SO ORDERED: November 19, 2004.

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 (A) ESTABLISHING PROCEDURES FOR APPROVAL OF ONE OR MORE TRANSACTIONS, (B) APPROVING AND AUTHORIZING A BREAK-UP FEE AND EXPENSE REIMBURSEMENT, AND (C) APPROVING A FORM OF NOTICE

This matter came before the Court on the Emergency Motion To Establish (A) Procedures For Approval Of Transaction, (B) A Break-Up Fee, and (C) Forms Of Notice (the "Transaction Procedures Motion")[2] filed by the debtors and debtors-in-possession in the above captioned cases (the "Debtors"). In the Transaction Procedures Motion, Debtors asked that this Court (A) establish procedures (the "Bid Procedures") for the Court's consideration and

[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] Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Transaction Procedures Motion.

approval of the AirTran Transaction, or one or more Alternative Transactions, (B) approve a break-up fee and expense reimbursement to be payable to AirTran Airways, Inc. under certain circumstances, and (C) approving the form of Bid Procedures Notice as part of the Bid Procedures.

This Court, having reviewed the Transaction Procedures Motion, all objections to the Transaction Procedures Motion, all pleadings and affidavits filed to date, and having heard the arguments of counsel and evidence presented at a hearing commenced on November 15, 2004 and adjourned to and completed on November 18, 2004 (the "Procedures Hearing"), and being otherwise duly advised, now GRANTS the Transaction Procedures Motion (except to the extent modified herein), it appearing to the Court that it has been made for good cause. Accordingly,

THE COURT HEREBY FINDS THAT:

1. Notice of the Transaction Procedures Motion complies with General Order 03-10.

2. Attached hereto as Exhibit A are the Bid Procedures proposed by Debtors. The Bid Procedures are reasonable, represent a sound exercise of Debtors' business judgment and are in the best interest of Debtors' estates.

3. Good cause exists for approving the Bid Procedures.

The Bid Procedures

4. At the Procedures Hearing, Debtors presented to the Court an Asset Acquisition Agreement among AirTran Airways, Inc., as Purchaser and Assignee and ATA Holdings Corp. and ATA Airlines, Inc. as Sellers and Assignors dated November 16, 2004 (the "Definitive Agreement").

NOW, THEREFORE, IT IS HEREBY ORDERED:

A. The Transaction Procedures Motion is hereby GRANTED with the modifications provided for herein, and all objections thereto that were not resolved and withdrawn at or before the Procedures Hearing are hereby OVERRULED.

B. The Bid Procedures are hereby approved. As set forth in the Bid Procedures, the Court will conduct a hearing (the "Transaction Hearing") to consider approval of the AirTran Transaction or one or more Alternative Transactions that may be determined to individually or collectively constitute the highest and best Transaction. Any auction ("Auction") that is required by the Bid Procedures will be conducted as provided in the Bid Procedures.

C. The Court hereby approves and orders that Debtors shall pay to AirTran a break-up fee in the amount of $3.25 million (the "Break-Up Fee") upon the conditions and subject to the terms of Article XII of the Definitive Agreement. If and to the extent AirTran becomes entitled to receive the Break-Up Fee under the Definitive Agreement and this order AirTran will not receive any Expense Reimbursement (as defined below). However if and to the extent AirTran becomes entitled to receive reimbursement for its out of pocket expenses (not to exceed in an aggregate of $1,000,000) incurred by AirTran in connection with due diligence, analysis and negotiation of the AirTran Transaction (the "Expense Reimbursement") without payment of any Break-Up Fee under the Definitive Agreement, the Court approves and orders Debtor to pay to AirTran such Expense Reimbursement. If and to the extent such Break-Up Fee or Expense Reimbursement become payable, Debtors shall pay such amounts by wire transfer of immediately available funds to a bank account specified in writing by AirTran within two (2) business days after the same may become payable in accordance with the Definitive Agreement.

D. Subject to a possible continuance as provided in the Bid Procedures, the Transaction Motion shall be heard at the Transaction Hearing on December 16, 2004 at 9:30 a.m.

EST. Any objection to the Transaction Motion for the AirTran Transaction shall be filed and served on the United States Trustee, counsel for Debtors, counsel for AirTran, and counsel for all of the Notice Parties on or before 4:00 p.m. EST on December 10, 2004. Any objection to an Alternative Transaction shall be filed and served on the United States Trustee, counsel for Debtors, counsel for AirTran, and counsel for all of the Notice Parties on or before 4:00 p.m. EST on December 15, 2004.

E. Nothing in this Transaction Procedures Order shall be interpreted to affect the rights of any party under section 1110 of the Bankruptcy Code.

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Requested by:

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Distribution:

Debtors' Counsel
United States Trustee
Secured Lenders
Thirty Largest Unsecured Creditors

Exhibit A

In re ATA Holdings Corp., et al.

Bid Procedures

Set forth below are the bid procedures (the "Bid Procedures")[1] to be employed by ATA Holdings Corp. and its debtor affiliates (collectively, the "Debtors") in *In re ATA Holdings Corp., et al*, Case No. 04-19866 in the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Chapter 11 Cases") concerning one or more prospective transactions with regard to some or all of the assets, operations or businesses of the Debtors, including, but not limited to, certain assets relating to the Debtors' operations at Midway International Airport in Chicago, Illinois, ("Midway") as described in the Definitive Agreement described below (the "Midway Assets"). The following Bid Procedures are designed to facilitate a full and fair bidding process to maximize the overall value of the Debtors' estates.

On October 29, 2004, the Court entered the Interim Order Authorizing Debtors' Use of Cash Collateral and Use, Sale and Lease of Other Pre-Petition Collateral (the "Interim Cash Collateral Order"). Prior to the entry of the Interim Cash Collateral Order, the Debtors and the "ATSB Lender Parties" (as defined in the Interim Cash Collateral Order) negotiated the terms and conditions upon which the ATSB Lender Parties would consent to the Debtors' use of "Cash Collateral" (as defined in the Interim Cash Collateral Order). The "ATSB" and the "Lenders"[2] (as each is defined in the Interim Cash Collateral Order, and together, the "ATSB Lenders") are at least partially funding the Chapter 11 Cases through the Debtors' use of Cash Collateral. The Debtors have concluded that it is in the best interests of the Debtors, their estates and their creditors to pursue one or more transactions with respect to the transfer of the Debtors' assets, operations or businesses. The Debtors have consented to the involvement of the ATSB Lenders in these Bid Procedures to assist the Debtors in maximizing the value of the Debtors' estates in connection with any transaction conducted under these Bid Procedures.

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

The Debtors and AirTran Airways, Inc. ("AirTran") executed a commitment letter, dated as of October 24, 2004 (the "Commitment Letter"). Pursuant to the Commitment Letter, the Debtors and AirTran have negotiated a definitive agreement regarding acquisition of the Midway Assets and incorporating the material terms and conditions of the Commitment Letter (the "Definitive Agreement"). The Definitive Agreement is subject to the approval of the Committee and the ATSB Lenders.

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[1] Any capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Emergency Motion To Establish (A) Procedures for Approval of Transaction, (B) a Break-Up Fee, and (C) Forms Of Notice (the "Transaction Procedures Motion").

[2] For the avoidance of doubt, the term "Lenders" shall include any parties that are participants in the ATSB Loan (as defined in the Interim Cash Collateral Order).

The Debtors may seek the entry of an order from the Court authorizing and approving one or more transactions to one or more Qualified Bidders (as defined below) which the Debtors, with the approval of the ATSB Lenders, the Committee, and the City of Chicago ("Chicago"), to the extent involving the Midway Facilities Lease (as defined below) or any other lease or contract with Chicago (with the ATSB Lenders, the Committee, and Chicago referred to collectively hereafter as the "Notice Parties") determine to have made the offer or offers for any or all of the Assets (as defined below) that maximize the overall value of the Debtors' estates.

