

EXHIBIT 1

**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 (BHL)
)	
Debtors.	)	(Jointly Administered)
)	

NOTICE OF CONFIRMATION HEARING AND RELATED MATTERS

DISCLOSURE STATEMENT APPROVED. On April 18, 2006, the United States Bankruptcy Court, Southern District of Indiana, Indianapolis Division (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) approving the Disclosure Statement with Respect to the Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (the “Disclosure Statement”), as containing adequate information as required under section 1125(a) of the Bankruptcy Code, and authorized C8 Airlines, Inc., formerly named Chicago Express Airlines, Inc. (the “Debtor”) to solicit acceptances of the Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc (the “Plan”).

SOLICITATION PROCEDURES APPROVED. On April 18, 2006, the Bankruptcy Court entered the Order on C8 Solicitation Procedures Motion [Docket No. 3972] (the “C8 Solicitation Procedures Order”) approving the procedures for the solicitation and tabulation of votes for the Plan requested by the Debtor in the Motion of C8 Airlines, Inc. for Scheduling and Procedures Order with Respect to Solicitation and Tabulation of Votes for Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc [Docket No. 3878] (the “C8 Solicitation Procedures Motion”). The C8 Solicitation Procedures Order provides for, among other things, the following:

1. Confirmation Hearing Date: A hearing to confirm the Plan (the “Confirmation Hearing”) will commence on June 6, at 9:00 a.m. (prevailing Indianapolis time) (the “Confirmation Hearing Date”), before The Honorable United States Bankruptcy Judge, Basil H. Lorch, III, at 116 U.S. Courthouse, 46 E. Ohio Street, Indianapolis, IN 46204. The Confirmation Hearing may be continued from time to time by announcing such continuance in open court or posting such continuance on the Bankruptcy Court’s docket without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing.

¹ The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassador Travel Club, Inc. (04-19869), ATA Leisure Corp. (04-19870), Amber Travel, Inc. (04-19871), American Trans Air Execujet, Inc. (04-19872), ATA Cargo, Inc. (04-19873), and C8 Airlines, Inc., formerly named Chicago Express Airlines, Inc. (04-19874).

2. Objections to Confirmation. ANY PARTY IN INTEREST OBJECTING TO THE PLAN MUST FILE AN OBJECTION TO THE CONFIRMATION OF THE PLAN NO LATER THAN **MAY 19, 2006, AT 4:00 P.M. (prevailing Indianapolis time)** (THE “PLAN OBJECTION DEADLINE”). All objections must state with particularity the grounds for such objection and provide the specific text, if any, that the objecting party believes to be appropriate to insert into the Plan. The Bankruptcy Court will consider only written objections filed and served by the Plan Objection Deadline. Objections not timely filed and served in accordance with the provisions of this notice will not be heard and will be overruled.

In order to be considered by the Bankruptcy Court, objections, if any, to the Plan must be in writing and must be both (a) filed by the Plan Objection Deadline and (b) served on the following persons, so that they are actually RECEIVED by 4:00 p.m. (prevailing Indianapolis time), on or before the Plan Objection Deadline:

The Debtor:

C8 Airlines, Inc.
c/o ATA Airlines, Inc.
7337 W Washington St
Indianapolis, IN 46231-1328
Attn: Brian Hunt, General Counsel
Fax: 317-282-7091
Brian.Hunt@iflyata.com

Counsel for the Debtor:

Baker & Daniels LLP
300 North Meridian Street, Suite 2700
Indianapolis, Indiana 46204
Attn: James M. Carr
Terry E. Hall
Fax: (317) 237-1000
jim.carr@bakerd.com
terry.hall@bakerd.com

Counsel for the Creditors' Committee²:

Akin Gump Strauss Hauer & Feld LLP
590 Madison Avenue
New York, New York 10022
Attn: Lisa Beckerman

² All capitalized terms used, but not defined herein, shall have the meaning attributed to such terms in the Plan.

Fax: (212) 872-1002
lbeckerman@akingump.com

Greenebaum Doll & McDonald PLLC
3300 National City Tower
101 S. Fifth Street
Louisville, KY 40202
Fax: (502) 587-3695
Attn: C. R. Bowles, Jr.
CRB@gdm.com

United States Trustee:

Office of the United States Trustee
101 West Ohio Street, Suite 1000
Indianapolis, Indiana 46204
Attn: Joe McGonigal
Fax: (317) 226-6356
joe.mcgonigal@usdoj.gov

3. Temporary Allowance of Claims that are Disputed, Unliquidated and/or Contingent. Any holder of a claim against which the Debtor timely objected shall not be entitled to vote on the Plan, except to the extent that, on or before the Confirmation Hearing Date, the objection to such claim has been withdrawn or resolved in favor of the creditor asserting the claim. Any person or entity who timely filed a proof of claim reflecting a claim or portion of a claim that is unliquidated, including those marked as unknown or unascertainable, or that purports to be contingent, shall have its claim allowed temporarily for voting purposes only, and not for purposes of allowance or distribution, for that portion of such claim that is liquidated, or if the entire claim is reflected as unliquidated, then such claim will be counted for purposes of determining whether a sufficient number of the allowed claims in such class have voted to accept the Plan and shall be counted in the amount of \$1.00 for purposes of determining whether a sufficient dollar amount of the allowed claims in such class have voted to accept the Plan. **If you disagree** with the Debtor's classification of, or objection to your claim and believe you should be entitled to vote on the Plan other than as set forth above, then you must (x) have timely filed a proof of claim by the applicable Bar Date or your proof of claim must be deemed timely filed by an order of the Bankruptcy Court prior to the Voting Deadline (as hereinafter defined), (y) contact The BMC Group (the "Voting Agent") to obtain a ballot and file the ballot by the Voting Deadline (as hereinafter defined), and (z) timely file and serve a motion for order pursuant to Fed. R. Bankr. P. 3108(a) seeking temporary allowance of your claim for the purpose of accepting or rejecting the Plan.

4. Treatment of Certain Claims. Any holder of a claim that (a) is scheduled in the Debtor's schedules of assets and liabilities or any amendment thereof (the "Schedules") at zero or in an unknown amount or as disputed, unliquidated or contingent, and is not the subject of a timely filed proof of claim or a proof of claim deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any order of the Bankruptcy Court or otherwise deemed timely filed under applicable law, or (b) is not scheduled and is not the subject of a

timely filed proof of claim or a proof of claim deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any order of the Bankruptcy Court or otherwise deemed timely filed under applicable law, shall not be treated as a creditor with respect to such claim for purposes of (i) receiving notices regarding the Plan, (ii) voting on the Plan or (iii) receiving distributions under the Plan.

5. Voting Record Date. Notwithstanding anything to the contrary in the Federal Rules of Bankruptcy Procedure, April 11, 2006 (the “Voting Record Date”), shall be the record date for determining (a) the creditors and equity security holders entitled to receive solicitation packages and other notices, and (b) the creditors entitled to vote to accept or reject the Plan.

6. Voting Deadline. If you hold a claim as of the Voting Record Date and are entitled to vote to accept or reject the Plan, you have received this notice with a ballot and voting instructions appropriate for your claim. In order for your vote to be counted,

YOUR BALLOT (WHICH TERM INCLUDES BENEFICIAL HOLDER BALLOTS AND MASTER BALLOTS (AS DEFINED IN THE C8 SOLICITATION PROCEDURES MOTION)) ACCEPTING OR REJECTING THE PLAN MUST BE PROPERLY AND COMPLETELY, EXECUTED AND RECEIVED BY MAY 19, 2006, 4:00 P.M. (prevailing Indianapolis time) (THE “VOTING DEADLINE”) by the Voting Agent:

If by courier or hand delivery	If by mail
The BMC Group	The BMC Group
Attention: C8 Voting Agent	Attention: C8 Voting Agent
1330 East Franklin Avenue	P.O. Box 1035
El Segundo, CA 90245	El Segundo, CA 90245-1035

Ballots may NOT be cast by facsimile or electronic transmission. **BALLOTS THAT ARE NOT RECEIVED BY THE VOTING DEADLINE WILL NOT BE COUNTED.**

7. Information and Documents. Parties entitled to vote should have received a copy of the Disclosure Statement and the Plan, together with this notice. Copies are available for viewing at the Bankruptcy Court, 116 U.S. Courthouse, 46 E. Ohio Street, Indianapolis, IN 46204, the Bankruptcy Court’s Electronic Case Filing System which can be found at www.insb.uscourts.gov, or the website of the Voting Agent for no charge, at www.bmcgroup.com/ata. Copy requests may also be made by calling the Voting Agent toll-free 888-909-0100.

Dated: Indianapolis, Indiana
_____, 2006

BAKER & DANIELS LLP

By: /s/ Terry E. Hall
Attorneys for the Debtor

James M. Carr (#3128-49)
Terry E. Hall (#22041-49)
Stephen A. Claffey (#3233-98)
Jeffrey C. Nelson (#25173-49)
Baker & Daniels LLP
300 North Meridian Street, Suite 2700
Indianapolis, Indiana 46204
Telephone: (317) 237-0300
Facsimile: (317) 237-1000

EXHIBIT 2

SOLICITATION PACKAGE FOR C8 AIRLINES, INC. F/K/A CHICAGO EXPRESS AIRLINES, INC.

DIRECT ALL INQUIRIES TO VOTING AGENT: BMC GROUP

TELEPHONE: (888) 909-0100

WEBSITE: www.bmcgroup.com/ata

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

In re:	)	Chapter 11
ATA Holdings Corp., <u>et al.</u> , ¹	)	Case No. 04-19866 (BHL)
Debtors.	)	(Jointly Administered)
)	

IMPORTANT DATES

- Voting Record Date: April 11, 2006
- Voting Deadline: May 19, 2006 at 4:00 p.m. (prevailing Indianapolis time)
- Plan Confirmation Objection Deadline: May 19, 2006 at 4:00 p.m. (prevailing Indianapolis time)
- Hearing to Confirm the Plan: June 6, 2006 at 9:00 a.m. (prevailing Indianapolis time)

CONTENTS

First Amended Disclosure Statement with Respect to the Second Amended Plan of Liquidation of C8 Airlines, Inc.
f/k/a Chicago Express Airlines, Inc.

- o Exhibit 1: Second Amended Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc.
 - Exhibit A - Non-Exclusive List of Retained Actions
- o Exhibit 2: Order on Solicitation Procedures and Voting Tabulation

James M. Carr (#3128-49)
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Attorneys for Debtor and Debtor in Possession

¹ The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassador Travel Club, Inc. (04-19869), ATA Leisure Corp. (04-19870), Amber Travel, Inc. (04-19871), American Trans Air ExecuJet, Inc. (04-19872), ATA Cargo, Inc. (04-19873), and C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (04-19874).

