SO ORDERED: May 13, 2005.

Basil H. Lorch III
United States Bankruptcy Judge

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.	)	
_____	)	

FINAL ORDER AUTHORIZING AND ALLOWING DEBTORS' SECOND MOTION TO OBTAIN POSTPETITION FINANCING PURSUANT TO 11 U.S.C. §§ 105(a) AND 364(c) WITH NATIONAL CITY BANK OF INDIANA AND SCHEDULING A FINAL HEARING ON THE RELIEF REQUESTED

This matter comes before the Court on the "Debtors' Second Motion For Order: (I) Authorizing Debtors To Obtain Postpetition Financing Pursuant To 11 U.S.C. §§ 105(a) And 364(c); And (II) Scheduling A Final Hearing On Non-Omnibus Hearing Date" (the "Second Financing Motion") filed by ATA Holdings Corp. an ATA Airlines, Inc. ("ATA")(collectively, the Debtors"). In the Second Financing Motion, the Debtors request authority to continue to incur postpetition secured debt under the

[1] The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassadair 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).

terms of the Credit Agreement[2], with National City Bank of Indiana (the "Bank") pursuant to which the Bank has issued approximately forty (40) letters of credit to various vendors, typically for a term of one year. The term of the letters of credit facility will otherwise expire in just over one year, meaning that replacement letters of credit cannot be issued. However, the Debtors desire to continue to renew or extend some or all of these letters of credit. In addition, the Debtors desire that new letters of credit be issued or that letters of credit be issued in favor of existing beneficiaries in increased or different amounts. Accordingly, ATA requests that it be authorized, for a term of two months, to continue to incur debt under, and to be bound by, the Credit Agreement by extending the letter of credit facility, with such extended borrowings to be secured by an existing first priority security interest in the Depository Accounts and a postpetition first priority security interest in the Depository Accounts. The terms of the existing Credit Agreement are proposed to be modified by an "Amendment No. 4 to Credit Agreement" ("Amendment No. 4") attached hereto as Exhibit "A".

The Court, having considered the Second Financing Motion, and being duly advised of the premises, and finding that the Debtors have satisfied the requirements of §§ 105(a) and 364(c) of the Bankruptcy Code, that authorization to incur post petition secured debt under the Credit Agreement is in the best interests of the Debtors and their estates, and is necessary to the Debtors' reorganization efforts, and that the notice provided of the Second Financing Motion was proper under the circumstances, finds that good cause exists for granting the Second Financing Motion.

IT IS THEREFORE CONSIDERED AND ORDERED that the Debtors hereby are and shall be authorized to continue to obtain secured postpetition financing from the Bank in the form of the post petition renewal or extension of existing letters of credit, issuance of new letters of credit, or issuance of letters of credit in favor of existing beneficiaries in increased or different amounts, with such financing to be governed by the terms of the Credit Agreement as modified by Amendment No. 4 (herein "the Credit Agreement, as amended"), and all related loan documents referred to in the Credit Agreement,

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[2] All terms not defined herein shall have the meanings ascribed to them in the Second Financing Motion.

(collectively, "Loan Documents") and to pay any requisite fees to the Bank for renewal, extension or issuance of letters of credit or otherwise incurred by the Bank or its participant under the Credit Agreement, and the Exhibit.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that the renewal or extension of existing letters of credit, the issuance of new letters of credit, the issuance of letters of credit in favor of existing beneficiaries in increased or different amounts, and any and all obligations of ATA to the Bank under the Credit Agreement, as amended, whether incurred before or after the Petition Date hereby are and shall be secured by the existing first priority security interest against funds in the Depository Accounts and any funds deposited therein and a post petition first priority security interest in the Depository Accounts and any funds deposited therein in the future to satisfy the requirements of the Credit Agreement, as amended, with such prepetition and postpetition security interests to be governed by and subject to the terms of the Security Agreement and the Deposit Account Control Agreement.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that based upon the previous proffers of testimony provided at the hearing on the first financing motion filed on November 24, 2004, the terms of the Credit Agreement, as amended, and the Loan Documents are fair and reasonable, reflect the Debtors' exercise of prudent business judgment, have been negotiated in good faith, and at arms length between the Debtors and the Bank. Any credit extended, loans made and other financial accommodations extended to the Debtors by the Bank shall be deemed to have been extended or made, as the case may be, in good faith within the meaning of 11 U.S.C. § 364(e).