Assets to be Sold

The Debtors are offering to enter into one or more transactions (including any Alternative Transaction (as defined below), (each a "Transaction") to transfer all, or any substantial part of the assets, operations or businesses of the Debtors (the "Assets"). Pursuant to the Definitive Agreement, AirTran has offered to purchase the Midway Assets, which are described more fully in the Definitive Agreement and which do not include all of the Assets.

Qualified Bidders may submit bids to purchase the Midway Assets in one or more transactions similar to those contemplated in the Definitive Agreement, or submit an offer to enter into one or more transactions differing from those contemplated in the Definitive Agreement (each an "Alternative Transaction"). An Alternative Transaction may be (i) based upon an offer to acquire the Midway Assets with or without other of the Assets (ii) based upon an offer to acquire some, all, or substantially all, of the Assets with or without some or all of the Midway Assets or (iii) a chapter 11 plan that may be proposed by one or more of the Debtors. Any such offer or offers for one or more Alternative Transactions may be submitted singly or jointly with other offers, and may be in the form of a proposed chapter 11 plan for any or all of the Debtors or a transfer of assets by motion under §§ 363, 365 of the Bankruptcy Code.

Nothing contained in these Bid Procedures shall be interpreted to affect the rights of any party (a "Section 1110 Party") under section 1110 of the Bankruptcy Code. A Successful Bidder (as defined below) will be obligated to obtain all government consents and approvals required for the consummation of the proposed Transaction.

To the extent that any Transaction (including without limitation any code-share arrangement called for by any such Transaction) requires regulatory approval from one or more governmental units or agencies, nothing contained in these Bid Procedures shall constitute a waiver of such requirements.

At their discretion, the Debtors in full consultation with the Notice Parties may consider only offers seeking to purchase a substantial portion of the Assets.

The Bidding Process

The Debtors and their advisors, in consultation with the Notice Parties, shall (i) determine whether any person is a Qualified Bidder, (ii) coordinate the efforts of Qualified Bidders in conducting their due diligence investigations, (iii) receive offers from Qualified Bidders and (iv) negotiate any offers made to purchase some or all, or substantially all, of the Assets, as set forth above (collectively, the "Bidding Process"). The Debtors, in consultation with the Notice Parties, shall have the right to amend the Bidding Process rules set forth herein

or adopt such other Bidding Process rules (including rules that may depart from those set forth herein) as Debtors reasonably believe would better promote the goals of the Bidding Process, in each case provided that such altered or amended rules shall not conflict with the express terms of these Bidding Procedures or the Order of this Court approving the Bidding Procedures. Notwithstanding the foregoing or anything else in these Bidding Procedures, neither Debtors nor any of the Notice Parties shall ask the Court to postpone or continue the Bid Deadline (as defined below) or the Transaction Hearing, as scheduled below by more than 3 business days without the written approval of AirTran. Debtors shall communicate any such amendment and/or addition to the Bidding Process rules to all Qualified Bidders immediately upon making such amendment and/or addition.

Notice

Notice of the Transaction Hearing (as defined below) and the establishment of the Bid Procedures shall be good and sufficient, and no other or further notice shall be required, if notice is given as follows:

(i) Notice of Transaction Hearing. Within two (2) business days after the entry of the Transaction Procedures Order, the Debtors (or their agents) shall serve (a) the order approving these Bid Procedures (the "Transaction Procedures Order") and its exhibits, including these Bid Procedures, and (b) the Motion for Order Pursuant to 11 U.S.C. §§ 105(a), 363, 365 and 1146(c) and Fed. R. Bankr. P. 2002, 6004 and 6006 Approving the AirTran Transaction or, if Applicable, One or More Alternative Transactions (the "Transaction Motion") and the exhibits to the Transaction Motion (including the Definitive Agreement) and (c) a Notice Regarding Bid Procedures in substantially in the form of Exhibit 1 attached hereto (the "Transaction Procedures Notice"), by first-class mail, postage prepaid, and by e-mail (if possible) upon, without duplication, (1) all parties who were contacted by, or who contacted, the Debtors, their counsel or advisers, regarding a potential transaction regarding some or all of the Assets, outside the ordinary course of business, before or after the commencement of the Chapter 11 Cases, (2) all parties from whom the Debtors lease aircraft or engines, (3) all parties asserting a security interest or lien upon any of the Assets, (4) the Debtors' 30 largest unsecured creditors, (5) any party reasonably identified to the Debtors by any Notice Party as being potentially interested in a Transaction, (6) any prospective bidder or party in interest submitting a written request to the Debtors,[3] (7) all federal, state and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the sale of the Assets, (8) the United States Attorney's office, (9) the Securities and Exchange Commission, (10) the Internal Revenue Service, (11) all parties that have

[3] Any inquiries by any prospective bidder or party in interest should be directed to the contacts for the Debtors, Baker & Daniels, as counsel to the Debtors, and/or Huron Consulting Group Inc., as financial advisors to the Debtors, listed on Exhibit 3 attached hereto.

filed a notice of appearance in the Chapter 11 Cases, (12) AirTran, and (13) the Notice Parties;

(ii) Publication Notice. Within five (5) business days after the entry of the Transaction Procedures Order, the Debtors (or their agents) shall cause the Transaction Procedures Notice, or such other notice as is deemed appropriate in the judgment of the Debtors, in consultation with the Notice Parties, to be published in *The Indianapolis Star* and the national editions of *The Wall Street Journal* and *The New York Times*;

(iii) Internet Notice. The Debtors (or their agents) shall cause a copy of (a) the Transaction Procedures Order and its exhibits, including these Bid Procedures, and (b) the Transaction Motion and its exhibits (including the Definitive Agreement) to be posted on the website of the Debtors' notice, claims and balloting agent, the BMC Group, Inc.,www.bmcgroup.com/ata;

(iv) Cure Notice. (a) On or before November 29, 2004 the Debtors shall file with the Court and serve (by fax or overnight courier) on all non-Debtor parties to material executory contracts or unexpired leases (including without limitation, all lessors and conditional vendors of any aircraft equipment subject to section 1110 of the Bankruptcy Code) with a Debtor and to the Notice Parties a notice substantially in the form of Exhibit 3 hereto (the "Cure Notice") setting forth Debtors' calculation of the amount to be paid and any other actions to be taken necessary to cure any defaults under any such executory contract or unexpired lease necessary to assume and/or assign any such executory contract or unexpired lease (the "Cure"). With respect to Cure in connection with the Midway Facilities Lease, Chicago contends that the manner and timing for satisfying any Cure obligations is subject to the approval of Chicago. The Committee currently disagrees with the foregoing contention by Chicago. Any non-Debtor party receiving the Cure Notice pursuant to this provision shall have until December 10, 2004 to file any objection to the Cure as asserted by Debtors. In its objection, the non-Debtor party must state with specificity what cure is necessary for the assumption and/or assignment of such executory contract or unexpired lease; provided however, that, as to any Alternative Transaction, nothing in the objection to the Cure Notice shall be deemed to waive any other objection to such assumption and/or assignment, including any requirement for adequate assurance of future performance. (b) To the extent any executory contract or unexpired lease was not included in the leases and executory contracts as to which a Cure Notice was provided under (a) above but is later determined to be material to a Transaction proposed hereunder, the Debtors shall provide a copy of a Cure Notice to the non-Debtor party to any such executory contract or unexpired lease and such non-Debtor party shall have no less than seven (7) business days to file an objection to the Cure as asserted by Debtors following the procedure set forth above. (c) If no objection is timely received, the Cure set forth in the Debtors' Cure Notice shall be

controlling, notwithstanding anything to the contrary in any such executory contract or unexpired lease. The non-Debtor party to such executory contract or unexpired lease shall be forever barred from asserting any other cure claims against the Debtors, any Successful Bidder or the property of any such party as to such executory contract or unexpired lease arising from or related to a default thereunder and will be bound by the cure amount set forth in the Cure Notice;

(v) Assumption Notice. Within two (2) business days after the conclusion of the Auction (as defined below), the Debtors shall file with the Court a notice identifying the executory contracts and unexpired leases which are subject to being assumed and assigned pursuant to the Successful Bid(s). The non-Debtor party to any such executory contract or unexpired lease shall have the right to raise any additional objections, including a request for adequate assurance of future performance, with respect to any Alternative Transaction Successful Bidder at the Alternative Transaction Hearing (defined below).