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
Debtors.) (Jointly Administered)

**FIRST AMENDED
DISCLOSURE STATEMENT WITH RESPECT TO THE
SECOND AMENDED PLAN OF LIQUIDATION OF
C8 AIRLINES, INC. F/K/A CHICAGO EXPRESS AIRLINES, INC.**

James M. Carr (#3128-49)
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Facsimile: (317) 237-1000

Attorneys for the Debtor

Dated: March 30, 2006
Indianapolis, Indiana

¹ 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 C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (04-19874).

EXHIBITS

- | | |
|-----------|---|
| Exhibit 1 | Plan of Liquidation of C8 Airlines, Inc. F/K/A Chicago Express Airlines, Inc. |
| Exhibit 2 | Order on Solicitation Procedures and Voting Tabulation |

I. Introduction and Disclaimer

C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (the "Debtor"), submits this Disclosure Statement ("Disclosure Statement") pursuant to section 1125 of the Bankruptcy Code, for use in the solicitation of votes on the Chapter 11 Plan For C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (the "Plan"), proposed by the Debtor and filed with the United States Bankruptcy Court for the Southern District of Indiana contemporaneously with the filing of this Disclosure Statement. A copy of the Plan is annexed as "Exhibit 1" hereto. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of confirmation of the Plan and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims against and Interests in the Debtor must follow for their votes to be counted. All capitalized terms not defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE DEBTOR'S PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY MAKE ANY REPRESENTATIONS, OTHER THAN THE REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN. ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETIES BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OF OR CLAIMS AGAINST THE DEBTOR IN THESE CASES SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND BECOMES EFFECTIVE, ALL HOLDERS OF CLAIMS AND INTERESTS (INCLUDING THOSE WHO REJECTED OR WHO ARE DEEMED TO HAVE REJECTED THE PLAN AND THOSE WHO DID NOT SUBMIT BALLOTS TO ACCEPT THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN

THE PLAN IS A LIQUIDATING PLAN THAT PROVIDES FOR A DISTRIBUTION TO CREDITORS THAT IS AT LEAST AS IF NOT MORE FAVORABLE THAN A LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE, BUT AVOIDS THE COMMISSION TO WHICH A CHAPTER 7 TRUSTEE WOULD BE ENTITLED.

THE PLAN PROVIDES FOR A DISTRIBUTION TO UNSECURED CREDITORS WHEN THERE WOULD NOT BE ONE IN A CHAPTER 7 LIQUIDATION OF THE DEBTOR.

II. GENERAL INFORMATION

A. Definitions and Clarifications

Unless stated otherwise, terms which are defined in Article I of the Plan and are not otherwise defined in this Disclosure Statement shall have the meanings ascribed to them in Article I of the Plan.

Indianapolis, Indiana is currently in the Eastern Standard Time Zone and does not observe Daylight Savings Time. Currently scheduled to begin April 1, 2006, Indianapolis, Indiana will observe Daylight Savings Time in the Eastern Time Zone. All times referenced herein shall be the prevailing time in Indianapolis, Indiana, unless otherwise noted.

B. Purpose and Disclaimer

The information contained in this Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan. No person is authorized to provide any information or make any representations, other than the information and representations contained in this Disclosure Statement, regarding the Plan or the solicitation of acceptances of the Plan.

All holders of Claims and Interests entitled to vote on the Plan are advised and encouraged to read this Disclosure Statement and the Plan in its entirety before voting to accept or reject the Plan. Summaries and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan and the Exhibits annexed to the Plan and to this Disclosure Statement. The statements contained in this Disclosure Statement are made only as of the date hereof, and there can be no assurance that the statements contained herein will continue to be accurate at any time after the date hereof. In the event of any conflict between any description set forth in this Disclosure Statement and the actual terms of the Plan, the terms of the Plan shall govern.

C. Notice To Holders Of Claims And Interests

This Disclosure Statement is being transmitted to certain holders of Claims against and/or equity Interests in the Debtor for the purpose of soliciting votes on the Plan and to others for informational purposes. The purpose of this Disclosure Statement is to provide adequate information to enable the holder of a Claim against or an equity Interest in the Debtor to make a reasonably informed decision with respect to the Plan prior to exercising its right to vote to accept or reject the Plan.

PLEASE MAKE NOTE OF AND ATTEND TO THE FOLLOWING:

- **By order entered April 13, 2006, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable such holders of Claims and equity Interests to make an informed judgment with respect to acceptance or rejection of the Plan.**
- **The Bankruptcy Court's approval of this Disclosure Statement does not constitute either a guaranty of the accuracy or completeness of the information contained herein or an endorsement of the Plan by the Bankruptcy Court.**
- **Holders of Claims or equity Interests entitled to vote on the Plan are encouraged to read this Disclosure Statement and its Exhibits carefully and in their entirety before deciding to vote to either accept or reject the Plan. Holders of Claims and equity Interests are further encouraged to review the Plan and Exhibits in their entirety in conjunction with their review of this Disclosure Statement.**

- **No representations concerning the Debtor or the value of its assets have been authorized by the Bankruptcy Court other than as set forth in this Disclosure Statement.**
- **The Debtor is not responsible for any information, representation or inducement made to obtain your acceptance, which is other than, or inconsistent with, information contained herein and in the Plan.**
- **Certain of the information contained in this Disclosure Statement is by its nature forward looking and contains estimates, assumptions, and projections that may be materially different from actual future results.**
- **Except where specifically noted, the financial information contained in this Disclosure Statement and its Exhibits has not been audited by a certified public accounting firm and has not necessarily been prepared in accordance with generally accepted accounting principles.**
- **This Disclosure Statement contains summaries of certain provisions of the Plan, statutory provisions, documents relating to the Plan, events that have or are expected to occur in the Chapter 11 Case, and certain financial information. Although the Debtor believes that the summaries of the Plan and the related documents and statutes are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents or statutory provisions. Factual information contained in this Disclosure Statement has been provided by the Debtor's management, except where otherwise noted. The Debtor does not warrant or represent that the information contained herein, including the financial information, is without any material inaccuracy or omission.**

III. Description of the Debtor and the Chapter 11 Case

A. Background of the Debtor and Overview of Historical Operations

ATA Holdings Corp. ("Holdings"), the parent of ATA Airlines, Inc. ("ATA")², acquired all of the stock of the Debtor in 1999 through a merger and acquisition transaction funded by an exchange of Holdings stock and cash totaling approximately \$2.3 million and the assumption of approximately \$2.1 million in liabilities. At the time of the acquisition, the Debtor's book assets were \$1.5 million less than the cash and stock purchase price. In the year prior to its acquisition, the Debtor's tax returns reported negative retained earnings of \$2.7 million on a net loss of approximately \$250,000.

Subsequent to its acquisition by Holdings, the Debtor functioned as a captive commuter airline for ATA's customers, primarily providing commuter passenger scheduled service between ATA's hub at Chicago Midway International Airport and the cities of Indianapolis, Dayton, Des Moines, Flint, Fort Wayne, Grand Rapids, Madison, Milwaukee, Moline, South Bend, and Toledo.

² ATA provides scheduled airlines services to major metropolitan markets, Hawaii and other leisure destinations and is one of the largest providers of military and commercial passenger charter services.

B. Events and Circumstances Leading to Commencement Of The Chapter 11 Case

At the time of the filing, the Debtor owned no aircraft or property and its airplanes were subleased from ATA. The Debtor did not sell any of its own tickets for its flights nor set its own routes. All tickets for the Debtor's flights were sold by ATA and the Debtor was dependent on revenue generated from ATA's sale of tickets on the Debtor's flights. ATA funded the payment of the Debtor's expenses by wire transfers of cash to the Debtor's bank account.

The accounts and reports of Holdings and its affiliated debtors, including C8, were completed and reported on a consolidated basis. ATA booked revenue to the Debtor, based on a fee per departure basis established by ATA and the Debtor. The "fee for departure" payment was based on an estimate of the Debtor's expenses of flying the flight plus a set profit margin without regard to the "load" on the flight, i.e. the number of paying passengers actually on the flight. The per departure fees were established by the Strategic Planning Section of Holdings and were intended to allow the Debtor to report as a profitable company. If, rather than this fee for departure revenue, ATA had booked revenue to the Debtor on a per ticket sold basis (with the price of the ticket being established based on competitive pricing) the Debtor would not have recorded a profit given its low load factors.

On the Petition Date, ATA, Holdings and several other related entities also filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code and those cases are being jointly administered with the Chapter 11 Case. The filings by ATA and Holdings were precipitated in part by escalating fuel prices, increasing labor costs, increasing aircraft rental costs, large credit card holdbacks and inadequate revenue. The circumstances leading to the commencement of the Chapter 11 cases of ATA and Holdings are described fully in the Disclosure Statement with Respect to the First Amended Joint Chapter 11 Plan for Reorganizing Debtors approved by the Bankruptcy Court on December 14, 2005.

Within 3 months following the filing of its petition, ATA determined from both a cash flow perspective and profitability perspective that it could not continue subsidizing the Debtor's operations by booking revenue to the Debtor on a fee per departure basis while paying all of the Debtor's expenses in cash. On an actual revenue generated versus actual expenses incurred basis, the Debtor was not profitable as part of the ATA organization. The increased cash funding by ATA of the Debtor's operations required that the Debtor be shut down if it could not be sold within a very short time frame. The Debtor, Holdings, and ATA, with notice to and discussion with the ATSB, Southwest, and the Creditors' Committee, began moving quickly to explore a sale of the Debtor's stock or assets, with the understanding that the cash outflows could be tolerated no longer than March 28, 2005.

C. Auction and Sale of the Debtor

In March, 2005, the Bankruptcy Court entered an order approving the Debtor's request to employ Compass Advisors LLC to provide investment banking services in connection with a possible sale of the stock or assets and business of the Debtor. On March 14, 2005, the Debtor filed a motion to establish procedures for the sale of the stock or assets of the Debtor (the "C8 Sale Procedures"). The C8 Sale Procedures were approved by the Bankruptcy Court on March 22, 2005. Pursuant to the C8 Sale Procedures, the Debtor conducted an auction on March 31, 2005 (the "C8 Auction").³ The Debtor ceased all flight operations on March 28, 2005, and terminated the

³ At the request of a creditor of C8, and with the consent of the Debtors and the Creditors' Committee, an examiner for the Debtor's Estate was appointed in February, 2005, to conduct a limited examination. The Examiner filed his report on March 18, 2005, as follows: (a) the Debtor guaranteed payment of \$481.0 million in pre-petition debt owed by Holdings and/or ATA, the Examiner did not issue a definite finding of whether the Debtor received reasonably equivalent value for all of those surcharges; (b) Under the facts available to the Examiner, the Debtor has a pre-petition receivable from ATA of \$17,592,000, the Debtor owes Holdings a pre-petition amount of \$1,950,000 and the Debtor owes ATA a post-petition amount of \$2,481,000 (calculated as of January 31, 2005, and after the Examiner proposed reclassifying some of the intercompany receivable); and (c) the Examiner recommended that an attempt be made to sell the Debtor as a going concern for more than the

employment of substantially all of its employees by April 1, 2005. However, certain key employees continued to be employed to retain viability of C8 through the date of the C8 Auction and an expected quick closing of any sale.

