SO ORDERED: September 19, 2005.

Basil H. Lorch III
United States Bankruptcy Judge

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.	)	

ORDER ON MOTION ON SHORTENED NOTICE FOR APPROVAL OF LETTER OF INTENT AND AIRCRAFT SUBLEASE TRANSACTION

This matter is before the Court upon the Motion On Shortened Notice for Approval of Letter of Intent and Aircraft Sublease Transaction (the "Motion")[2] filed by ATA Airlines, Inc. ("ATA") in the above captioned Chapter 11 cases. The Court finds that (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this

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).

2. Certain terms not defined herein shall have the meaning ascribed to such terms in the Motion.

is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of ATA, its estate and its creditors and represents a sound exercise of ATA's business judgment; (iv) proper and adequate notice of this Motion has been given and that no further notice is necessary; (v) the Aircraft constitute "equipment" within the meaning of section 1110(a)(3)(A)(i) of the Bankruptcy Code; (v) the LOI and the Transaction were negotiated, proposed and entered into by ATA and Continental Airlines, Inc. ("Continental") in good faith, from arms' length bargaining positions, and without collusion; and (vi) good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion. Therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED.

2. The LOI is approved. ATA is authorized to consummate the Transaction and to execute all documents and to take all actions set forth in the LOI (or on terms substantially similar to the LOI) or reasonably necessary to consummate the Transaction, including without limitation, ATA is authorized to execute the Subleases.

3. The automatic stay pursuant to § 362(a) of the Bankruptcy Code is hereby lifted irrevocably as to Continental so as to allow Continental to exercise its rights and remedies under the LOI, the Transaction and the Subleases in accordance with the terms thereof.

4. Continental 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 ATA under the Subleases, including in any subsequent Chapter 11 case filed by ATA.

5. For all purposes of that certain interim Order Authorizing Debtor's Use of Cash Collateral and Use, Sale or Lease of Other Pre-Petition Collateral, that certain Second Interim Final Order Authorizing Debtor's Use of Cash Collateral and Use, Sale or Lease of Other Pre-Petition Collateral, and that certain Interim Order (I) Authorizing Post-Petition Secured Super-Priority Financing Pursuant to Sections 105(a), 362, 364(c)(1), 364(c)(2), 364(c)(3) and 507 of the Bankruptcy Code and (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(c) and 4001(d), in each case including any final order entered thereon, and all extensions, amendments and supplements thereof, and any other order authorizing use of cash collateral or approving any post petition financing (collectively, the "Financing and Cash Collateral Orders"), the LOI, the Aircraft, the Transaction and the Subleases, including any interest in and proceeds of any of them are hereby deemed to be, and are Section 1110 Assets and Section 1110 Agreements (as such terms are defined in the Financing and Cash Collateral Orders), and shall not be Replacement Collateral (as such term is defined in the Financing and Cash Collateral Orders), nor shall the liens (including the Replacement Liens as defined thereunder) granted under any such Financing and Cash Collateral Order extend to any of the LOI, the Aircraft, the Transaction or the Subleases, including any interest in and proceeds of any of them, except that subject to the terms and conditions of, and solely to the extent provided in, the Second Interim and Final Order Authorizing Debtor's Use of Cash Collateral and Use, Sale or Lease of Other Pre-Petition Collateral, the Replacement Liens created by such order shall extend to proceeds from ATA's disposition, if any, to which ATA has any rights after the performance and payment in full of all of ATA's obligations to Continental related to the LOI, the Aircraft, the Transaction and the Subleases, including as required under § 1110 of the Bankruptcy Code.

6. This Order shall be binding upon ATA and any trustee, whether pursuant to Chapter 11 or Chapter 7, who may be appointed for ATA, and all parties with an interest in the Aircraft.

7. Any and all claims by Continental arising under or related to the LOI, the Subleases or the Transaction prior to their payment to Continental by ATA, are and shall be deemed administrative expenses pursuant to §§ 503(b) and 507(a)(1) of the Bankruptcy Code. Nothing herein shall be deemed to grant to Continental any claim with "super-priority" status under § 507(b) of the Bankruptcy Code; accordingly any administrative expense claims held by Continental related to the Subleases, the Transaction or this Order, shall, to the same extent as any other administrative expense claim pursuant to §§ 503(b) and 507(a)(1) of the Bankruptcy Code, be subject and subordinate to any allowed § 507(b) "super priority" administrative expense claims. Notwithstanding anything herein to the contrary, any payment made by ATA to Continental pursuant to the LOI, the Transaction or the Subleases shall not be subject to disgorgement in ATA's bankruptcy case or otherwise.

8. The ten-day stay imposed by Fed. R. Bankr. P. 6004 hereby is and shall be waived, making this Order final upon the date so entered.

9. The Transaction and the Subleases to be consummated in accordance with the LOI constitute good faith transactions, and Continental is entitled to the protections afforded by § 363(m) of the Bankruptcy Code in the event of a reversal or modification on appeal of this Order.

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