Participation Requirements

Unless otherwise ordered by the Court or determined by the Debtors, in consultation with the Notice Parties, each person (a "Potential Bidder") interested in participating in the Bidding Process must deliver to the Debtors (unless previously delivered):

(i) an executed confidentiality agreement in substantially similar form to that attached hereto as Exhibit 2; and

(ii) (a) current audited financial statements of the Potential Bidder, or, if the Potential Bidder is an entity formed for the purpose of acquiring any portion of the Assets, current audited financial statements of the equity holder(s) of the Potential Bidder, or such other form of financial disclosure acceptable to the Debtors and their advisors, in consultation with the Notice Parties, demonstrating such Potential Bidder's ability to close a proposed transaction, and (b) such other information as is reasonably requested by the Debtors or one or more of the Notice Parties.

A "Qualified Bidder" is a Potential Bidder that delivers the documents described in subparagraphs (i) and (ii) above, is qualified (or will be qualified) under applicable law to acquire the Assets for which such Potential Bidder seeks to bid and that the Debtors, in consultation with the Notice Parties, determine is reasonably likely (based on financial information submitted by the Potential Bidder, the ability of such Potential Bidder to obtain financing, airline experience and other considerations deemed relevant by the Debtors and the Notice Parties, in consultation with the Notice Parties) to submit a bona fide offer and be able to consummate the Transaction if selected as a Successful Bidder.

Notwithstanding the foregoing or anything else in these Bidding Procedures, after execution of the confidentiality agreement similar to the form attached as Exhibit 2, parties

submitting bids pursuant to § 363(k) of the Bankruptcy Code ("Credit Bidders") shall be deemed Qualified Bidders with respect to those assets in which the Credit Bidders maintain a security interest or lien.

The Debtors shall provide within one (1) business day any materials received pursuant to subparagraphs (i) and (ii) above, when and as received, to the Notice Parties and to Lazard Frères & Co., LLC and Compass Advisors, LLP as financial advisors respectively to the ATSB Lenders and the Committee. All such materials shall be (a) kept confidential by the parties to which they are delivered, (b) used only for the purposes of evaluating a Potential Bidder, a Qualified Bidder or a bid submitted by a Qualified Bidder and (c) used by such parties only in their capacities as set forth in these Bid Procedures or in connection with a Transaction for which the Debtors seek approval of the Bankruptcy Court. No later than two (2) business days after a Potential Bidder delivers all of the materials required by subparagraphs (i) and (ii) above, the Debtors shall determine, in consultation with the Notice Parties, and shall notify the Potential Bidder, if such Potential Bidder is or is not a Qualified Bidder. AirTran is hereby determined to be a Qualified Bidder.

Due Diligence

Only Qualified Bidders may conduct due diligence. The Debtors may afford any Qualified Bidder reasonable time and opportunity to conduct reasonable due diligence under the circumstances. The Debtors will designate an employee or other representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders. Any inquiries regarding due diligence should be directed to the contacts for the Debtors, Baker & Daniels, as counsel to the Debtors and/or Huron Consulting Group LLC, as financial advisors to the Debtors, listed on Exhibit 4 attached hereto. The Debtors may, if appropriate, coordinate due diligence efforts such that multiple Qualified Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or on-site inspections. The Debtors shall not be obligated to furnish any due diligence information after conclusion of the Auction (as defined below) provided, however, Debtors will consult with the Notice Parties regarding any such request for additional due diligence. Neither the Debtors nor any of their respective representatives are obligated to furnish any information regarding the Assets to any person other than a Qualified Bidder or a Notice Party. The Debtors are not responsible for, and will bear no liability with respect to, any information obtained by Qualified Bidders in connection with due diligence.

Bid Deadline

A Qualified Bidder who desires to make a bid shall deliver a written copy of its bid (including by delivery through e-mail or other electronic means or fax) to such parties as are listed on Exhibit 4, no later than 4:00 p.m. (Eastern Standard Time) on December 10, 2004 (the "Bid Deadline"). Subject to the limitation set forth in the last paragraph of page A-2 continuing onto page A-3 above, the Debtors may, with the approval of the ATSB Lenders and the Committee and in full consultation with Chicago, extend the Bid Deadline as is appropriate in the Debtors' reasonable business judgment. As soon as practicable after the Bid Deadline, the Debtors shall distribute copies of each Qualified Bid (as defined below) to all Qualified Bidders submitting a Qualified Bid by the Bid Deadline.

Bid Requirements

A bid received from a Qualified Bidder is a "Qualified Bid" if it meets all of the following bid requirements (provided however that Debtors in consultation with the Notice Parties may waive or modify any of these requirements):

(i) it contains a statement of such Qualified Bidder's intent to bid at the Auction (as defined below);

(ii) it complies in all material respects with the Bid Procedures set forth herein;

(iii) the Qualified Bidder's offer is irrevocable until the earlier of (a) two (2) business days after the closing of the Transaction(s) by which the all of the Assets that were the subject of such bid have been transferred of to one or more Qualified Bidders pursuant to these Bid Procedures, and (b) ninety (90) days after the entry of an order of the Court approving a Transaction for the transfer of Assets;

(iv) it includes (a) if the Qualified Bidder proposes a transaction or transactions including the Midway Assets, an executed purchase agreement marked to show modifications to the Definitive Agreement, (b) if the Qualified Bidder proposes a transaction that does not include the Midway Assets, an executed purchase agreement marked to show modifications to the Definitive Agreement, and, at its discretion, a Qualified Bidder may also provide a separate form of executed purchase agreement that encompasses the Alternative Transaction or (c) if the Qualified Bidder proposes a chapter 11 plan of reorganization or liquidation, a separate form of agreement that encompasses such an Alternative Transaction;

(v) it includes (a) the Qualified Bidder's draft filings to be submitted in accordance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR"), and a representation by such Qualified Bidder of its ability upon no more than five (5) days notice from the Debtors to immediately proceed to file any necessary notification under Section 7A of the Clayton Act and promptly complete the processes necessary to comply with HSR with respect to a Qualified Bid, if such approval is required for the Qualified Bidder to consummate the proposed Transaction, and (b) a description of any additional anticipated regulatory approvals required prior to the close of the Alternative Transaction, the anticipated time frame for obtaining the same and any anticipated impediments for obtaining the same and (c) the Qualified Bidder's representation that it is prepared to immediately initiate all actions necessary to obtain all other applicable approvals for the Alternative Transaction;

(vi) it includes a good faith deposit (the "Good Faith Deposit") in the form of a certified check, wire transfer or such other form as is acceptable to the Debtors payable to the order of the Debtors (or such other party as

the Debtors may determine) in an amount equal to ten percent (10%) of the bid value, in terms of cash and assumed debt; provided, that under no circumstances shall the Good Faith Deposit be less than $2,000,000 or greater than $10,000,000;

(vii) it demonstrates adequate assurance of future performance under any executory contracts or unexpired leases to be assumed pursuant to such bid;

(viii) if and to the extent any bid contemplates the assignment, sublease or transfer of the Chicago Midway Airport Amended and Restated Use Agreement and Facility Lease (the "Midway Facilities Lease") or any of the Debtors' rights thereunder, such bid should state the intention of such Qualified Bidder to fully cooperate with the Debtors (a) by complying with applicable procedures and information requests of Chicago under Section 4.03 of the Midway Facilities Lease, and (b) in seeking the prior written consent of the Chicago, which Chicago contends (and the Committee currently disagrees) is a necessary condition for the assignment and transfer of the Midway Facilities Lease and/or the Debtors' rights thereunder (in considering any request for such consent the City of Chicago may consider whether a Qualified Bidder has committed to maintain a level of employment at Midway and a level of utilization of the Midway gates at levels equal to or in excess of the levels that AirTran has committed to in or in connection with the Definitive Agreement for the applicable Midway Assets proposed to be acquired);

(ix) with respect to any bid described in (viii) above Chicago currently requires, as a condition to Chicago's consent to a proposed Transaction involving the assignment, sublease or transfer of the Midway Facility Lease or any of the Debtors' rights thereunder, that the Qualified Bidder must submit to Chicago a written statement (the "Midway Term Statement") setting forth the proposal of the Qualified Bidder with respect to the terms set forth on Exhibit C to the Definitive Agreement using the form of such Exhibit C marked to show any modification from the terms set forth on Exhibit C., so that such Midway Term Statement shall be received by the representatives of Chicago listed as parties 9. and 10. on Exhibit 4 on or before 4:00 P.M. CDT on December 3, 2004;

(x) it includes written evidence of a commitment for financing or other evidence of the ability to consummate the contemplated transaction satisfactory to the Debtors with appropriate contact information for such financing sources; and

(xi) it does not contain any provision for the payment of a termination fee, expense reimbursement or similar fee to such Qualified Bidder.