Following the C8 Auction, the Debtor selected the bid submitted by Okun Enterprises, Inc. ("Okun") as the highest and best bid. The transaction proposed by Okun (the "Okun Transaction") contemplated the sale by the Debtor to Okun of substantially all of the operating assets of the Debtor (excluding cash and certain other intangible assets) and the sale by ATA to Okun of two Saab Model 340B aircraft (and their related engines, propellers and documentation) owned by ATA and previously leased by the Debtor and used in its operations (the "Saab Assets"). The Debtor, ATA and Okun entered into a letter of intent for the proposed asset acquisition transaction, and Okun submitted a earnest money deposit of \$100,000. The letter of intent established a deadline for Okun to enter into a definitive asset purchase agreement with the Debtor and ATA, and to increase the earnest money deposit to \$400,000. On or about April 15, 2005, Okun declined entry into a definitive asset purchase agreement or proceed with the Okun Transaction. Okun did not execute the definitive asset purchase agreement submitted to it by the Debtor and ATA, and did not deposit any additional earnest money. Subsequently the Debtor sought approval of the Bankruptcy Court to obtain a forfeiture to the Debtor of the earnest money paid into trust by Okun, which motion was resolved by a settlement between the Debtor and Okun pursuant to which the Debtor received payment of \$50,000, and all obligations and claims of the parties related to the letter of intent were terminated and released.

Following Okun's refusal to close the Okun Transaction, ATA and the Debtor began negotiations with CSC Investment Group, Inc. ("CSC"), the second highest bidder at the C8 Auction. On June 16, 2005, the Bankruptcy Court entered an order (the "CSC Approval Order") approving an asset purchase agreement entered into as of June 15, 2005 by and between CSC and the Debtor (the "CSC APA"), the sale of certain of the Debtor's assets to CSC contemplated thereby (the "CSC Transaction"), and authorizing the Debtor to perform all of its obligations under the CSC APA and to take all further action reasonably required to transfer the assets being sold to CSC. The cash purchase price paid by CSC for the assets acquired was \$1.25 million. The Saab Assets were not sold to CSC as a part of the CSC Transaction.

Following the closing of the CSC Transaction, ATA and the Debtor continued to negotiate with CSC for the sale of a spare engine owned by the Debtor (the "C8 Engine") and/or the Saab Assets.

On August 29, 2005, ATA and the Debtor filed a motion seeking authority to sell and transfer the C8 Engine and the Saab Assets to CSC and/or Colgan Air Inc. ("Colgan") (the "CSC/Colgan Approval Motion"). On September 19, 2005, the Bankruptcy Court approved the relief sought in the CSC/Colgan Approval Motion ("CSC/Colgan Approval Order"). Following the entry of the CSC/Colgan Approval Order, the parties continued to work toward a closing of the transactions contemplated in the CSC/Colgan Approval Motion. Due to certain changes to the terms of the proposed transactions, (changes favorable to ATA) and the discovery of a discrepancy in the serial numbers of the Saab Assets, ATA and the Debtor moved the Bankruptcy Court for an amended order approving the proposed sale transactions. The Bankruptcy Court entered such amended approval order on November 17, 2005.

On November 18, 2005, the sale of the Saab Assets and the C8 Engine closed and the C8 Engine was sold to CSC for \$250,000. A portion of the proceeds from the sale of the Saab Assets and the C8 Engine were paid to GE Engine Services Inc. ("GE"), together with a previously funded security deposit, pursuant to a settlement agreement between ATA, the Debtor and GE (the "GE Settlement"). Entry into the GE Settlement and the satisfaction of the conditions set forth therein, were conditions to closing the sale of the Saab Assets and the C8 Engine.

estimated \$1 million liquidation value, and that the proposed sale and bidding process was sufficient and that no modifications were necessary. The Examiner's role was completed upon the issuance of his written report, whereupon he was discharged. The Examiner's fees and expenses were capped at \$75,000 and are rightly expenses of the Debtor's Estate.

IV. Description of the Debtor's Remaining Assets and Liabilities

A. The Debtor's Remaining Assets

The Debtor has liquidated substantially all of its assets pursuant to the Bankruptcy Court approved sale transactions described in the preceding section. As a result, the Debtor's principal assets primarily consist of cash and cash equivalents and the Retained Actions. As of December 31, 2005, the Debtor holds cash and cash equivalents in the approximate amount of \$1.7 million. The amount of cash on hand may increase or decrease before the Effective Date of the Plan as a result of the liquidation of the Retained Actions and the payment of administrative expenses in the ordinary course of business or pursuant to an Order of the Bankruptcy Court.

The Retained Actions are the primary non-cash assets of the Debtor. The Debtor is analyzing its prepetition transfers to determine whether they may and should assert Avoidance Claims. The Debtor, with limited oversight of the Creditors' Committee, will commence, prosecute and possibly settle Avoidance Claims. In addition, the Debtor may have certain causes of action and claims related to accounts receivable or contracts and agreements. It is the intent of the Debtor to retain all such actions to the extent legally possible. A non-exclusive list of Retained Actions and Avoidance Actions may be found in Exhibit A to the Plan.

B. The Debtor's Remaining Liabilities

The Debtor's outstanding prepetition indebtedness totals over \$450 million. The deadline for creditors to file proofs of claim in the Chapter 11 Case of the Debtor was January 24, 2005 and the deadline for creditors to file requests for the allowance and payment of administrative expenses was October 25, 2005. As of the date of this Disclosure Statement, the Debtor and the Creditors' Committee have not completed the process of reviewing, evaluating, and objecting (where appropriate) to the claims filed in the Chapter 11 Case.

The Debtor and Creditors' Committee estimate, as of the date of this Disclosure Statement, however, that Priority Tax Claims will approximate \$132,000, that Other Priority Claims will not exceed approximately \$30,000, that there are no valid secured Claims, and that General Unsecured Claims will be approximately \$450 million. Further, Administrative Claims will fall in the range of approximately \$429,000 to \$1.2 million, and as of February 28, 2006, the ATA Administrative Claim totaled approximately \$6.1 million.

THE ACTUAL AMOUNT OF INDEBTEDNESS WILL LIKELY VARY FROM THE ESTIMATES INCLUDED IN THIS DISCLOSURE STATEMENT AND THE ESTIMATES PROVIDED HEREIN ARE EACH SUBJECT TO MATERIAL CHANGE. IN ADDITION TO THE ESTIMATED INDEBTEDNESS SET FORTH ABOVE, THE DEBTOR WILL ALSO BE RESPONSIBLE FOR PAYING COSTS OF ADMINISTERING ITS CHAPTER 11 CASE, INCLUDING, WITHOUT LIMITATION, THE RESOLUTION OF CLAIMS AND THE RECOVERY OF AVOIDANCE CLAIMS.

V. Plan Voting Instructions and Procedures

A. Voting and Solicitation Procedures.

The Debtor has filed a motion with the Bankruptcy Court seeking approval of procedures to govern the solicitation of votes for acceptance of the Plan and the voting process (the "Procedures Motion"). The Procedures Motion, among other things, asks the Bankruptcy Court to : (i) schedule a hearing to consider confirmation of the Plan on June 6, 2006; (ii) set April 11, 2006, as the date by which holders of Claims and Interests must be known to be eligible to vote; (iii) set May 19, 2006, as the deadline for filing an objection to confirmation of the Plan; (v) set May 19, 2006, as the deadline by which Ballots must be received by BMC, the Debtor's voting agent; and (vi) establish criteria for determining votes received. A hearing on the Procedures Motion is scheduled for April 11, 2006.

The procedures for solicitation and voting are set forth in the Solicitation Procedures Motion and Order which is attached as Exhibit 2 to this Disclosure Statement.

B. Acceptance of the Plan.

Claim and Interest Holder Acceptance. In order for the Plan to be accepted by an Impaired Class of Allowed Claims, a majority in number and two-thirds in dollar amount of the Allowed Claims voting (of each Impaired Class of Claims) must vote to accept the Plan, or the Plan must qualify for cramdown of any non-accepting Class pursuant to Section 1129(b) of the Bankruptcy Code. In any case, at least one Impaired Class, excluding the votes of insiders, must actually vote to accept the Plan.

Cramdown Election. If all Classes do not accept the Plan, but at least one Impaired Class votes to accept the Plan, excluding the votes of insiders, the Debtor may attempt to invoke the "cramdown" provisions. Cramdown may be an available remedy, because the Debtor believes that, with respect to each Impaired Class, the Plan is fair and equitable within the meaning of Section 1129(b)(2) of the Bankruptcy Code and does not discriminate unfairly.

C. Confirmation of the Plan.

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that (a) the Plan has classified Claims and Interests in a permissible manner; (b) the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; (c) the Debtor proposed the Plan in good faith; and (d) the Debtor's disclosures as required by Chapter 11 of the Bankruptcy Code have been adequate and have included information concerning all payments made or promised in connection with the Plan. The Debtor believes that all of these conditions will have been met by the date set for the Confirmation Hearing and will seek rulings from the Bankruptcy Court to such effect at the Confirmation Hearing.

The Bankruptcy Code also requires that the Plan shall have been accepted by the requisite votes of creditors and equity security holders (except to the extent that a "cram down" is available under section 1129(b) of the Bankruptcy Code); that the Plan be feasible (that is, that there be a reasonable prospect that the Debtor will be able to perform its obligations under the Plan and will not likely require further financial reorganization); and that the Plan is in the "best interests" of all impaired creditors and equity security holders (that is, that impaired creditors and equity holders will receive at least as much pursuant to the Plan as they would receive in a chapter 7 liquidation). To confirm the Plan, the Bankruptcy Court must find that all of these conditions are met with respect to the Plan. Thus, even if the creditors and equity security holders of the Debtor accept the Plan by the requisite votes, the Bankruptcy Court must make independent findings respecting the Plan's feasibility and whether it is in the best interests of the Debtor's creditors and equity security holders before it may confirm the Plan.