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that the Debtors are hereby authorized to enter into, execute and deliver the Credit Agreement, as amended, and the Loan Documents and to perform their respective obligations thereunder in accordance with the terms thereof. Upon execution and delivery of the Credit Agreement, as amended, and the Loan Documents, such agreements, documents and instruments shall constitute valid, binding obligations of the Debtors, enforceable against the Debtors in accord with their respective terms.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that each officer of the Debtors as may be so authorized or directed by the Board of Directors of the Debtors, acting singly, is hereby authorized to execute and deliver the Credit Agreement, as amended, and the Loan Documents, such execution and delivery to be conclusive of their respective authority to act in the name of and on behalf of the Debtors.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that consistent with the "Entry Granting Motion Of National City Bank Of Indiana For Relief From Automatic Stay" entered herein November 12, 2004, the automatic stay imposed under 11 U.S.C. § 362 of the Bankruptcy Code has been and shall be lifted as set forth therein and to permit the Debtors to grant security interests and liens contemplated by the Credit Agreement, as amended, the Security Agreement and the Deposit Account Control Agreement and to perform all of the Debtors' obligations thereunder or under the Loan Documents and to permit the Bank to enforce its rights and remedies under the Loan Documents.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that the Debtors shall execute and deliver to the Bank all such agreements, financing statements, instruments and other documents the Bank may reasonably request to evidence, confirm, validate, or perfect the liens granted pursuant to this Order or as reasonably requested by the Bank to implement the terms of this Order.

IT IS THEREFORE FURTHER CONSIDERED AND ORDERED that there exists no just reason for delay in entering a final judgment in accordance with the foregoing and therefore this Order shall become a final judgment effective and enforceable immediately.

# # #

Submitted by:

Thomas C. Scherer
Bingham McHale LLP
10 West Market Street, Suite 2700
Indianapolis, IN 46204
Telephone: (317) 635-8900
Facsimile: (317) 236-9907

Distribution:

Core Group
2002 Service List

217098

AMENDMENT NO. 4 TO CREDIT AGREEMENT

This Amendment No. 4 to Credit Agreement ("Amendment No.4") dated effective as of the 13th day of May, 2005, by and between **ATA AIRLINES, INC. f/k/a AMERICAN TRANS AIR, INC.**, an Indiana corporation (hereinafter referred to as "Borrower"), and **NATIONAL CITY BANK OF INDIANA**, a national banking association (hereinafter referred to as "Bank").

W I T N E S E T H:

WHEREAS, the Borrower and the Bank are parties to that certain Credit Agreement dated as of the 19th day of December, 2002, as amended by that certain Amendment No. 1 to Credit Agreement dated January 9, 2004, Amendment No.2 to Credit Agreement dated October 4, 2004 and Amendment No. 3 to Credit Agreement dated December 16, 2004 (hereinafter referred to as "Agreement");

WHEREAS, the Borrower filed a petition for relief under Chapter 11 of the Bankruptcy Code on October 26, 2004 ("Petition Date") and is operating its business as a Debtor in Possession subject to the jurisdiction of the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division ("Bankruptcy Court");

WHEREAS, the Bankruptcy Court has entered orders (i) granting the Bank relief from stay to, among other things, enforce the obligations of the Borrower under the Agreement and other Loan Documents, including the obligation to reimburse the Bank for draws made under Letters of Credit from Deposit Accounts which are subject to the Bank's security interest, (ii) approving a Stipulation for the use of cash collateral between the Borrower and the Bank ("Stipulation") which modified certain provisions of the Agreement and provides protection to the Bank to permit the Borrower to use cash collateral in the Deposit Accounts which is subject to the Bank's security interest and (iii) approving Amendment No. 3 to Credit Agreement dated December 16, 2004 ("Amendment No. 3") and post-petition financing under the terms of the Agreement as amended by Amendment No. 3;