(xii) it should include a statement of the intent of the Qualified Bidder with respect to offering employment to employees of the Debtors.

Bids submitted by Credit Bidders may constitute Qualified Bids notwithstanding the requirements of subparagraph's (vi) and (x) above.

At their discretion, the Debtors, in consultation with the Notice Parties, may choose to disregard bids for an insubstantial portion of the Assets. Any Good Faith Deposit accompanying a bid that the Debtors, in consultation with the Notice Parties, determine not to be a Qualified Bid shall be returned promptly following such determination.

Between the Bid Deadline and the Auction, the Debtors may, in their discretion and after consultation with the Notice Parties, discuss, negotiate or seek clarification of any Qualified Bid from a Qualified Bidder. Each Qualified Bidder shall provide to the Debtors and the Notice Parties any information reasonably required by such parties in connection with the evaluation of the Qualified Bid within one (1) business day after such request is made. Without the consent of the Debtors in consultation with the Notice Parties, a Qualified Bidder may not amend, modify or withdraw its Qualified Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid is required to remain irrevocable and binding.

There is no requirement that a Qualified Bid include more or less of the Assets than are covered by the Definitive Agreement. The Debtors, reserve the right to determine, with the consent of the ATSB Lenders and the Committee and in consultation with Chicago, (i) the value of any Qualified Bid, (ii) whether the consummation of any Qualified Bid (either by itself or in connection with another Qualified Bid(s)) would cause the overall value of the Debtors' estates to be equal to or in excess of the overall value of the Debtors' estates were any other Qualified Bid(s) to be accepted and (iii) which Qualified Bid(s), or combination thereof, constitutes the highest or otherwise best offer. The Debtors' determination in this regard may include an analysis of the value (whether positive or negative) of any Assets that are included in or excluded from any Qualified Bid, the existence or absence of any escrow or indemnity and consideration of the Break-Up Fee (as defined below) and Expense Reimbursement (as defined below), if applicable.

Within one (1) day after the Bid Deadline, the Debtors shall provide Section 1110 Parties, by facsimile, copies of any Qualified Bids that include or in any way effect Assets that are aircraft or aircraft equipment within the scope of § 1110 of the Bankruptcy Code.

Bid Protection

Recognizing AirTran's expenditure of time, energy and resources, the Debtors have agreed to provide certain bidding protections to AirTran. As a result, subject to the terms of this paragraph and the Definitive Agreement, the Debtors have agreed to pay a break-up fee of up to $3.25 million (the "Break-Up Fee") to AirTran in accordance with and subject to the terms and conditions of Article XII of the Definitive Agreement. If and to the extent AirTran becomes entitled to receive the Break-Up Fee under the Definitive Agreement, AirTran will not receive any Expense Reimbursement (as defined below). However, AirTran may become entitled to receive reimbursement for its out of pocket expenses (not to exceed in an aggregate of $1,000,000) incurred by AirTran in connection with due diligence analysis and negotiation of the

AirTran Transaction (the "Expense Reimbursement") without payment of any Break-Up Fee as provided under the Definitive Agreement.

"As Is, Where Is"

The sale of any or all of the Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors, their agents or their estates except to the extent set forth in the applicable agreement of the Successful Bidder(s) as approved by the Court. Except as otherwise provided in the applicable agreement, all of the Debtors' right, title and interest in and to the Assets subject thereto shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the "Interests") in accordance with section 363 and 365 of the Bankruptcy Code, with such Interests to attach to the net proceeds of the sale of the Assets.

Each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bid Procedures or, as to the Successful Bidder(s), the terms of the Transaction(s) as set forth in the applicable agreement.

Auction

If one or more Qualified Bids (other than that of AirTran) have been received by the Bid Deadline that Debtors conclude, with the agreement of the ATSB Lenders and the Committee and after consultation with Chicago, will (singly or in combinations of Qualified Bids for various Assets) result in value for the Debtors' estates which is greater than the value expected to result from the consummation of the Transaction contemplated by the Definitive Agreement plus the sum of $3,250,000, then the Debtors shall conduct an auction (the "Auction") with respect to the Assets. The Auction shall begin on December 13, 2004 at the offices of Baker & Daniels, 300 North Meridian Street, Suite 2700, Indianapolis, Indiana, beginning at 9:30 a.m. (Eastern Standard Time) and continue thereafter until completed. The Debtors may, with the approval of the ATSB Lenders, and the Committee and in consultation with Chicago, adjourn or continue the Auction as is appropriate in the Debtors' reasonable business judgment.

Only the Debtors, the Notice Parties, the United States Trustee, any Qualified Bidders and the counsel and advisors to such parties shall be entitled to attend the Auction, and only a Qualified Bidder who has submitted a Qualified Bid is eligible to participate in the Auction.

Notwithstanding the foregoing, any creditor or other party in interest may by a written request to Debtors' counsel made not later than one (1) business day prior to the Auction

request permission to attend the Auction (a "Request") including in such Request an explanation of the reasons why it is important for such creditor or party in interest to attend. Debtors' counsel shall refuse or grant such Request using counsel's judgment considering the reasons proffered in the Request, other Requests made, and the impact of attendance on the orderly conduct of the Action.

The Debtors, at their discretion, but after consultation with the Notice Parties (and to the extent applicable, the Section 1110 Parties), may conduct the Auction, including, without limitation, the establishment of overbid requirements, in the manner that they determine, in their reasonable business judgment, will result in the Successful Bid(s) that will maximize the overall value of the Debtors' estates, and may adopt rules for the Auction at the Auction that, in the Debtors' reasonable business judgment, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Transaction Procedures Order. All such rules will provide that: (i) the Auction procedures must be fair and open, and not cause any participating Qualified Bidder to be disadvantaged in any material way as compared to any other Qualified Bidder and (ii) all bids shall be made and received in one room, on an open basis, and the Notice Parties and all other participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each bidder (*i.e.*, the principals submitting each bid) shall be fully disclosed to all other bidders and that all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction. Each bid at the Auction, if not inconsistent with the provisions of these Bid Procedures, shall be deemed to constitute a Qualified Bid. Notwithstanding the foregoing any overbid by AirTran at any such Auction shall be deemed to include the sum of the Break-Up Fee or Expense Reimbursement for purposes of comparison with other bids (it being understood that, if AirTran is the Successful Bidder at the Auction, it shall not be entitled to payment of the Break-Up Fee or Expense Reimbursement).

Upon conclusion of the bidding, the Auction shall be closed, and the Debtors, with the approval of the ATSB Lenders, the Committee and Chicago (to the extent any such bids provide for the acquisition of the Midway Facilities Lease or any other lease or contract with Chicago), shall (i) immediately review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the Transaction process, including, without limitation, the maximization of the value of the Debtors' estates (including the value of any Assets not transferred pursuant to any Successful Bid(s)), whether such Qualified Bid provides for financing the Debtors between the Transaction Hearing and the close of such transaction(s), and factors affecting the speed and certainty of consummating the Transaction(s), and (ii) as soon as practicable identify the highest or otherwise best bid(s) for some or all of the Assets that would maximize the overall value of the Debtors' estates after payment of, among other things, the Break-Up Fee and Expense Reimbursement, if required, (each a "Successful Bid" and the entity or entities submitting such Successful Bid, each a "Successful Bidder") and advise the Qualified Bidders of such determination.