The following summarizes some of the pertinent requirements of Section 1129:

Acceptance by Impaired Classes. Except to the extent that the cramdown provisions of Section 1129(b) of the Bankruptcy Code may be invoked, each Class of Allowed Claims and each Class of Interests must either vote to accept the Plan or be deemed to accept the Plan because the Claims or Interests of such Class are not Impaired.

Classification of Claims and Interests. The Bankruptcy Code requires that a Chapter 11 plan place each creditor's claim and each equity security holder's interest in a class with other claims and interests that are "substantially similar." The Debtor believes that the Plan meets the classification requirements of the Bankruptcy Code.

Feasibility. The Bankruptcy Court is required to find that the Plan is likely to be implemented and that parties required to perform or pay monies under the Plan will be able to do so. As the Plan is itself a plan of liquidation, the Debtor believes that the Plan is feasible and that the Bankruptcy Court will so find.

"Best Interest" Test. The Bankruptcy Court must find that the Plan is in the "best interest" of all creditors. To satisfy this requirement, the Bankruptcy Court must determine that each holder of an Allowed Claim against, or Interest in, the Debtor: (i) has accepted the Plan; or (ii) will receive or retain under the Plan money or

other property which, as of the Effective Date, has a value not less than the amount such holder would receive if the Debtor's property was liquidated under Chapter 7 of the Bankruptcy Code on such date.

Liquidation Analysis. The Plan generally provides for the prompt distribution of the proceeds of the liquidation of the assets of the Debtor's Estate. If the case were converted to a case under Chapter 7 of the Code, a Chapter 7 trustee would have similar expenses to those that will be incurred by the Debtor but would also be entitled to a commission for making the distributions. Accordingly, the Debtor believes that the Plan will result in a somewhat higher distribution to creditors than conversion to Chapter 7 and the appointment of a trustee. Moreover, the Plan provides, by agreement with ATA, for distributions to holders of General Unsecured claims. Under a chapter 7 liquidation, there would be no distribution to holders of General Unsecured Claims.

"Cramdown" Provisions. Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan, even if such plan has not been accepted by all impaired classes entitled to vote on such plan, provided that such plan has been accepted by at least one impaired class (without including any acceptance of the Plan by an insider). It is also possible that one or more other Classes will reject the Plan. Section 1129(b) of the Bankruptcy Code states that, notwithstanding the failure of an impaired class to accept a plan of reorganization, such plan shall be confirmed, on request of the proponent of the plan, in a procedure commonly known as a "cram down," so long as the plan does not "discriminate unfairly," and is "fair and equitable" with respect to each class of claims or interests that is impaired under and has not accepted the plan. The Debtor will invoke the "cramdown" provisions of Section 1129(b) of the Bankruptcy Code should any voting Class fail to accept the Plan.

Procedure. To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether the Plan meets the requirements of Section 1129 of the Bankruptcy Code (the "Confirmation Hearing"). In the Procedures Motion the Debtor has requested that the Bankruptcy Court set June 6, 2006, for the Confirmation Hearing.

Objection to Confirmation. Any party-in-interest may object to the Confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The Debtor has requested in the Procedures Motion that the Bankruptcy Court set May 19, 2006, as the deadline for filing and serving upon Debtor's counsel and counsel to the Creditors' Committee objections to Confirmation of the Plan.

YOU WILL RECEIVE A SEPARATE NOTICE OUTLINING THE VOTING PROCEDURES ESTABLISHED BY THE BANKRUPTCY COURT IN RESPONSE TO THE PROCEDURES MOTION, INCLUDING, WITHOUT LIMITATION, THE BANKRUPTCY COURT ORDERED CONFIRMATION HEARING DATE AND OBJECTION DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN.

VI. Summary of the Plan

A. In General.

The Plan is a plan of liquidation, and if the Plan is confirmed, following the closing of the case the Debtor will be dissolved pursuant to the laws of the State of Georgia. The Debtor believes that it will have sufficient funds to pay Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Professional Fee Claims. It is not expected that, after paying such claims, the Debtor will have sufficient funds to pay the ATA Administrative Claim in full. The ATA Administrative Claim, as defined and described in the Plan, represents indebtedness in excess of \$6.1 million of the Debtor to ATA for post-petition advances made by ATA to or on behalf of the Debtor during the Chapter 11 Case for the payment of the expenses of the Debtor and for expenses of the Debtor paid directly by ATA. However, despite having insufficient funds to pay the ATA Administrative Claim in full, the Plan, based upon the agreement of ATA, proposes to pay Allowed General Unsecured Claims on a pro rata basis from recoveries of Avoidance Claims a total of the lesser of: (1) \$1,000,000 or (ii) one half of amounts (net of attorneys' and other professionals' fees and expenses) recovered through Avoidance Claims.

B. Classification of Claims and Interests.

Class 1 Other Priority Claims. This Class consists of Claims entitled to priority pursuant to section 507(a) of the Bankruptcy Code, other than Priority Tax Claims and administrative expense claims.

Class 2 General Unsecured Claims. This Class consists of General Unsecured Claims.

Class 3 Equity Interests. This Class consists of the equity Interests.

C. Treatment of Unclassified Claims.

Administrative Claims. Each holder of an Allowed Administrative Claim shall be paid in Cash in full but without interest on the Distribution Date or within 30 days following the date such Administrative Claim becomes an Allowed Claim, if not an Allowed Claim on the Distribution Date. The aggregate amount of any Contested Administrative Claims as of the Distribution Date shall be set aside by the Debtor in the Contested Administrative Claim Reserve, subject to estimation by the Debtor. Contested Administrative Claims that are thereafter Allowed shall be paid from the Contested Administrative Claim Reserve.

Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall be paid in full in Cash, but without interest, on the Distribution Date.

Professional Fee Claims. Each holder of an Allowed Professional Fee Claim shall be paid in Cash on the Distribution Date or within 30 days following the date such Professional Fee Claim is Allowed, if not so Allowed on the Distribution Date. Any Professional retained and requesting compensation pursuant to sections 327, 328, 330, or 331 of the Bankruptcy Code shall be entitled to file an application for allowance of final compensation and reimbursement of fees and expenses for services performed and costs incurred from and after the Petition Date, through the Confirmation Date not later than the sixtieth (60) day after the Confirmation Date. The aggregate amount of sums payable to Professionals shall be set aside and reserved in the Professional Fee Reserve, and Professional Fee Claims shall be paid from the Professional Fee Reserve as and when and with respect to the amount approved by the Bankruptcy Court.

ATA Administrative Claim. The ATA Administrative Claim shall be Allowed on the Confirmation Date and shall be paid as soon as practicable after the Effective Date in full to the extent it can be from Available Cash. The ATA Administrative Claim is subject to reduction by the value of the consideration received on account of C8 General Unsecured Claim, after first setting off any General Unsecured Claims asserted by the Reorganizing Debtors against the estate of C8.

D. Treatment of Claims and Interests.

Class 1 Other Priority Claims. Each holder of an Allowed Class 1 Other Priority Claim shall be paid in full by the Debtor from the Available Cash to the full extent permitted under section 507(a) of the Bankruptcy Code, but without interest, as soon as practicable following the later of the Distribution Date or the date such Claim becomes an Allowed Claim.

Class 2 General Unsecured Claims. Each holder of an Allowed Class 2 General Unsecured Claim shall be paid pro rata by the Debtor from the Preference Recovery Pool to the full extent permitted under section 507(a) of the Bankruptcy Code, but without interest, as soon as practicable following the later of the Distribution Date or the date such Claim becomes an Allowed Claim.

Class 3 Equity Interests. No distributions will be made to Class 3 and the equity Interests will be cancelled on the date the Chapter 11 Case is closed.

E. Implementation of the Plan.

Liquidation of Assets. On and after the Confirmation Date, and subject to the Effective Date, the Debtor may, without further approval of the Bankruptcy Court, (1) use, sell, assign, transfer, abandon or otherwise dispose of at a public or private sale the Debtor's remaining assets, if any, for the purpose of liquidating and converting such assets into cash, making distributions and fully consummating the Plan and (2) settle and compromise any Avoidance Claim or Retained Action; provided, however, that the Debtor shall provide five (5) business days' prior written notice to the Creditors' Liquidation Committee of the settlement and compromise of an Avoidance Action where payments made by the Debtor in the 90 days prior to the Petition Date totaled at least \$200,000 or where the payments made within a seven day variance of payments made in the ordinary course totaled at least \$50,000. Notwithstanding the notice provision above, the Debtor shall have full authority to settle any Avoidance Action for eighty percent (80%) of the asserted Avoidance Action without prior notice to the Creditors' Liquidation Committee.

Distribution Procedures. On the Effective Date, or as soon thereafter as practicable, the Debtor shall remit from Available Cash payments to holders of all Allowed Administrative Claims, Allowed Professional Fee Claims, Allowed Other Priority Claims and Allowed Priority Tax Claims and shall remit the balance of Available Cash, less the Administrative Claim Reserve and the Professional Fee Reserve and the Preference Recovery Pool to ATA in satisfaction of the ATA Administrative Claim. Distributions to any holder of an Allowed Claim shall be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest (but solely to the extent that interest is an allowable portion of such Allowed Claim and allowed under this Plan). Unless otherwise specifically provided for in the Plan, the Confirmation Order, or required by applicable bankruptcy law, (i) post-petition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim and (ii) interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final distribution is made thereon, if and after such Disputed Claim becomes an Allowed Claim.

Preservation of Causes of Action. In accordance with section 1123(b)(3) of the Bankruptcy Code and except as otherwise provided in the Plan, the Debtor will retain and may (but are not required to) enforce all Retained Actions and all other similar claims arising under applicable state laws, including, without limitation, fraudulent transfer claims, if any, and all other Causes of Action of a trustee and a debtor-in-possession under the Bankruptcy Code. The Debtor will determine in consultation with the Creditors' Liquidation Committee, subject to the limitations of notice set forth above, whether to bring, settle, release, compromise, or enforce such rights (or decline to do any of the foregoing), and will not be required to seek further approval of the Bankruptcy Court for such action unless the Creditors' Liquidation Committee objects to any such settlement and compromise of an Avoidance Action in which case Bankruptcy Court approval of such settlement and compromise shall be sought.

Exclusivity Period. The Debtor will retain the exclusive right to amend or modify the Plan, subject to the prior written notice to the Creditors' Committee, in accordance with the terms hereof; and to solicit approvals of any amendment to or modifications of the Plan, through and until the Effective Date.

