

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:)	
)	Chapter 11
ATA HOLDINGS CORP., et al., ¹)	Case No. 04-19866-BHL-11
)	(Jointly Administered)
Debtors.)	
_____)	

**ORDER AUTHORIZING DEBTORS TO ENTER INTO NEW LEASES
FOR UP TO TWELVE (12) BOEING 737 AIRCRAFT**

This cause comes before the Court on the “Debtors’ Motion For Authority To Enter Into New Leases For Up To Twelve (12) Boeing 737 Aircraft” (the “Motion”) filed by ATA Airlines, Inc. and the other debtors-in-possession in these jointly administered cases (the “Debtors”). In the Motion, the Debtors state that, pursuant to their § 1110 negotiations, the Debtors turned over several late-model Boeing 737-800 aircraft. Shortly thereafter, the Debtors began negotiations to replace some of these returned aircraft with older Boeing 737 “classic” aircraft. As a result of

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

these efforts, the Debtors determined to pursue new leases with Q Aviation, LLC (“Q”) for up to twelve (12) Boeing 737-300 and -500 aircraft (the “Aircraft”). The Debtors argue that the use of these aircraft is necessary for the Debtors’ ongoing reorganization and future operations.

The Court, having considered the relief requested in the Motion and being duly advised of the premises, finds that entering into the new leases with Q for the Aircraft constitutes sound business judgment and is in the best interests of the Debtors, their estates and their creditors. Accordingly, the relief requested in the Motion should be granted.

IT IS THEREFORE CONSIDERED AND ORDERED that the Debtors hereby are and shall be authorized to enter into the new leases with Q for the Aircraft, substantially consistent with the terms of the Letter of Intent (as defined in the Motion) submitted under seal.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that the automatic stay pursuant to § 362(a) of the Bankruptcy Code is hereby lifted as to Q so as to allow Q to exercise its rights and remedies under the new leases.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that Q is hereby deemed entitled to the rights and remedies afforded by § 1110 of the Bankruptcy Code in respect of the Aircraft and the obligations contained in § 1110(c)(1) of the Bankruptcy Code are and shall be applicable to the Debtors under the new leases for the Aircraft.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that any and all claims by Q arising under or related to the new leases for the Aircraft hereby are and shall be deemed administrative expenses pursuant to §§ 503(b) and 507(a)(1) of the Bankruptcy Code.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that the ten-day stay imposed by Fed.R.Bankr.P. 6004 hereby is and shall be waived, making this Order final and unappealable upon the date so entered.

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Submitted by:

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