In addition, the Debtors, in consultation with the Notice Parties, will determine which Qualified Bid(s), if any, are the next highest or otherwise best Qualified Bid(s) and designate such Qualified Bid(s) as one or more "Backup Bids" in the event the Successful Bidder(s) fails to consummate the contemplated transaction(s). A Qualified Bidder that submitted a Qualified Bid that is designated a Backup Bid is a "Backup Bidder". Each Backup

Bid shall remain open and binding until the earlier of (a) two (2) business days after the closing of the Transaction(s) by which all of the Assets that were subject to such Backup Bid have been transferred to one or more Qualified Bidders pursuant to these Bid Procedures and (b) ninety (90) days after the entry of an order of the Court approving a Transaction for the transfer of Assets.

Acceptance of Qualified Bids

The Debtors shall enter into one or more Transactions with respect to the Assets applicable to the Successful Bidder(s) upon the approval of the Successful Bid(s) by the Court after a hearing (the "Transaction Hearing"). The Debtors' presentation of one or more Successful Bids and one or more Backup Bids to the Court for approval does not constitute the Debtors' acceptance of such Successful Bid(s) or such Backup Bid(s). The Debtors will be deemed to have accepted one or more Successful Bids and one or more Backup Bids only when such Successful Bid(s) and such Backup Bid(s) have been approved by an order of the Court at the Transaction Hearing.

Transaction Hearing

The Transaction Hearing will be held before the Honorable Basil H. Lorch III on December 16, 2004 at 9:30 a.m. (Eastern Standard Time) at the United States Bankruptcy Court for the Southern District of Indiana, located in Room 310 of the United States Courthouse, 46 E. Ohio Street, Indianapolis, Indiana 46204. In consultation with the Notice Parties, the Debtors may adjourn or continue the Transaction Hearing from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Court's calendar on the date scheduled for the Transaction Hearing or any adjourned date. At the Transaction Hearing, the Debtors shall present the results of the Auction to the Court and seek approval for the Successful Bid(s) and the Backup Bid(s).

Following the Transaction Hearing approving the Transaction with respect to the Assets to the Successful Bidder(s), if such Successful Bidder(s) fails to consummate an approved Transaction for any reason, the appropriate Backup Bidder(s) shall be designated the Successful Bidder(s) and the Debtors shall be authorized to effect such Transaction(s) without further order of the Court.

Notwithstanding the foregoing, if an Alternative Transaction provides for implementation through a plan of reorganization for one or more of the Debtors, nothing in the approval of such Alternative Transaction at the Alternative Transaction Hearing shall alter, limit or impair the rights of parties in interest or the obligations of the Debtors or any plan proponent under chapter 11 of the Bankruptcy Code, nor shall it be deemed to be the solicitation of acceptances with respect to any such plan or plans.

Return of Good Faith Deposit

Good Faith Deposits of all Qualified Bidders shall be held in an interest-bearing escrow account. Except for the Successful Bidder(s) and the Backup Bidder(s), the Debtors shall hold the Good Faith Deposits of all Qualified Bidders until the earlier of (a) two (2) business days after the closing of the sale by which all of the Assets that were the subject of such bid have

been transferred to one or more Qualified Bidders pursuant to these Bid Procedures, and (b) ninety (90) days after the entry of an order of the Court approving a Transaction with respect to Assets.

If a Successful Bidder successfully consummates an approved Transaction, such Successful Bidder's Good Faith Deposit shall be applied to the purchase price in such Transaction. If a Successful Bidder fails to consummate an approved Transaction because of a breach or failure to perform on the part of such Successful Bidder, the Debtors shall be entitled to (i) retain the Good Faith Deposit as part of its damages resulting from the breach or failure to perform by the Successful Bidder, and (ii) seek all available damages from such Successful Bidder occurring as a result of such Successful Bidder's failure to perform.

Fiduciary Duties

Notwithstanding anything in these Bid Procedures, the Debtors shall comply with their fiduciary duties to maximize the overall value of the Debtors' estates in arriving at and effecting one or more Transactions contemplated by these Bidding Procedures.

Exhibit 1 – Notice Regarding Bid Procedures

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

In re:	)	Chapter 11
	)	
ATA Holdings Corp., et al.,[4]	)	Case No. 04-19866
	)	(Jointly Administered)
Debtors.	)	
	)	

NOTICE REGARDING BID PROCEDURES

1. **PLEASE TAKE NOTICE THAT**: On November 2, 2004, ATA Holdings Corp. and certain of its affiliates, as debtors and debtors-in-possession (collectively, the "Debtors"), filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Court"), a motion (the "Transaction Procedures Motion") for entry of an order approving (a) bid procedures (the "Bid Procedures") to use in connection with proposals that may be made for one or more asset transfer transactions (each, a "Transaction") with regard to the assets, operations or businesses of the Debtors (the "Assets") including transfers that may be implemented through a chapter 11 plan, (b) a break-up fee and expense reimbursement that may be payable, subject to certain conditions, limits and restrictions, to AirTran Airways, Inc. ("AirTran") and (c) forms of notice of the establishment of the Bid Procedures, a potential auction (the "Auction") and the Transaction Hearing.[5]

2. On November 2, 2004, the Debtors also filed with the Court a motion for entry of an order approving the AirTran Transaction, or, if applicable, one or more Alternative Transactions (the "Transaction Motion").

3. On November 19, the Court entered the Order (A) Establishing Procedures for Approval of One or More Transactions, (B) Approving and Authorizing a Break-Up Fee, and (C) Approving a Form of Notice which established the Bid Procedures (the "Transaction Procedures Order"). The Transaction Procedures Order establishes, among other things, procedures and deadlines for the submission and consideration of offers competing with the AirTran Transaction for some or all or the Assets. The Bid Procedures may be obtained free-of-charge at www.bmcgroup.com. Potential Bidders interested in conducting due diligence should contact (i) James M. Carr, Esq., Terry E. Hall, Esq., Melissa M. Hinds, Esq., or Jeffrey C. Nelson, Esq. at Baker & Daniels, 300 North Meridian Street, Suite 2700, Indianapolis, Indiana 46204, Telephone (317) 237-0300, Facsimile (317) 237-8326; (ii) Thomas J. Allison at Huron Consulting Group Inc., 550 West Van Buren Street, Chicago, Illinois 60607, Telephone (312) 583-8700, Facsimile (312) 583-8701; or (iii) Michael J. Kennelly at Huron Consulting Group Inc., 550 West Van Buren Street, Chicago, Illinois 60607, Telephone (312) 583-8700, Facsimile (312) 583-8701.

4. The Transaction Hearing to consider the Transaction Motion and approve the AirTran Transaction and/or one or more Alternative Transactions will be held on **December 16, 2004 at 9:30 a.m.**

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[4] The Debtors are the following entities: ATA Holdings Corp., ATA Airlines, Inc., Ambassadair Travel Club, Inc., ATA Leisure Corp., Amber Travel, Inc., American Trans Air Execujet, Inc., ATA Cargo, Inc. and Chicago Express Airlines, Inc.

[5] Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures.

(Eastern Standard Time), or as soon thereafter as counsel may be heard, before the Honorable Basil H. Lorch III, United States Bankruptcy Judge, in Room 310 of the United States Courthouse, 46 E. Ohio St., Indianapolis, Indiana 46204. Pursuant to the Transaction Procedures Order, under certain circumstances, the Debtors may extend the deadlines in the Bid Procedures set forth above, adjourn the Auction either prior to the scheduled date and time therefore (in such event notice of such adjournment and rescheduling of the Auction shall be provided to all Qualified Bidders and Notice Parties (as each is defined in the Bid Procedures)) or by announcement at the Auction, and/or adjourn the Transaction Hearing by announcement in open Court or on the Court's calendar (in such event notice of such adjournment and rescheduling of the Transaction Hearing shall be provided to all Qualified Bidders and Notice Parties).