Exemption From Certain Transfer Taxes and Recording Fees. Pursuant to section 1146(c) of the Bankruptcy Code, any transfers from the Debtor or to any other Person or entity pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, Federal Aviation Administration filing or recording fee or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

F. Treatment of Executory Contracts and Unexpired Leases.

Rejection. Any executory contract or unexpired lease to which the Debtor is a party or bound that has not already been either assumed and assigned or rejected by an order of the Bankruptcy Court shall be rejected

as of the Confirmation Date. Counterparties to executory contracts and unexpired leases rejected pursuant to the Confirmation Order shall have 30 days from the Confirmation Date to file a proof of Claim for any damages arising from the rejection or be forever barred from asserting such Claim.

G. Modification of the Plan.

Plan May Be Modified. The Plan may be altered, amended or modified before or after the Confirmation Date in accordance with Section 1127 of the Bankruptcy Code.

H. Plan Controls.

Plan Provisions Control. In the event and to the extent that any provision of the Plan is inconsistent with the provisions of this Disclosure Statement or any other agreement or instrument required or contemplated to be executed by the Debtor, the provisions of the Plan shall control.

I. Binding Effect.

Provisions of Plan are Binding. The provisions of the Plan and the Confirmation Order shall be binding and inure to the benefit of, the holders of Claims against, and Interests in, the Debtor and its respective successors, assigns, heirs and personal representatives, whether or not such persons voted to accept or reject the Plan.

J. Procedures for Resolving Disputed Claims and Interests.

Claims Administration Responsibility. The Debtor will retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving all Claims against and Interests in the Debtor. Unless otherwise extended by the Bankruptcy Court, any objections to Claims shall be served and filed on or before the Claims Objection Deadline.

Procedures for Treating and Resolving Disputed Claims. No payments or distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, and the Disputed Claim has become an Allowed Claim. Distribution with respect to Allowed Claims of each individual agency or entity of the United States shall be made in accordance with the terms of the Plan as soon as all of the Claims of that individual agency or entity are resolved. The Disbursing Agent shall establish appropriate reserves for Disputed Claims in any class, as it determines are necessary and appropriate. Prior to making any distributions to holders of a particular class or type of Claim, the Disbursing Agent shall determine whether a Distribution Reserve (a "Distribution Reserve") is necessary. If the Disbursing Agent determines that a Distribution Reserve is necessary, the Disbursing Agent shall establish a Distribution Reserve to withhold from any such distributions 100% of distributions to which holders of Disputed Claims would be entitled under the Plan as of such date if such Disputed Claim were an Allowed Claim in their Disputed Claim Amount. Notwithstanding the foregoing, the Disbursing Agent shall have the right to request estimation of any Disputed Claim and authority from the Bankruptcy Court to withhold less than 100% of the Disputed Claim Amount from distributions to holders of Allowed Claims in that class or type. The holder of a Disputed Claim shall not be entitled to receive or recover any amount in excess of the amount provided in the Distribution Reserve to pay such Claim.

VII. Disclaimer Concerning Financial Information

Although the Debtor has used its best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in this Disclosure Statement has not been audited and is based upon an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement. Although the Debtor believes that such financial information fairly reflects the financial circumstances discussed, the Debtor is unable to warrant or represent that the information contained herein is without inaccuracies.

VIII. Risk Factors

THE HOLDER OF A CLAIM AGAINST THE DEBTOR SHOULD READ AND CAREFULLY CONSIDER THE FOLLOWING FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND IN THE PLAN BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR TO REJECT THE PLAN.

No Assurances. There can be no assurance by the Debtor of the success of any Avoidance Claim.

Success regarding the Reduction of the Amounts of Claims. There can be no assurance that the Debtor will be able by objection to proofs of claim to reduce the amount of Allowed General Unsecured Claims.

IX. Alternatives to the Plan

Based upon the information available and known by the Debtor, the Debtor has concluded that, should the Plan not be confirmed, it is likely that holders of Allowed General Unsecured Claims will receive no distribution under a chapter 7 liquidation. In addition, the distributions to creditors could be materially reduced by additional fees and other costs associated with extended proceedings to propose and confirm an alternative chapter 11 Plan, or if the case were converted to chapter 7, a chapter 7 liquidation. Accordingly, the Debtor believes that the Plan offers the best prospects of recovery for the holders of Claims against and Interests in the Debtor and recommend that holders of Claims and Interests vote to accept the Plan.

X. Federal Income Tax consequences of the Plan

There should be no federal income tax consequences in connection with the distributions to creditors under the Plan other than consequences normally attendant to payment or partial payment of an obligation by a debtor to a creditor.

Pursuant to the Plan, holders of Allowed Class 2 General Unsecured Claims will receive Cash in the total amount of the lesser of: (i) \$1,000,000; or (ii) one half of net amounts (net of attorneys' and other professionals' fees and expenses) recovered through Avoidance Claims in satisfaction and discharge of their Claims.

The distributions to holders of Allowed Class 2 General Unsecured Claims in satisfaction of their Claims generally should be fully taxable transactions.

Accordingly, a holder of such an Allowed Claim generally will recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by the holder in satisfaction of its Claim and (ii) the holder's adjusted tax basis in its Claim. The "amount realized" by a holder will equal the sum of the amount of any Cash received.

Due to the possibility that a holder of an Allowed Class 2 General Unsecured Claim may receive additional distributions subsequent to the Effective Date in respect of any Avoidance Claims, subsequently disallowed Disputed Claims, or unclaimed distributions, the Tax Code may apply to treat a portion of such later distributions to such holders as imputed interest. In addition, it is possible that any loss and a portion of any gain realized by such holders may be deferred until such time as such holder has received its final distribution. All holders of an Allowed Class 2 General Unsecured Claim should consult their tax advisors as to the tax consequences of the receipt of Cash subsequent to the Effective Date.

Where gain or loss is recognized by a holder in respect of its Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was originally issued at a discount or was acquired at a market discount, and whether and to what extent the holder had previously claimed a bad debt deduction in respect of such Claim. A holder that purchased its Claim from a prior holder at a market discount may be subject to the market discount rules of the Tax Code. Under those rules, assuming that the holder has made no election to amortize the

market discount into income on a current basis with respect to any market discount instrument, any gain recognized on the exchange of such Claim (subject to a de minimis rule) generally would be characterized as ordinary income to the extent of the accrued market discount on such Claim as of the date of the exchange.

THE FOREGOING DESCRIPTION OF FEDERAL INCOME TAX CONSEQUENCES IS INTENDED MERELY AS AN AID FOR CREDITORS AND EQUITY SECURITY HOLDERS AND NEITHER THE DEBTOR, THE CREDITORS' COMMITTEE, NOR THEIR ATTORNEYS ASSUME ANY RESPONSIBILITY IN CONNECTION WITH THE INCOME TAX LIABILITY OF ANY CREDITOR OR HOLDER OF AN INTEREST. EACH HOLDER OF A CLAIM SHOULD CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FOREIGN, FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF THE PLAN.

XI. Recommendation

It is the position of the Debtor that the Plan is substantially preferable to a liquidation under chapter 7 of the Bankruptcy Code. Conversion of the Chapter 11 Case would result in: (i) delays in the distribution of proceeds available under such alternative; (ii) increased administrative costs; and (iii) increased uncertainty as to whether Allowed General Unsecured Claims would receive any distribution.

THE DEBTOR RECOMMENDS THAT YOU VOTE IN FAVOR OF THE PLAN

IN WITNESS WHEREOF, the Debtor has submitted this Disclosure Statement this 30th day of March, 2006.

By: /s/ Terry E. Hall

By counsel on behalf of C8 Airlines, Inc.

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**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.)	

**SECOND AMENDED
PLAN OF LIQUIDATION OF C8 AIRLINES, INC.
F/K/A CHICAGO EXPRESS AIRLINES, INC.**

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Dated: April 13, 2006, Indianapolis, Indiana

¹ 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 C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (04-19874).

TABLE OF CONTENTS

<u>LIST OF EXHIBITS</u>	3
<u>INTRODUCTION</u>	4
<u>ARTICLE I</u> Definitions, Rules of Interpretation, and Computation of Time	4
<u>ARTICLE II</u> Unclassified Claims and Treatment.....	14
<u>ARTICLE III</u> Classified Claims	15
<u>ARTICLE IV</u> Voting on the Plan	15
<u>ARTICLE V</u> Implementation of the Plan	16
<u>ARTICLE VI</u> Provisions Governing Distributions.....	17
<u>ARTICLE VII</u> Executory Contracts and Unexpired Leases	19
<u>ARTICLE VIII</u> Retention of Jurisdiction	19
<u>ARTICLE IX</u> Remaining Issues	20
<u>ARTICLE X</u> Effect of the Plan on Claims and Interests	24
<u>ARTICLE XI</u> Conditions Precedent	25

LIST OF EXHIBITS

Exhibit A

Non-Exclusive List of Retained Actions

INTRODUCTION

C8 Airlines, Inc., formerly named Chicago Express Airlines, Inc. (the "Debtor"), one of the above captioned Debtors and Debtors-in-Possession, proposes the following chapter 11 plan (the "Plan"). This Plan is a plan of liquidation as substantially all of the assets of the Debtor have been sold pursuant to orders of the Bankruptcy Court. If the Plan is confirmed, following the final distributions, C8 will be dissolved as a corporation.

Assuming the estimates of the Debtor are correct and including the estimated net recoveries that may be realized by the prosecution of Avoidance Claims and Retained Actions, the Debtor believes it will have sufficient funds to pay all Allowed Administrative Claims, Priority Tax Claims, and Professional Fee Claims. The Debtor is also obligated on a post-Petition Date Administrative Claim basis to ATA Airlines, Inc. ("ATA") for an amount in excess of \$6.1 million for advances made by ATA to or for the benefit of the Debtor in the ordinary course during the Chapter 11 Case (the "ATA Administrative Claim"). It is not expected that the ATA Administrative Claim will be paid in full. However with the consent of ATA, the Plan proposes to distribute to Allowed General Unsecured Claims on a pro rata basis a total of the lesser of (a) \$1 million or (b) one half of the amounts (net of attorneys' and other professionals' fees and expenses) recovered through the prosecution of Avoidance Claims.

Except as otherwise provided, the Plan proposes to pay the creditors of the Debtor's estate pursuant to the priorities established by the Bankruptcy Code with the exception noted above for payments to General Unsecured Creditors ahead of full payment of the ATA Administrative Claim. The specific provisions for implementing this Plan are set forth in the following Articles.