WHEREAS, the Borrower desires to incur debt under the Agreement, as modified by this Amendment No. 4 and subject to its terms, in the form of renewals or extensions of Letters of Credit which have been issued or the issuance of new Letters of Credit, and has filed its "Second Motion for Order: (I) Authorizing Debtors to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105(a) and 364(c); and (II) Final Hearing on Non-Omnibus Hearing Date" on April 28, 2005 ("Financing Motion");

WHEREAS, as of April 14, 2005, the Bank has issued for the account of the Borrower Letters of Credit with an undrawn face amount currently outstanding of approximately $27,455,590.01 (based upon currency conversions and fluctuations);

WHEREAS, the Borrower desires to continue and amend the financial accommodations previously extended by the Bank as contemplated herein; and

WHEREAS, the Bank is willing to continue such financial accommodations postpetition to the Borrower on the terms and subject to the conditions in the Agreement as amended by the terms and conditions of this Amendment No. 4.

NOW, THEREFORE, in consideration of the premises, the mutual covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Exhibit A

Section 1. Effect of this Amendment No. 4. This Amendment No. 4 shall not change, modify, amend or revise the terms, conditions and provisions of the Agreement, the terms and provisions of which are incorporated herein by reference, except as expressly provided herein and agreed upon by the parties hereto. This Amendment No. 4 is not intended to be nor shall it constitute a novation or accord and satisfaction of the outstanding instruments by and between the parties hereto. Borrower and Bank agree that, except as expressly provided herein, all terms and conditions of the Agreement shall remain and continue in full force and effect. The Borrower acknowledges and agrees that the indebtedness under the Agreement remains outstanding and is not extinguished, paid, or retired by this Amendment No. 4, or any other agreements between the parties hereto prior to the date hereof, and that Borrower is and continues to be fully liable for all Obligations to the Bank contemplated by or arising out of the Agreement. Prepetition financial accommodations and postpetition financial accommodations shall be limited to an aggregate amount not to exceed $38,000,000. Except as expressly provided otherwise by this Amendment No. 4, the credit facilities contemplated by this Amendment No. 4 shall be made according to and pursuant to all conditions, covenants, representations and warranties contained in the Agreement.

Section 2. Definitions. Terms defined in the Agreement, which are used herein, shall have the same meaning as set forth in the Agreement unless otherwise specified herein.

Section 3. Amendment of Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 6 herein:

(a) The following definition appearing in Section 1.1 of the Agreement is amended and replaced with the following:

"Line of Credit Maturity Date" means August 31, 2006.

(b) Section 2.2 of the Agreement is hereby amended and replaced with the following:

2.2 Letter of Credit Fees. In addition to Bank's standard and customary charges and fees associated with the Letters of Credit, Borrower agrees to pay to Bank an annual commission fee associated with the Letters of Credit in an amount equal to one hundred twenty five (125) Basis Points of the face amount of each Letter of Credit issued by Bank for the account of Borrower, payable by Borrower to Bank upon the issuance of each Letter of Credit and upon each annual anniversary date of the issuance of such Letter of Credit thereafter during such time as the Letter of Credit remains outstanding. Such fees shall not be reduced or refundable for any reason. Borrower hereby authorizes Bank to collect such fees by deducting the amount thereof from any account of Borrower at Bank.