5. Objections, if any, to the relief sought in the Transaction Motion shall be made in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana, shall set forth the basis for the objection and the specific grounds therefor, and be filed with the Court, together with proof of service thereof, and be served in a manner so as to be received by **4:00 p.m. (Eastern Standard Time) on December 15, 2004 (EXCEPT THAT** any objection to the AirTran Transaction must be served so as to be actually received by 4:00 p.m. (Eastern Standard Time) on December 10, 2004) by (i) Baker & Daniels, 300 North Meridian Street, Suite 2700, Indianapolis, Indiana 46204, Attention: James M. Carr, Esq. and Terry E. Hall, Esq., (ii) the Office of the United States Trustee for the Southern District of Indiana, 101 W. Ohio Street, Suite 1000, Indianapolis, Indiana 46204, Attention: Joseph F. McGonigal; (iii) United States Department of Justice, Commercial Litigation Branch, Civil Division, P.O. Box 875, Ben Franklin Station, Washington, DC 20044, Attention: Andrea Horowitz Handel, Esq. and Brendan Collins, Esq.; (iv) Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178, Attention: Daniel R. Lenihan, Esq. and Steven J. Reisman, Esq.; (v) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attention: Wilbur F. Foster, Jr., Esq. and Jeffrey K. Milton, Esq.; (vi) Kroger, Gardis & Regas, 111 Monument Circle, Suite 900, Indianapolis, Indiana 46204, Attention: James A. Knauer, Esq; (vii) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attention: Richard P. Krasnow, Esq.; (viii) Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204, Attention: Alan K. Mills, Esq.; (ix) Vedder, Price, Kaufman & Kammholz P.C., 805 Third Avenue, New York, New York 10022, Attention: Jon Yard Arnason, Esq.; (x) Dann Pecar Newman & Kleiman, P.C., One American Square, Suite 2300, Box 82008, Indianapolis, Indiana 46282, Attention: David H. Kleiman, Esq.; (xi) City of Chicago, 30 North LaSalle Street, Room 900, Chicago, Illinois 60602, Attention: Esther Tryban Telser, Esq.; (xii) Seyfarth Shaw, 55 E. Monroe Street, Suite 4200, Chicago, Illinois 60603, Attention: Richard S. Lauter, Esq.; and (xiii) Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022, Attention: Lisa G. Beckerman, Esq.

6. Copies of the Transaction Motion and exhibits thereto, may be procured upon written request to Baker & Daniels, 300 North Meridian Street, Suite 2700, Indianapolis, Indiana 46204, Telephone (317) 237-0300, Facsimile (317) 237-8326, Attention: Terry E. Hall, Esq. or may be obtained free-of-charge at www.bmcgroup.com/ata.

Dated: Indianapolis, Indiana
November __. 2004

BAKER & DANIELS
300 North Meridian Street, Suite 2700
Indianapolis, Indiana 46204
Tel: (317) 237-0300
Fax: (317) 237-8326

Attorneys for Debtors and
Debtors-in-Possession

Exhibit 2 – Form of Confidentiality Agreement

November ___, 2004

ADDRESS

Re: Confidentiality agreement (the "Agreement") executed pursuant to the "Bid Procedures" approved in the chapter 11 cases that are administratively consolidated as In re ATA Holdings Corp. et al., Case No. 04-19866 (BHL) in the United States Bankruptcy Court for the Southern District of Indiana (the "Court") (the "Chapter 11 Cases")

Dear_____:

In this Agreement, the words "you", "your" and "_____" refer to _____ [insert the legal name of the "Potential Bidder"]. In connection with your consideration of a possible transaction (the "Transaction") with one or more of ATA Holdings Corp., and/or its subsidiaries (collectively and individually, the "Company") that are debtors in the Chapter 11 Cases, the Company is prepared to make available to you certain information and documents that you may request concerning the Company, its plans, operations, assets and obligations and financial information related to those plans, operations, assets and obligations, which are non-public, confidential, and proprietary in nature. You may wish to make available to the Company information relating to your business, operations, plans and assets which is non-public, confidential, and proprietary in nature, as well.

Each of you and the Company is referred to herein as a "party," and collectively as the "parties" to this Agreement. The term "Representative(s)" as applied to a party or one or more of the Notice Parties[6] means the directors, officers, employees, agents or advisors including, without limitation, attorneys, accountants, consultants, bankers and financial advisors of such party or one or more of the Notice Parties. "Evaluation Material" means any non-public, confidential and/or proprietary documents or information provided by a party (or its Representative(s)) (a "Provider") to the other party pursuant to this Agreement. Subject to the "Exceptions" set forth below and as a condition to a Provider providing any Evaluation Material to a "Recipient", the parties mutually agree to treat all Evaluation Material in accordance with the provisions of this Agreement and to take or abstain from taking certain other actions hereinafter set forth for a period of three years from the date of this Agreement.

The term "Evaluation Material" does not include any document or information (collectively, "Information") which (a) is or becomes generally available to the public other than as a result of a disclosure of such Information by the Recipient or its Representative(s) in violation of this Agreement, (b) was known or possessed by the Recipient prior to being provided by or on behalf of the Provider, (c) becomes available to the Recipient on a non-

[6] Capitalized terms used in this paragraph shall have the meaning given to them in the Emergency Motion To Establish (A) Procedures For Approval Of Transaction, (B) A Break-Up Fee, And (C) Forms Of Notice (the "Bid Procedures Motion") or in the Bid Procedures.

confidential basis from a source other than the Provider or its Representative(s), provided that such source is not known by the Recipient to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Provider with respect to such Information.

During the Confidentiality Period and subject to the Exceptions set forth below, each Recipient agrees that it and its Representative(s) shall use the Evaluation Material received from a Provider solely for the purpose of evaluating a potential Transaction proposed or to be proposed pursuant to the Bid Procedures, that the Evaluation Material received by a Recipient will be kept confidential and that the Recipient will not disclose any of the Evaluation Material in any manner whatsoever; provided however, that (a) a Recipient may make any disclosure of Evaluation Material as to which the Provider gives its prior written consent; (b) any of such Evaluation Material may be disclosed to a Recipient's Representative(s) who need such Evaluation Material for the purpose of evaluating a possible Transaction and who agree to keep such Evaluation Material confidential; (c) a Recipient may make any disclosure of such Evaluation Material to any other party or person that has a contractual obligation to the Provider to keep all of such Evaluation Material confidential (and to the Representative(s) of such Provider if covered by such contractual obligation); and (d) a Recipient may make any disclosure of Evaluation Material, if required by law, to any regulatory agency or court that has jurisdiction over the Recipient (provided that, if so required to disclose any Evaluation Material to any such regulatory agency, the Recipient must disclose only the part of the Evaluation Material as the Recipient may reasonably determine in good faith is required by law to be disclosed by the Recipient and the Recipient notifies the Provider as soon as reasonably possible prior to disclosure or if not reasonably possible prior to disclosure within a reasonable period of time). Without limiting the generality of the foregoing, a Recipient shall not, nor shall a Recipient permit its Representative(s) to, without prior written consent (which consent will not be unreasonably withheld or delayed), file with the Bankruptcy Court or any other court or governmental agency any motion, pleading or other document that discloses or refers to any Evaluation Material, except as contemplated by clause (d) of the immediately preceding sentence or in the Exceptions set forth below. The parties shall advise their respective Representative(s) that receive Evaluation Material pursuant to this Agreement of the terms of this Agreement and of such Representative's obligations concerning the confidentiality of all such Evaluation Material hereunder and the proper use thereof, and the Recipient shall be responsible for any actions by its Representative(s) that are inconsistent with the terms hereof. In any event, each party shall be responsible for any breach of this Agreement by its Representative(s) and the parties agree, at their sole expense to take all reasonable measures to restrain their respective Representative(s) from prohibited or unauthorized disclosure or use of the Evaluation Material.