Definitions, Rules of Interpretation, and Computation of Time

A. **In General.** For purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined have the meanings ascribed to them in Article I.B of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules.

For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) each pronoun stated in the masculine, feminine or neuter includes the masculine, feminine and neuter; (c) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (d) any reference in this Plan to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified or supplemented pursuant to this Plan; (e) any reference to a Person as a holder of a Claim or Interest includes that Person's successors and assigns; (f) all references in this Plan to Articles and Exhibits are references to Articles and Exhibits of or to this Plan; (g) the words "herein," "hereof," "hereunder" and "hereto" unless limited by further reference refer to this Plan in its entirety rather than to a particular portion of this Plan; (h) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (i) subject to the provisions of any contract, articles of incorporation, by-laws, instrument, release or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; and (j) the rules of construction set forth in section 102 of the Bankruptcy Code will apply.

In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. A period described as a number of “days” (as opposed to “Business Days”) means calendar days.

All references in the Plan to monetary figures refers to United States of America currency unless otherwise expressly provided.

Any and all Exhibit(s) are incorporated into and are a part of this Plan as if set forth in full herein and, to the extent not annexed hereto, such Exhibits shall be filed with the Bankruptcy Court on or before the Exhibit Filing Date. After the Exhibit Filing Date, copies of Exhibits can be obtained upon request to The BMC Group, Inc. (“BMC”), claims and voting agent to the Debtor or by downloading such exhibits from BMC’s website (www.bmccorp.net/ata) or the Court’s website (www.insb.uscourts.gov). To the extent any Exhibit is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-Exhibit portion of the Plan shall control.

B. Definitions.

1.1 “Administrative Claim” means a Claim other than the ATA Administrative Claim or Professional Fee Claims for payment of an administrative expense of a kind specified in section 503(b) of the Bankruptcy Code and entitled to priority pursuant to sections 507(a)(1), 507(b) or 1114 (e)(2) of the Bankruptcy Code, including, but not limited to, (a) the actual, necessary costs and expenses, incurred on or after the Petition Date, of preserving the Estate and operating the business of the Debtor, including without limitation wages, salaries or commissions for services rendered after the commencement of the Chapter 11 Case, (b) all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code, and (c) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under section 546(c)(2)(A) of the Bankruptcy Code.

1.2 “Administrative Claims Bar Date” means the deadline established by the Administrative Claims Bar Date Order of the Bankruptcy Court and being October 25, 2005. The Administrative Claims Bar Date does not apply to Professional Fee Claims, which are subject to the provisions of Article 9.10 hereof, nor to the ATA Administrative Claim.

1.3 “Administrative Claims Bar Date Order” means the order entered by the Bankruptcy Court on October 5, 2005 establishing the Administrative Claims Bar Date.

1.4 “Affiliates” has the meaning given such term by section 101(2) of the Bankruptcy Code.

1.5 “Allowed . . . Claim” or “Allowed . . . Interest” means a Claim or any portion thereof, or an Interest or any portion thereof, (a) that has been allowed by a Final Order of the Bankruptcy Court (or such other court or forum as the Debtor and the holder of such Claim or Interest agree may adjudicate such Claim or Interest and objections thereto), or (b) as to which, on or by the Effective Date, (i) no proof of claim or interest has been filed with the Bankruptcy Court and (ii) the liquidated and noncontingent amount of which is Scheduled, other than a Claim or Interest that is Scheduled at zero, in an unknown amount, or as disputed, or (c) for which a proof of claim or interest in a liquidated amount has been timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and as to which either (i) no objection to its allowance has been filed by the Claims Objection Deadline, the Bankruptcy Code or by any order of the Bankruptcy Court or (ii) any objection to its allowance has been settled or withdrawn, or has been denied by a Final Order, or (d) that is expressly allowed in a liquidated amount in the Plan, or (e) that has been settled. For purposes of voting to accept or reject the Plan pursuant to Article IV, Allowed Claim or Allowed Interest includes a Claim or Interest (t) listed in a

liquidated, noncontingent, and undisputed amount on the Schedules and for which a timely proof of claim or interest has not been filed as of the Voting Deadline, (u) that has been estimated pursuant to Bankruptcy Rule 3018(a) and the Solicitation Procedures Order, or (v) a timely proof of claim or proof of interest has been filed and no objection remains pending as of the Confirmation Hearing.

1.6 “Allowed Class . . . Claim” or “Allowed Class . . . Interest” means an Allowed Claim or an Allowed Interest in the specified Class.

1.7 “ATA” means ATA Airlines, Inc., an Indiana corporation, debtor-in-possession in Case No. 04-19868 pending in the Bankruptcy Court.

1.8 “ATA Administrative Claim” means the aggregate sum owed by the Debtor to ATA for the payment of expenses incurred by C8 after the Petition Date.

1.9 “ATSB” means the Air Transportation Stabilization Board created pursuant to the Air Transportation Safety and Stabilization Act, P.L. 107-42 (2001) (the “Act”) and the regulations issued by the Office of Management and Budget under the Act, 14 C.F.R. Part 1300, Aviation Disaster Relief – Air Carrier Guarantee Loan Program.

1.10 “ATSB Agent” means Citibank, N.A. in its capacity as Agent (as defined in the ATSB Loan Agreement) under the ATSB Loan Agreement.

1.11 “ATSB Lender Parties” means Govco Incorporated, as Primary Tranche A Lender, Citibank, N.A. as Alternate Tranche A Lender, Tranche B Lender, Collateral Agent and Agent, Citicorp North America, Inc., as Govco Administrative Agent, and the ATSB, in each case, as set forth in more detail in the ATSB Loan Agreement.

1.12 “ATSB Lenders” means the lenders from time to time (and as of the time relevant to the use of the definition herein) under the ATSB Loan Agreement and the Amended and Restated ATSB Loan Agreement.

1.13 “ATSB Lenders Settlement Agreement” means the ATSB Lenders Settlement Agreement approved by an order of the Bankruptcy Court entered April 20, 2005.

1.14 “ATSB Loan Agreement” means the \$168 million Loan Agreement, dated November 20, 2002, among ATA, as Borrower, Holdings, as Parent, Govco Incorporated, as Primary Tranche A Lender, Citibank, N.A., as Alternate Tranche A Lender, Citicorp North America, Inc., as Govco Administrative Agent, Citibank, N.A., as Tranche B Lender, BearingPoint, Inc. (formerly KPMG Consulting, Inc.), as Loan Administrator, Citibank, N.A., as Collateral Agent, Citibank, N.A., as Agent and the ATSB, governing the ATSB Loan Obligations (as defined in the Cash Collateral Order).

1.15 “Available Cash” with respect to any obligation under the Plan means all Cash, which is the property of the Debtor less (a) amounts distributable with respect to obligations under the Plan having a higher priority or right to receive a distribution, (b) the Contested Administrative Creditor Reserve (c) the Professional Fee Claim Reserve, and (d) the Preference Recovery Pool.

1.16 “Avoidance Claims” means Causes of Action against Persons arising under any of sections 502, 510, 541, 542, 543, 544, 545, 547, 548 through 551 and 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation has been commenced as of the Confirmation Date to prosecute such Avoidance Claims.

1.17 "Ballot" means the forms mailed to the holders of Claims for the purpose of voting to accept or reject the Plan.

1.18 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as in effect on October 26, 2004.

1.19 "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Indiana.

1.20 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Case or proceeding therein, and the Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Case or proceedings therein, as the case may be.

1.21 "Bar Date Order" means the order entered by the Bankruptcy Court on December 21, 2004, establishing the Bar Date.

1.22 "Bar Date" means the deadlines set by the Bankruptcy Court under the Bar Date Order or otherwise and including bar dates established by Bankruptcy Court Order for filing claims arising from the rejection or executory contracts and or unexpired leases for filing proofs of claim or interest in the Chapter 11 Case.

1.23 "Business Day" means any day, excluding Saturdays, Sundays and "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are generally open for business in Indianapolis, Indiana.

1.24 "C8 General Unsecured Claim" means the scheduled unsecured claim of C8 against ATA as of the Petition Date and which is subject to setoff.

1.25 "Cash" means legal tender of the United States of America and equivalents thereof.

1.26 "Cash Collateral Order" means the Second Interim and Final Order Authorizing Debtors' use of Cash Collateral and Use, Sale and Lease of Other Pre-Petition Collateral, approved by order of the Bankruptcy Court entered December 10, 2004, as it has been and may be amended, modified, supplemented and extended from time to time.

1.27 "Causes of Action" means any and all actions, proceedings, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, rights of offset, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, including Avoidance Claims unless otherwise waived or released by the Debtor.

1.28 "Chapter 11 Case" means the chapter 11 case of the Debtor pending in the Bankruptcy Court.

1.29 "Claim" means a claim against the Debtor, whether or not asserted, as defined in section 101(5) of the Bankruptcy Code.

1.30 “Claims Agent” means The BMC Group, Inc. ("BMC") which maintains an office at The BMC Group, 1330 E. Franklin Avenue, El Segundo, California 90245, and on the Internet at www.bmcgroup.com.

1.31 “Claims Objection Deadline” means that day which is 120 days after the Effective Date (unless such day is not a Business Day, in which case such deadline shall be the next Business Day thereafter), as the same may be from time to time extended by the Bankruptcy Court, without further notice to parties-in-interest.

1.32 “Class” means a class of Claims or Interests designated pursuant to Sections 1122 and 1123(a)(1) of the Bankruptcy Code and described in Article III of the Plan.

1.33 “Confirmation Date” means the date of entry on the Bankruptcy Court’s docket of the Confirmation Order.

1.34 “Confirmation Hearing” means the hearing before the Bankruptcy Court held to consider confirmation of the Plan and related matters under section 1128 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.35 “Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.36 "Contested Administrative Claim" means an Administrative Claim that is the subject of an objection which has not been resolved.

1.37 "Contested Administrative Claim Reserve" means the aggregate sum of Cash reserved for payment of Contested Administrative Claims upon the allowance of such Contested Administrative Claim. The Contested Administrative Claim Reserve shall reserve the aggregate Face Amount of the filed Contested Administrative Claims unless the Court allows a lower estimation upon motion of the Debtor.

1.38 “Creditors’ Committee” means the Official Committee of Unsecured Creditors appointed pursuant to section 1102(a) of the Bankruptcy Code in the Chapter 11 Case of the Debtor.

1.39 "Creditors' Liquidation Committee" means the post-Effective Date committee established pursuant to Article 9.5 of this Plan.