(c) Section 2.7 of the Agreement is hereby amended and replaced with following:

2.7 Unused Fee. Borrower shall pay to Bank from and after the date hereof until the date on which Bank's commitment under the Line of Credit is terminated in whole, an unused fee accruing at the rate of twenty five (25) Basis Points per annum on the average daily portion of the Line of Credit of Thirty Eight Million ($38,000,000) in excess of the sum of (a) aggregate face amount of issued and outstanding Letters of Credit plus (b) any Advances, from time to time. All such unused fees payable under

this clause shall be payable quarterly in arrears on the last day of each fiscal quarter of Borrower occurring after the date hereof and, in addition, on the date on which the Bank's commitment under Line of Credit is terminated in whole. Such unused fees shall be calculated on the basis of the actual number of days elapsed and a three hundred sixty (360) day year.

(d) New Subsections 5.2.1 (j) and (k) are added to the Agreement as follows:

(j) On or before May 1, 2005, Borrower shall provide consolidated financial operating projections for the year ended December 31, 2005 with detail provided on a monthly basis; and

(k) In addition to the financial reports required under the Credit Agreement as amended, within thirty (30) days after the end of each calendar month, the Borrower shall provide consolidated financial statements accompanied by operating statistics, and a variance report of operating performance against the projections for fiscal year 2005 on a month to month basis and on a year to date basis.

(e) Subsection 5.2.11 of the Agreement is hereby amended and replaced with the following:

5.2.11 Deposit Accounts. Maintain Deposit Accounts in which Bank has a first priority perfected security interest in such amount and subject to such terms, conditions and obligations as set forth in the Stipulation, which terms, conditions, and obligations are incorporated herein by reference; provided however, as to any Letters of Credit issued in foreign currencies the Borrower shall maintain an amount in the Deposit Account equal to one hundred ten (110) percent of the aggregate face amount of such Letter of Credit plus any amount which has been drawn on but not yet repaid with respect to such Letter of Credit. Specifically, and without limiting the terms of the Stipulation, Borrower shall maintain the one hundred fifty thousand dollar ($150,000.00) "Holdback" to cover all "Bank Charges" as those terms are defined in the Stipulation in addition to the other amounts required to be maintained thereunder. The Borrower shall cure any cash collateral deficiency caused by currency fluctuations upon request and in the event that the deficiency is not cured within forty eight (48) hours of notice, the Bank shall be authorized to debit any account of Borrower at Bank for the amount necessary to cure such deficiency.

Section 4. Reimbursement of Legal Fees. All out-of-pocket expenses of the Bank and U.S. Bank National Association, which has purchased a participation interest in the Facilities, including without limitation, filing fees, recording fees, and legal fees and disbursements, are to be paid by Borrower either as of execution of this Amendment No. 4 or promptly upon demand therefore. Borrower hereby authorizes Bank to collect such fees and expenses by deducting the amount thereof from any account of Borrower at Bank.

Section 5. Extension Fee. Borrower shall pay an extension fee upon execution of this Amendment No. 4 in the amount of eight thousand dollars ($8,000.00).

Section 6. Conditions Precedent. This Amendment No. 4 shall become and be deemed effective in accordance with its terms immediately upon the Bank receiving:

(a) Two (2) copies of this Amendment No. 4 duly executed by the authorized officers of the Borrower and the Bank;

(b) Entry of a Final Order by the Bankruptcy Court in form and substance reasonably satisfactory to Bank approving the Financing Motion;

(c) Two (2) copies of a Consent and Reaffirmation of Guaranty executed by the Guarantor;

(d) A consent letter executed by U.S. Bank National Association and Bank;

(e) Reimbursement of the expenses as contemplated in Section 4 hereof;

(f) Payment of the fee contemplated in Section 5 hereof; and

(g) Such other documents and items as the Bank may reasonably request.

Section 7. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants, in addition to any other representations and warranties contained herein, in the Agreement, the Loan Documents, or any other document, writing or statement delivered or mailed to the Bank or its agent by the Borrower, as follows:

(a) This Amendment No. 4 constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms. The Borrower has taken all necessary and appropriate corporate and other action, including but not limited to approval by the Bankruptcy Court, for the approval of this Amendment No. 4 and the authorization of the execution, delivery and performance thereof.