Notwithstanding the foregoing, you acknowledge that any Evaluation Material provided to the Company, as a Recipient, may be provided, pursuant to the Bid Procedures, to the Notice Parties (including such Notice Parties' Representative(s)). The Evaluation Material shall be (a) kept confidential by any of the Notice Parties (and their Representatives) to which it is provided, (b) used only for the purposes of evaluating a Potential Bidder, a Qualified Bidder, a bid submitted by a Potential Bidder or Qualified Bidder or a proposed Transaction and (c) used by such Notice Parties only in their capacities as Notice Parties under the Bid Procedures. If and to the extent Evaluation Material provided by you becomes relevant and material to any issue or

dispute regarding the Bid Procedures, Debtors or the Notice Parties may file copies of such Evaluation Material with the Court or offer such Evaluation Material as evidence with respect to such dispute; however, before making any such filing or offer, the applicable Debtors or Notice Parties shall confer with you to the extent reasonably practicable regarding the possibility of filing or offering such Evaluation Material under seal, redacting portions or taking other action to protect you from the disclosure of non-public, confidential or proprietary information to the extent reasonably practicable and consistent with the need to file or offer such Evaluation Material. The provisions of this paragraph are referred to herein as the "Exceptions."

In the event that any Recipient or its Representative(s) is requested or required to disclose any of the Evaluation Material in response to questions, interrogatories, requests for information or documents in legal proceedings, or a subpoena, civil investigative demand or other similar process, the Recipient shall provide the Provider with prompt written notice of any such request or requirement so that the Provider may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by the Provider, the Recipient nonetheless is legally compelled to disclose Evaluation Material in or to any tribunal, the Recipient may, without liability hereunder, disclose in or to such tribunal that portion of the Evaluation Material which is legally required to be disclosed. Nothing contained herein shall limit (a) any rights of a party under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the local rules of the Bankruptcy Court or under other applicable law to (i) seek to obtain information from the other party or (ii) contest the status of any information as Evaluation Material, in the Court or any courts in which appeals or other applications for review of orders or judgments of the Court may be made or, subsequent to the closing of the Chapter 11 Cases and in the absence of any provision in a confirmed plan of reorganization or an order of the Bankruptcy Court retaining jurisdiction for the purposes of applying and enforcing this Agreement, in any other court of competent jurisdiction or (b) a party's right to oppose any such action. Nothing contained herein shall preclude (a) a party from exercising any rights it may have to obtain information through legal process or (b) a party from asserting any rights it may have to (i) require any matter raised by any such legal process to be resolved by the Court, (ii) seek to have any information required to be disclosed pursuant to any such legal process to be subject to confidentiality restrictions, or (iii) otherwise oppose any such action by a party.

Each party hereby acknowledges that it is aware and will advise its Representative(s) that United States securities laws may prohibit any person who has material, non-public information concerning this evaluation from purchasing or selling securities of a company which may be a party to a transaction of the type contemplated by this Agreement or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

If either party decides that it does not wish to proceed with a proposed Transaction, such party shall promptly inform the other party in writing. In that case, or at any time upon the written request of the Provider for any reason, a Recipient and its Representative(s) will destroy all documents (and all copies thereof) furnished pursuant hereto, and destroy any extracts, documents, memoranda, notes, compilations or other writings based on or which contain any part of the Evaluation Material. In the event of such a decision or request, all other Evaluation

Material shall be destroyed, the limited right to use the Evaluation Material shall cease, and no copy thereof shall be retained. Notwithstanding the destruction of the Evaluation Material, the parties and their Representative(s) will continue to be bound by the obligations of confidentiality, non-use and other obligations hereunder.

Each party understands and acknowledges that neither a Provider nor its Representative(s) make any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material provided by it to the Recipient except to the extent any such representations and warranties are written. Only those representations or warranties that are made in a final definitive agreement regarding any Transaction contemplated thereby, when, as and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect with respect to any such Transaction.

Each of the parties agree that unless and until a definitive written agreement regarding a Transaction between the parties has been executed, neither party will be under any legal obligation of any kind whatsoever with respect to such a proposed Transaction by virtue of this Agreement or any subsequent oral communications, except for the matters specifically agreed to herein. The Company will not be under any legal obligation of any kind under a definitive written agreement unless and until the Court authorizes the Company to execute such a definitive agreement. For purposes of this paragraph, the term "definitive agreement" does not include any executed letter of intent or any other preliminary written agreement that by its terms contemplates a further definitive agreement, nor does it include any written or verbal acceptance of any offer or bid that may be made in the future.

Unless otherwise agreed to by the Company in writing, all (a) communications regarding any possible Transaction, (b) requests for additional information, (c) requests for tours or meetings, or asset property examinations, and (d) discussions or questions regarding procedures, will be submitted or directed exclusively to: Mr. Gilbert Viets, Chief Restructuring Officer of the Company or Tom Allison or Mike Kennelly of Huron Consulting Group. Unless otherwise agreed to by you in writing, all (a) communications regarding any possible Transaction, (b) requests for additional information, (c) requests for meetings, and (d) discussions or questions regarding procedures, will be submitted or directed exclusively to: _____ _____.

It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

It is further understood and agreed that money damages would not be a sufficient remedy for any breach of this Agreement by either party or any of its Representative(s) and that the non-breaching party shall be entitled to equitable relief, including injunction and specific performance, as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach by a party of this Agreement but shall be in addition to all other remedies available at law or equity to the other party. You agree that you are subject to the jurisdiction and venue of the Court presiding over the Chapter 11 Cases for purposes of

enforcing obligations and resolving any disputes under this Agreement. This Agreement is executed pursuant to the Bid Procedures and is governed, to the extent applicable, thereby.

This Agreement is not assignable by either party to any person or entity, including by operation of law, without the prior written consent of the other party, and any assignment without such written consent shall be null and void; *provided, however*, that the obligations under this Agreement shall be binding on the respective successors and assigns of the parties. This Agreement may be not be modified nor any provision herein waived except by a separate writing signed by each of the parties expressly so modifying this Agreement or waiving a provision.

This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Please confirm your agreement with the foregoing by signing and returning one copy of this letter to the undersigned, whereupon this Agreement shall become a binding agreement between you and the Company. This Agreement may be executed in counterparts and each of the parties will be deemed to have fully executed this Agreement when the party faxes a signed copy to the other party.

Very truly yours,

ATA HOLDINGS CORP. (for itself and its subsidiaries)

By: _____

_____
Printed Name and Title

Accepted and agreed on this _____ day of November, 2004:

_____

By: _____

_____

Exhibit 3 – Cure Notice

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

In re:	)	Chapter 11
	)	
ATA Holdings Corp., et al.,[7]	)	Case No. 04-19866
	)	(Jointly Administered)
Debtors.	)	
	)	

NOTICE REGARDING CURE AMOUNTS

To: _____ (the counterparty (the "Counterparty") to the following lease or executory contract described as follows: _____ (the "Contract"), **PLEASE TAKE NOTICE THAT:**

On November 2, 2004, ATA Holdings Corp. and certain of its affiliates, as debtors and debtors-in-possession (collectively, the "Debtors"), filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Court"), a motion (the "Transaction Procedures Motion") for entry of an order approving (a) bid procedures (the "Bid Procedures") to use in connection with proposals that may be made for one or more asset transfer transactions (each, a "Transaction") with regard to the assets, operations or businesses of the Debtors (the "Assets") including transfers that may be implemented through a chapter 11 plan, (b) a break-up fee and expense reimbursement that may be payable, subject to certain conditions, limits and restrictions, to AirTran Airways, Inc. ("AirTran") and (c) forms of notice of the establishment of the Bid Procedures, a potential auction (the "Auction") and the Transaction Hearing.[8]

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[7] The Debtors are the following entities: ATA Holdings Corp., ATA Airlines, Inc., Ambassadair Travel Club, Inc., ATA Leisure Corp., Amber Travel, Inc., American Trans Air Execujet, Inc., ATA Cargo, Inc. and Chicago Express Airlines, Inc.