1.40 “Disallowed Claim” or “Disallowed Interest” means a Claim or any portion thereof, or an Interest or any portion thereof, that (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as contingent, disputed or unliquidated and as to which a Bar Date applies but no proof of claim or interest has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law, or (c) is not Scheduled and as to which a Bar Date applies but no proof of claim or interest has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

1.41 "Disbursing Agent" means BMC. With respect to the Old Holdings Unsecured Notes, the Disbursing Agent shall be the Servicer.

1.42 “Disclosure Statement” means the written disclosure statement that relates to this Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or supplemented from time to time.

1.43 “Disputed Claim” or “Disputed Interest” means a Claim or any portion thereof, or an Interest or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, nor an Allowed Interest or a Disallowed Interest, as the case may be, and includes, without limitation, Claims or Interests that (a) have not been Scheduled by the Debtor or has been Scheduled at zero, or have been Scheduled as unknown, contingent, unliquidated or disputed, whether or not such Claims or Interests are the subject of a proof of claim or proof of interest in the Bankruptcy Court, (b) are the subject of a proof of claim or interest that differs in nature, amount or priority from the Schedules, or (c) are the subject of an objection filed with the Bankruptcy Court, which has not been withdrawn or overruled by a Final Order of the Bankruptcy Court.

1.44 “Disputed Claim Amount” means (a) if a liquidated amount is set forth in the proof of claim relating to a Disputed Claim, (i) the liquidated amount set forth in the proof of claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtor and the holder of such Disputed Claim; or (iii) if a request for estimation is filed by the Reorganizing Debtors or the Disbursing Agent, the amount at which such Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to in writing by the Debtor and the holder of such Disputed Claim, (ii) the amount estimated by the Bankruptcy Court with respect to such Disputed Claim or (iii) zero, if neither of (i) or (ii) applies; or (c) if the Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was filed, or deemed to have been filed, by the applicable Bar Date and the Claim has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, zero.

1.45 “Distribution Date” means the date, selected by the Debtor occurring as soon as practicable after the Effective Date, upon which distributions to holders of Allowed Claims entitled to receive distributions under the Plan shall commence.

1.46 “Distribution Record Date(s)” means the date(s), beginning with the date ten (10) Business Days before the Effective Date as of which date the identities of holders of Claims will be established for purposes of distributions under the Plan on the Periodic Distribution Dates.

1.47 “Distribution Reserve” has the meaning ascribed to it in Article 6.7 herein.

1.48 “Effective Date” means the first Business Day on which all conditions to the consummation of the Plan occurred.

1.49 “Estate” means the bankruptcy estate of the Debtor created pursuant to section 541 of the Bankruptcy Code.

1.50 “Exhibit” means an exhibit annexed or to be annexed to this Plan or an Exhibit annexed to the Disclosure Statement as applicable.

1.51 “Exhibit Filing Date” means the date on which Exhibits to the Plan shall be filed with the Bankruptcy Court, which date shall be no fewer than ten days prior to the Voting Deadline, unless a later date is approved by the Bankruptcy Court.

1.52 “Face Amount” means, (a) when used in reference to a Disputed or Disallowed Claim, the full stated liquidated amount claimed by the holder of a Claim in any proof of claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim, the allowed amount of such Claim.

1.53 “Final Order” means an order or judgment, the operation or effect of which has not been stayed, reversed or amended, and as to which order or judgment (or any revision, modification or amendment

thereof), the time to appeal or seek review or rehearing or move for a new trial has expired, and as to which no appeal or petition for review, reargument, rehearing or proceeding for a new trial was timely filed or, if timely filed, remains pending.

1.54 “General Unsecured Claim” means a Claim against the Debtor that is not an Administrative Claim, a Professional Fee Claim, a Priority Tax Claim, an ATA Administrative Claim, or an Other Priority Claim, and includes the general unsecured claim of Holdings against the estate of C8 which Claim shall be setoff against the C8 General Unsecured Claim.

1.55 “Impaired” refers to any Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.56 “Indenture Trustee” means Wells Fargo Bank Northwest, N.A. or its successor as the indenture trustee for the Old Holdings Unsecured Notes.

1.57 “Insured Claim” means any Claim to the extent such Claim arises prior to the Petition Date from an incident or occurrence that is covered under the Debtor's insurance policies, but solely to the extent such Claim is covered by such insurance policies.

1.58 “Interest” means the rights and interests of the holder of any equity security, including options or warrants to purchase equity securities, stock appreciation rights or other rights to purchase or deliver in exchange for equity securities, including preferred stock, options or warrants to purchase or otherwise acquire the same and any Claims arising out of the purchase and sale of any such securities.

1.59 “Old Holdings Unsecured Notes” means, collectively, the outstanding 2005 Senior Unsecured Notes, the 2009 Senior Unsecured Notes and the 2010 Senior Unsecured Notes.

1.60 “Ordinary Course Professional Order” means the Bankruptcy Court’s Amended Order Pursuant to 11 U.S.C. §§ 105(a), 327(e) and 331 Authorizing Retention of Professionals Utilized by the Debtors in the Ordinary Course of Business (Docket No. 714).

1.61 “Other Priority Claim” means a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code other than a Priority Tax Claim, a Professional Fee Claim, the ATA Administrative Claim or an Administrative Claim.

1.62 “Periodic Distribution Dates” means (a) the Distribution Date, as to the first distribution made by the Debtor, and (b) thereafter, the first Business Day occurring at the completion of the claims reconciliation process and the settlement or other disposition of all Avoidance Actions.

1.63 “Person” means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy Code), or other entity.

1.64 “Petition Date” means October 26, 2004, the date on which the Debtor filed its petition for relief in the Bankruptcy Court commencing the Chapter 11 Case.

1.65 “Plan” means this chapter 11 plan for the resolution of outstanding Claims and Interests in the Chapter 11 Case, as herein proposed by the Debtor, including all Exhibits, supplements, amendments, appendices and schedules hereto, either in their present form or as the same may be later filed or further altered, amended or modified from time to time in accordance with the Bankruptcy Code and Bankruptcy Rules.

1.66 "Preference Recovery Pool" means Cash reserved for payment to holders of Allowed Class 2 Claims as provided in Article 5.6 up to an aggregate sum of the lesser of (a) \$1 million or (b) one-half of the recoveries on Avoidance Claims (net of expenses including attorneys' and other professionals' fees and expenses incurred in prosecuting such Avoidance Claims).

1.67 "Priority Tax Claim" means a Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

1.68 "Professional" means those Persons retained in the Chapter 11 Case by separate Bankruptcy Court orders pursuant to sections 327 and 1103 of the Bankruptcy Code or otherwise; provided, however, that Professional does not include those Persons retained pursuant to the Ordinary Course Professional Order.

1.69 "Professional Fee Claim" means an Administrative Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses or other charges and disbursements incurred, relating to services rendered or expenses relevant to this Chapter 11 Case and incurred after the Petition Date and prior to and including the Effective Date.

1.70 "Professional Fee Orders" means the orders entered by the Bankruptcy Court on December 10, 2004, authorizing the interim payment of Professional Fee Claims.

1.71 "Professional Fee Reserve" means the funds designated to be reserved for payment of Professional Fee Claims.

1.72 "Reorganizing Debtors" means Holdings, ATA, ATA Leisure Corp., ATA Cargo, Inc., and American Transair Execujet, Inc.

1.73 "Reorganizing Debtors' Plan" means the Amended Joint Chapter 11 Plan for Reorganizing Debtors As Immaterially Modified confirmed by order of the Bankruptcy Court on January 31, 2006 and effective on February 28, 2006.

1.74 "Retained Actions" means all Causes of Action which the Debtor may hold against any Person (other than Released Parties), including, without limitation, (a) any Causes of Action brought prior to the Confirmation Date, (b) any Causes of Action against any Persons for failure to pay for products or services provided or rendered by the Debtor, (c) any Causes of Action relating to strict enforcement of the Debtor's intellectual property rights, including patents, copyrights and trademarks, and (d) any Causes of Action seeking the recovery of the Debtor's accounts receivable or other receivables or rights to payment created or arising in the ordinary course of the Debtor's business, and (e) all Avoidance Claims. A nonexclusive list of Retained Actions is attached hereto as Exhibit A

1.75 "Scheduled" means, with respect to any Claim or Interest, the status, priority and amount, if any, of such Claim or Interest as set forth in the Schedules.

1.76 "Schedules" means the schedule of assets and liabilities and the statement of financial affairs filed in the Chapter 11 Case by the Debtor, as such schedule or statement has been or may be further modified, amended or supplemented from time to time in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

1.77 "Servicer" has the meaning ascribed to it in Article 6.3 hereof.

1.78 "Solicitation Procedures Order" means the order of the Bankruptcy Court, approved on April 18, 2006 that sets forth the procedures for the solicitation of votes to accept or reject the Plan.

- 1.79 "Unclaimed Property" has the meaning ascribed to it in Article 9.9 of this Plan.
- 1.80 "Unimpaired" refers to any Claim or Interest which is not Impaired.
- 1.81 "Voting Class" means a Class of Claims or Interests under this Plan that is entitled to vote to accept or reject the Plan.
- 1.82 "Voting Deadline" means the date and time established by the Solicitation Procedures Order.
- 1.83 "2005 Senior Unsecured Notes" means the 9 5/8% Senior Notes of Holdings due in December 2005 issued and outstanding under the Indenture, dated as of December 11, 1998, by and among Amtran, Inc. (n/k/a ATA Holdings Corp.), as issuer, American Trans Air, Inc. (n/k/a ATA Airlines, Inc.), Ambassador Travel Club, Inc., ATA Vacations, Inc. (n/k/a ATA Leisure Corp.), Amber Travel, Inc., American Trans Air Training Corporation, American Trans Air Execujet, Inc. and Amber Air Freight Corporation (n/k/a ATA Cargo, Inc.), as guarantors, and First Security Bank, N.A., as trustee, as supplemented.
- 1.84 "2009 Senior Unsecured Notes" means those certain Senior Notes of Holdings due 2009 issued and outstanding under the Indenture, dated as of January 30, 2004, among ATA Holdings Corp. (f/k/a Amtran, Inc.), as issuer, ATA Airlines, Inc. (f/k/a American Trans Air, Inc.), Ambassador Travel Club, Inc., ATA Leisure Corp. (f/k/a ATA Vacations, Inc.), Amber Travel, Inc., American Trans Air Training Corporation, American Trans Air Execujet, Inc., ATA Cargo, Inc. (f/k/a Amber Air Freight Corporation), and Chicago Express Airlines, Inc., as guarantors and Wells Fargo Bank Northwest, National Association, as trustee.
- 1.85 "2010 Senior Unsecured Notes" means those certain Senior Notes of Holdings due 2010 issued and outstanding under the Indenture, dated as of January 30, 2004, among ATA Holdings Corp. (f/k/a Amtran, Inc.), as issuer, ATA Airlines, Inc. (f/k/a American Trans Air, Inc.), Ambassador Travel Club, Inc., ATA Leisure Corp. (f/k/a ATA Vacations, Inc.), Amber Travel, Inc., American Trans Air Training Corporation, American Trans Air Execujet, Inc., ATA Cargo, Inc. (f/k/a Amber Air Freight Corporation), and Chicago Express Airlines, Inc., as guarantors, and Wells Fargo Bank Northwest, National Association, as trustee.