(b) The Borrower hereby specifically confirms and ratifies its obligations, waivers and consents under each of the Loan Documents.

(c) Except as previously disclosed in writing to Bank, there have been no material changes to the Articles of Incorporation, By-Laws, or the composition of the Board of Directors of the Borrower since execution of the Agreement.

(d) Borrower acknowledges that the definition "Loan Documents" shall include this Amendment No. 4 and all the documents executed contemporaneously herewith.

Section 8. Affirmative Covenants. By entering into this Amendment No. 4, Borrower further specifically undertakes to comply with the obligations, terms and covenants as contained in Articles 2 and 5 of the Agreement and agrees to comply therewith as such relate to the additional credit facilities and accommodations as provided to the Borrower pursuant to the terms of this Amendment No. 4.

Section 9. Governing Law. This Amendment No. 4 has been executed and delivered and is intended to be performed in the State of Indiana and shall be governed, construed and enforced in all respects in accordance with the substantive laws of the State of Indiana.

Section 10. Headings. The section headings used in this Amendment No. 4 are for convenience only and shall not be read or construed as limiting the substance or generality of this Amendment No. 4.

Section 11. Survival. All representations, warranties, and covenants of the Borrower herein or any certificate, agreement or other instrument delivered by or on its behalf under this Amendment No. 4 shall be considered to have been relied upon by the Bank and shall survive the execution of this Agreement. All statements and any such certificate or other instrument shall constitute warranties and representations hereunder by the Borrower and its authorized officer.

Section 12. Counterparts. This Amendment No. 4 may be signed in one or more counterparts, each of which shall be considered an original, with the same effect as if the signatures were upon the same instrument.

Section 13. Modification. This Amendment No. 4 may be amended, modified, renewed or extended only by written instrument executed in the manner of its original execution.

Section 14. Waiver of Certain Rights. The Borrower waives acceptance or notice of acceptance hereof and agrees that the Agreement, this Amendment No. 4, the Reimbursement Note, and all of the other Loan Documents shall be fully valid, binding, effective and enforceable as of the date hereof, even though this Amendment No. 4 and any one or more of the other Loan Documents which require the signature of the Bank, may be executed by and on behalf of the Bank on other than the date hereof.

Section 15. Waiver of Defenses and Claims. In consideration of the financial accommodations provided to the Borrower by the Bank as contemplated by this Amendment No. 4, Borrower hereby waives, releases and forever discharges the Bank, its officers, directors, employees, agents, affiliates and participants under the Agreement (collectively, the "Release Parties") from and against any and all rights, claims or causes of action against the Released Parties arising from the Released Parties' actions or inactions with respect to the Loan Documents or any security interest, lien or collateral in connection therewith as well as any and all rights of set off, defenses, claims, causes of action and any other bar to the enforcement of the Loan Documents which exist as of the date hereof.

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IN WITNESS WHEREOF, **ATA AIRLINES, INC.** and **NATIONAL CITY BANK OF INDIANA** have caused this Amendment No. 4 to Credit Agreement to be executed by their respective duly authorized officers as of the date and year first written above.

ATA AIRLINES, INC.

By: _____

Printed: _____

Title: _____

NATIONAL CITY BANK OF INDIANA

By: _____
F. Richard Blankenship, III, Senior Vice President

BAE SYSTEMS
Enterprise Systems Incorporated
11487 Sunset Hills Road
Reston, Virginia 20190-5234

CERTIFICATE OF SERVICE

District/off: 0756-1 User: cathy Page 1 of 1 Date Rcvd: May 16, 2005
Case: 04-19866 Form ID: pdfOrder Total Served: 1

The following entities were served by first class mail on May 18, 2005.
aty +Terry E Hall, Baker & Daniels, 300 N Meridian St Ste 2700, Indianapolis, IN 46204-1782

The following entities were served by electronic transmission.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****
NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: May 18, 2005 **Signature:** Joseph Speetjens