[8] Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures.

On November __, the Court entered the Order (A) Establishing Procedures for Approval of One or More Transactions, (B) Approving and Authorizing a Break-Up Fee, and (C) Approving a Form of Notice which established the Bid Procedures (the "Transaction Procedures Order"). The Transaction Procedures Order establishes, among other things, procedures and deadlines for the submission and consideration of offers competing with the AirTran Transaction for some or all or the Assets. This notice constitutes the Cure Notice contemplated by the Transaction Procedures Order.

Debtors hereby notify the Counterparty that Debtors believe that the amount required to effect a cure with respect to any and all defaults ("Defaults") under the Contract pursuant to Bankruptcy Code § 365(b) is $_____.

Debtors propose to effect the cure or provide adequate assurance that the Debtors will cure any and all Defaults as follows: _____ _____ _____.

Debtors propose to compensate the Counterparty or provide adequate assurance that Debtors will promptly compensate the Counterparty for any actual pecuniary loss to such Counterparty resulting from any such Defaults as follows: _____

_____ _____.

Debtors propose to provide the following adequate assurance of future performance under the Contract _____ _____ _____.

The Counterparty must file any objection (an "Objection") to the procedures relating to and the amount of any cure provided herein (the "Cure") by December 10, 2004 (the "Objection Deadline"). Any Objection must state with specificity what cure is necessary for the assumption and/or assignment of the Contract and any objection to such assumption and/or assignment, including a request for adequate assurance of future performance.

If no Objection is received by the Objection Deadline, the Cure set forth herein shall be controlling, notwithstanding anything to the contrary in the Contract. The Counterparty shall be forever barred from asserting any other cure claims against the Debtors and will be bound by the cure amount set forth in this Cure Notice, any Successful Bidder or the property of any such party as to the Contract, and such non-objection shall be deemed consent to any assumption and/or assignment of the Contract pursuant to the Definitive Agreement or any Alternative Transaction.

Dated: Indianapolis, Indiana
November __. 2004

BAKER & DANIELS
300 North Meridian Street,
Suite 2700
Indianapolis, Indiana 46204
Tel: (317) 237-0300
Fax: (317) 237-1000

Attorneys for Debtors and
Debtors-in-Possession

Exhibit 4 – Notice Parties

Parties to Receive Bids

Any bid submitted pursuant to these Bid Procedures should be sent to the following parties at the following addresses.

1. Baker & Daniels
   300 North Meridian Street, Suite 2700
   Indianapolis, Indiana 46204
   Attn: James M. Carr, Esq.
   Stephen A. Claffey, Esq.
   Terry E. Hall, Esq.
   Melissa M. Hinds, Esq.
   Tel: (317) 237-1190, (317) 237-1188, (317) 237-1230, (317) 237-1466
   Fax: (317)-237-8326
   E-Mail: jim.carr@bakerd.com, stephen.claffey@bakerd.com, terry.hall@bakerd.com, melissa.hinds@bakerd.com

2. Huron Consulting Group Inc.
   550 West Van Buren Street
   Chicago, Illinois 60607
   Attn: Thomas J. Allison
   Tel: (312) 583-8700
   Fax: (312) 583-8701
   E-Mail: tallison@huronconsultinggroup.com

3. Air Transportation Stabilization Board
   1120 Vermont Avenue
   Suite 970
   Washington, DC 2005
   Attn: Mark R. Dayton
   Tel: 202-622-3550
   Fax: 202-622-3420
   E-Mail: mark.dayton@do.treas.gov

   with a copy to:

   U.S. Department of Justice
   Commercial Litigation Branch
   Civil Division
   P.O. Box 875
   Ben Franklin Station
   Washington, DC 20044
   Attn: Andrea Horowitz Handel, Esq.

Brendan Collins, Esq.
E-Mail: andrea.handel@usdoj.gov
brendan.collins@usdoj.gov

-and-

Curtis, Mallet-Prevost, Colt & Mosle LLP
101 Park Avenue
New York, New York 10178
Attn: Daniel R. Lenihan, Esq.
Steven J. Reisman, Esq.
Tel: (212) 696-6000
Fax: (212) 697-1559
E-Mail: dlenihan@cm-p.com
sreisman@cm-p.com

4. Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, New York 10005
Attn: Wilbur F. Foster, Jr., Esq.
Jeffrey K. Milton, Esq.
Tel: 212-530-5000
Fax: 212-530-5219
E-Mail: wfoster@milbank.com
jmilton@milbank.com

-and-

Kroger, Gardis & Regas
111 Monument Circle, Suite 900
Indianapolis, Indiana 46204
Attn: James A. Knauer, Esq.
Tel: (317) 692-9000
Fax: (317) 264-6832
E-Mail: jak@kgrlaw.com

5. Lazard Frères & Co., LLC
200 West Madison Street
Suite 2200
Chicago, Illinois 60606
Attn: David S. Kurtz
Rick Stearns
Tel: (312) 407-6600
Fax: (312) 407-6620
E-Mail: david.kurtz@lazard.com
rick.stearns@lazard.com

-and-

Lazard Frères & Co., LLC
30 Rockefeller Plaza
New York, New York 10020
Attn: J. Blake O'Dowd
Tel: (212) 632-6000
Fax: (212) 332-1748
E-Mail: blake.odowd@lazard.com

6. Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Richard P. Krasnow, Esq.
Tel: (212) 310-8000
Fax: (212) 310-8007
E-Mail: Richard.krasnow@weil.com

-and-

Barnes & Thornburg, LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Attn: Alan K. Mills, Esq.
Tel: (317) 236-1313
Fax: (317) 231-7433
E-Mail: (317) 231-7433

7. Vedder, Price, Kaufman & Kammholz, P.C.
   805 Third Avenue
   New York, NY 10022
   Attn: Jon Yard Arnason, Esq.
   Tel: (212) 407-7700
   Fax: (212) 407-7799
   E-Mail: jarnason@vedderprice.com

   -and-

   Dann Pecar Newman & Kleiman, P.C.
   One American Square, Suite 2300
   Box 82008
   Indianapolis, Indiana 46282
   Attn: David H. Kleiman, Esq.
   Tel: (317) 632-3232
   Fax: (317) 632-2932
   E-Mail: dkleiman@dannpecar.com

8. Office of the U.S. Trustee
   101 West Ohio Street, Suite 1000
   Indianapolis, Indiana 46204
   Attn: Joseph F. McGonigal, Esq.
   Tel: (317) 226-5715
   Fax: (317) 226-6356
   E-Mail: joe.mcgonigal@usdoj.gov

9. City of Chicago
   30 North LaSalle Street, Room 900
   Chicago, Illinois 60602
   Attn: Esther Tryban Telser, Esq.
   Tel: (312) 744-1846
   Fax: (312) 744-6798
   E-mail: etrybantelser@cityofchicago.org

10. Seyfarth Shaw LLP
    55 E. Monroe St., Suite 4200
    Chicago, Illinois 60603-8000
    Attn: Richard S. Lauter, Esq.
    Tel: (312) 781-8629
    Fax: (312) 269-8869
    E-mail: rlauter@seyfarth.com

11. Akin Gump Strauss Hauer & Feld LLP
    590 Madison Avenue
    New York, NY 10022-2524
    Attn: Lisa G. Beckerman, Esq.

Daniel H. Golden, Esq.
David H. Botter, Esq.
Tel: (212) 872-1000
Fax: (212) 872-1002
E-mail: lbeckerman@akingump.com
dgolden@akingump.com
dbotter@akingump.com

12. Compass Advisers, LLP
599 Lexington Avenue, 38th Floor
New York, New York 10022
Attn: Harvey L. Tepner
Bruce A. Kaufman
Tel: (212) 702-9800
Fax: (212) 702-9587
E-Mail: harvey.tepner@ca-llp.com
bruce.kaufman@ca-llp.com