



SO ORDERED: June 13, 2006.

**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., <sup>1</sup>	)	Case No. 04-19866
	)	(Jointly Administered)
Debtors.	)	

**ORDER APPROVING SETTLEMENT**  
**(Evansville-Vanderburgh Airport Authority District)**

This matter is before the Court upon the Notice Of Settlement Of Administrative Claim And Request For Order Approving Settlement (Evansville-Vanderburgh Airport Authority District) (the "Settlement") filed by ATA Airlines, Inc. and C8 Airlines, Inc. (collectively, the "Airlines") and Evansville-Vanderburgh Airport Authority District ("Authority"). Airlines and Authority filed the Settlement evidencing their agreement to resolve the Motion<sup>2</sup> and the Objection. The Court, having reviewed the Settlement, and being otherwise duly advised, now

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<sup>1</sup> The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassadors 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).

<sup>2</sup> Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Settlement.

APPROVES the Settlement, it appearing to the Court that the request has been made for good cause. Accordingly,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

1. The Settlement attached hereto as Exhibit 1 is APPROVED and is hereby so ordered.

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Requested by:

James M. Carr (#3128-49)  
Terry E. Hall (#22041-49)  
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Evansville-Vanderburgh Airport Authority District  
H.C. "Bud" Farmer, President  
7801 Bussing Drive  
Evansville, Indiana 47725

Distribution:

Core Group  
2002 List  
Appearance List

**Exhibit 1**

## **STIPULATION**

This Stipulation (the "Stipulation") is entered into as of the 30 day of May, 2006, by ATA Airlines, Inc. ("ATA"), and C8 Airlines, Inc. ("C8" and collectively, "Airlines"), and Evansville-Vanderburg Airport Authority District ("Authority").

## **RECITALS**

1. Airlines and Authority are parties to the Airport Use and Lease Agreement dated as of January 11, 2005 ("Lease Agreement") and the Air Transportation Services Agreement dated as of January 10, 2005 ("Services Agreement" and together with the Lease Agreement, the "Agreements"). Under the Agreements, Airlines leased space from Authority and provided air transportation services to and from (among other places) Evansville, Indiana, and Authority guaranteed certain levels of revenues and expenses.

2. On October 26, 2004 (the "Petition Date"), Airlines filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "ATA Bankruptcy Case") in the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Bankruptcy Court").

3. On April 1, 2005, Authority filed its Motion For Payment Of Administrative Claim ("Motion") (Docket #1838).

4. On April 26, 2005, Airlines filed an objection to the Motion ("Objection") (Docket #2035). The Motion and Objection have been continued from time to time.

5. The Agreements were terminated by Airlines on or about March 28, 2005.

6. Under the Agreements, Airlines claim they are owed certain fees for transportation services provided in the total sum of \$399,510.15 ("Services Fees"); Authority claims it is owed rent and an early termination fee totaling \$234,305.36 ("Rent Fees").

7. Airlines and Authority desire to settle the Motion and Objection and all matters related to or arising from the Agreements and to forego the costs of litigation and further disputes related to the Agreement.

## **AGREEMENT**

Now therefore, in consideration of the recitals, and for good and valuable consideration the receipt and sufficiency of which is acknowledged, it is mutually agreed as follows:

A. Within five (5) business days of the entry of an order ("Order") by the Bankruptcy Court approving this Stipulation, Authority shall pay to ATA the sum of

\$165,204.79, that sum being the net of the Services Fees owed by Authority and the Rent Fees owed by Airlines.

B. Effective upon both the execution of this Stipulation and the entry of the Order, and except as specifically provided for herein, Airlines and Authority hereby release and discharge each other and their respective members, principals, agents, accountants, attorneys, employers, representatives, predecessors, successors, assigns, affiliates, co-debtors, affiliated debtors, officers and directors, as applicable, from any and all claims, counterclaims, rights, demands, costs, damages, losses, liabilities, attorneys' fees, actions and causes of action whatsoever, whether known or unknown, liquidated, fixed, contingent, material, immaterial, disputed, undisputed, legal or equitable arising from or related to the Agreements. Nothing herein waives the rights of the Parties to seek enforcement of this Stipulation.

C. Each person signing this Stipulation in a representative capacity warrants to the other party to this Stipulation that he/she is legally competent and fully authorized to sign and enter into this Stipulation on behalf of the corporation or entity for which he/she signs.

D. This Stipulation shall be valid and binding on the parties and their respective successors and assigns.

E. This Stipulation may be executed by facsimile and in counterparts, which, when fully executed, shall constitute a single original. This Stipulation constitutes the entire agreement between Airlines and Authority.

F. This Stipulation may not be modified or amended except in writing signed by both Airlines and Authority or their successors in interest.

G. This Stipulation shall be construed without regard to any presumption or other rule requiring construction against the party causing the document to be drafted. Each party is entering into this Stipulation voluntarily, without duress, with the consultation and advice of its legal counsel (or upon a voluntary waiver of the right to such consultation and advice), and with full understanding of its terms.

IN WITNESS WHEREOF, Airlines and Authority have executed this Stipulation as of the date first written above.

EVANSVILLE-VANDEBURGH  
AIRPORT AUTHORITY

ATA AIRLINES, INC.

By: H. C. "Bud" Farmer

By: Brian T. Hunt

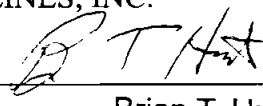
Name: H. C. "Bud" Farmer

Name: Brian T. Hunt  
Senior Vice President  
General Counsel and Secretary

Title: President

Title: \_\_\_\_\_

C8 AIRLINES, INC.

By: 

Name: Brian T. Hunt  
Senior Vice President  
General Counsel and Secretary

Title: \_\_\_\_\_