2005.

12. As part of their restructuring efforts the Debtors are in the process of evaluating the property covered by the Leases. The Debtors are evaluating a variety of factors to determine if it is appropriate to assume, assume and assign, or reject each Lease.

13. A bankruptcy court may grant an extension of time to assume or reject a lease of non-residential real property in order to give a debtor additional time to determine whether the assumption or rejection of a particular lease is necessitated by the plan of reorganization it is developing. In re Channel Home Centers, Inc., 989 F.2d 682, 689 (3d Cir. 1993), *cert. denied*, Legacy, Ltd. v. Channel Home Centers, Inc., 510 U.S. 865 (1993).

14. The Debtors' decision with respect to each Lease depends in large part on whether the location will play a future role under the Debtors' plan or reorganization. Whether each Lease is assumed, assumed and assigned, or rejected will depend, most significantly, on whether the Debtors will continue operations at such location once a plan of reorganization is implemented.

15. The Chapter 11 Cases are large and complex. The Debtors operate the tenth largest passenger airline in the United States, are one of the largest commercial charter airlines in the United States, and are one of the largest providers of passenger airline charter services to the U.S. military. At this early stage in the Chapter 11 Cases the Debtors do not know the exact contours of their plan of reorganization and which of the Leases the plan will necessitate the Debtors assume, assume and assign, or reject. Without an extension of time to

assume, assume and assign, or reject the Leases the Debtors may be forced to assume liabilities under the Leases or forego benefits under the Leases without sufficient information.

NO PRIOR REQUEST

16. No prior motion for the relief requested herein has been made to this or any other Court.

WHEREFORE, Debtors respectfully request that this Court enter an Order, substantially in the form attached hereto as Exhibit A, extending the time within which Debtors may assume or reject the Leases² to and including the earlier of July 5, 2005, or the date on which a plan of reorganization is confirmed, and grant such other proper relief as this Court deems equitable, just and appropriate under the circumstances.

Respectfully submitted,

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² The Debtors believe that their service list is comprehensive and includes all lessors with respect to the Leases (the "Lessors"). However, Debtors are party to a large number of leases, therefore, by this Motion Debtors seek to extend the time to assume, assume and assign, or reject all Leases, whether or not included on the service list. In addition, Debtors expressly reserve any and all rights, claims and/or defenses that the Debtors may have with respect to the Leases, including, but not limited to, the right to argue that any such lease has expired or otherwise terminated, or that any such lease is not a nonresidential real property lease.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 21st day of April, 2005, by electronic mail, facsimile, or overnight mail on the Core Group, 2002 List, Appearance List and Lessors.

/s/ Jeffrey C. Nelson