ARTICLE II

Unclassified Claims and Treatment

- 2.1 Administrative Claims. Except as otherwise set forth in this Plan, each holder of an Allowed Administrative Claim shall be paid in Cash in full but without interest on the Distribution Date or within 30 days following the date such Administrative Claim becomes an Allowed Claim if not an Allowed Claim on the Distribution Date. The aggregate amount of any Contested Administrative Claims as of the Distribution Date shall be set aside by the Debtor in the Contested Administrative Claim Reserve, subject to estimation by the Debtor. Contested Administrative Claims that are thereafter Allowed shall be paid from the Contested Administrative Claim Reserve. However, nothing in this Article 2.1 shall constitute a waiver by any agency or entity of the United States to assert the right to receive postpetition interest with respect to any Administrative Claim.
- 2.2 Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall be paid in full in Cash, but without interest, on the Distribution Date.
- 2.3 Professional Fee Claims. Each holder of an Allowed Professional Fee Claim shall be paid in Cash on the Distribution Date or within 30 days following the date such Professional Fee Claim is Allowed if

not so Allowed on the Distribution Date. Any entity retained and requesting compensation pursuant to sections 327, 328, 330, or 331 of the Bankruptcy Code shall be entitled to file an application for allowance of final compensation and reimbursement of fees and expenses for services performed and costs incurred from and after the Petition Date, through the Confirmation Date not later than the sixtieth (60) day after the Effective Date. The aggregate amount of sums estimated to be payable to Professionals shall be set aside and reserved in the Professional Fee Reserve, and Professional Fee Claims shall be paid from the Professional Fee Reserve as and when and with respect to the amount approved by the Bankruptcy Court.

2.4 ATA Administrative Claim. The ATA Administrative Claim shall be Allowed on the Confirmation Date and shall be paid as soon as practicable after the Effective Date in full to the extent it can be paid from Available Cash. The ATA Administrative Claim is subject to reduction by the value of the consideration payable to the Debtor pursuant to the Reorganizing Debtors' Plan for the C8 General Unsecured Claim, after first setting off any Allowed General Unsecured Claims held by the Reorganizing Debtors against the estate of the Debtor.

The ATA Administrative Claim consists of expenses paid by ATA for the Debtor in Cash and includes Cash funding for ordinary course expenses, fuel, handling costs, the lease payments for the Debtor's aircraft, taxes owed by the Debtor, and the fees and expenses of Professionals employed in this Chapter 11 Case. This Cash funding, net of certain refunds received by the Debtor for insurance policies and other adjustments, total an estimated \$27.98 million in cash funding which sum may increase with additional scrutiny of professional fees and expenses paid by ATA but which were incurred for the benefit of the Debtor and potential liability for administrative claims asserted based on the use and rejection of the Debtor's leased aircraft. The Debtor's revenue during this same period totaled \$21.87 million, resulting in ATA's Administrative Claim of not less than \$6.1 million.

ARTICLE III

Classified Claims

3.1 Class 1 Other Priority Claims. Each Holder of an Allowed Class 1 Other Priority Claim shall be paid in full by the Debtor from Available Cash to the full extent permitted under section 507(a) of the Bankruptcy Code, but without interest, as soon as practicable following the Distribution Date or the date such Claim becomes an Allowed Claim.

Class 1 is Impaired under the Plan.

3.2 Class 2 General Unsecured Claims. Each Holder of an Allowed Class 2 General Unsecured Claim shall be paid pro rata by the Debtor from the Preference Recovery Pool to the full extent permitted under section 507(a) of the Bankruptcy Code, but without interest, as soon as practicable following the Distribution Date or the date such Claim becomes an Allowed Claim.

Class 2 is Impaired under the Plan.

3.3 Class 3 Equity Interests. No distributions will be made to Class 3 and the equity Interests will be cancelled on the date the Chapter 11 Case is closed.

Class 3 is Impaired under the Plan.

ARTICLE IV

Voting on the Plan

4.1 Classes Entitled to Vote. The holders of Claims in Classes 1 and 2 are entitled to vote on the Plan.

4.2 Deemed to Reject the Plan. The holders of Interests in Class 3 shall receive no distributions under the Plan and are deemed to reject the Plan.

4.3 Class Acceptance Requirement. A Voting Class shall have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Allowed Claims of the Voting Class that have voted on the Plan by casting valid Ballots.

4.4 Cramdown. In the event that any Impaired Class of Claims shall fail to accept the Plan in accordance with section 1129(b) of the Bankruptcy Code, the Debtor reserves the right to request that the Court confirm the Plan in accordance with the "cramdown" provisions of section 1129(b) of the Bankruptcy Code.

ARTICLE V

Implementation of the Plan

5.1 Liquidation of Assets. On and after the Confirmation Date, and subject to the Effective Date, the Debtor may, without further approval of the Bankruptcy Court, (1) use, sell, assign, transfer, abandon or otherwise dispose of at a public or private sale the Debtor's remaining assets, if any, for the purpose of liquidating and converting such assets into cash, making distributions and fully consummating the Plan and (2) settle and compromise any Avoidance Claim or Retained Action; provided, however, that the Debtor shall provide five (5) business days' prior written notice to the Creditors' Liquidation Committee of the settlement and compromise of an Avoidance Action where payments made by the Debtor in the 90 days prior to the Petition Date totaled at least \$200,000 or where the payments made within a seven day variance of ordinary course totaled at least \$50,000. Notwithstanding the notice provision above, the Debtor shall have full authority to settle any Avoidance Action for at least eighty percent (80%) of the asserted Avoidance Action without prior notice to the Creditors' Liquidation Committee.

5.2 Distribution Procedures. On the Effective Date, or as soon thereafter as practicable, the Debtor shall remit from Available Cash payments to holders of all Allowed Administrative Claims, Allowed Professional Fee Claims, and Allowed Priority Tax Claims and shall remit the balance of Available Cash, less the Administrative Claim Reserve and the Professional Fee Reserve and the Preference Recovery Pool, to ATA in partial satisfaction of ATA's Administrative Claim. Distributions to Allowed General Unsecured Claims shall be made from the Preference Recovery Pool and shall occur as soon as practicable following a pro rata estimation of all General Unsecured Claims and the recovery of the Avoidance Actions. Distributions to any holder of an Allowed Claim shall be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest (but solely to the extent that interest is an allowable portion of such Allowed Claim and allowed under this Plan). Unless otherwise specifically provided for in the Plan, the Confirmation Order, or required by applicable bankruptcy law, (i) post-petition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim and (ii) interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

5.3 Preservation of Causes of Action. In accordance with section 1123(b)(3) of the Bankruptcy Code and except as otherwise provided in this Plan, the Debtor will retain and may (but is not required to) enforce all Retained Actions and all other similar claims arising under applicable state laws, including, without limitation, fraudulent transfer claims, if any, and all other Causes of Action of a trustee and a debtor-in-possession under the Bankruptcy Code. The Debtor will determine in consultation with the Creditors' Liquidation Committee, subject to the limitations of notice set forth in Article 5.1 above, whether to bring, settle, release, compromise, or enforce such rights (or decline to do any of the foregoing), and will not be required to seek further approval of the Bankruptcy Court for such action unless the Creditors' Liquidation Committee objects to any such settlement and compromise of an Avoidance Action in which case Bankruptcy Court approval of such settlement and compromise shall be sought.

5.4 Exclusivity Period. The Debtor will retain exclusive right to amend or modify the Plan, subject to the prior written notice to the Creditors' Committee (not to be unreasonably denied), in accordance with the terms hereof; and to solicit appearances of any amendment to or modifications of the Plan, through and until the Effective Date.

5.5 Exemption From Certain Transfer Taxes and Recording Fees. Pursuant to section 1146(c) of the Bankruptcy Code, any transfers from the Debtor or to any other Person or entity pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, Federal Aviation Administration filing or recording fee or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

5.6 Preference Recovery Pool. After having distributed or reserved as otherwise provided herein for all Claims provided for in Articles 2.1, 2.2, 2.3, and 3.1, the Debtor shall reserve and hold as secured in a separate account one-half of all amounts (net of attorneys' and other professionals' fees and expenses incurred by the Debtor in connection with the prosecution of Avoidance Actions) recovered from Avoidance Actions up to a total of \$1 million.

ARTICLE VI

Provisions Governing Distribution

6.1 Time of Distributions. Except as otherwise provided for herein or ordered by the Bankruptcy Court, distributions under the Plan shall be made on a Periodic Distribution Date.

6.2 No Interest on Claims. Unless otherwise specifically provided for in the Plan, 11 U.S.C. § 506(b), the Confirmation Order, a Bankruptcy Court order or a postpetition agreement in writing between the Debtor and a holder of a Claim, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim. Provided, however, that nothing in this Article 6.2 shall constitute a waiver by an agency or entity of the United States to assert the right to received postpetition interest with respect to any Administrative Claims.

6.3 Disbursing Agent. The Disbursing Agent shall make all distributions required under this Plan except with respect to a holder of a Claim whose distribution is governed by an agreement and is administered by an indenture trustee agent or a servicer (each hereafter referred to as a "Servicer"), which distributions shall

be deposited with the appropriate Servicer, who shall deliver such distributions to the holders of Claims in accordance with the provisions of this Plan and the terms of the governing agreement; provided, however, that if any such Servicer is unable to make such distributions, the Disbursing Agent, with the cooperation of such Servicer, shall make such distributions.

6.4 Cancellation of Securities or Instruments As to the Debtor. As of the Effective Date, each instrument evidencing a Claim (a "Certificate") shall be cancelled solely with respect to the Debtor and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another to such instruments.

6.5 Services of Indenture Trustees, Agents and Servicers. The services, with respect to consummation of the Plan, of Servicers under the relevant agreements that govern the rights of holders of Claims shall be as set forth in this Plan, and the Debtor shall reimburse any Servicer (including the Indenture Trustee) for reasonable and necessary services performed by it (including reasonable attorneys' fees) as contemplated by, and in accordance with this Plan, without the need for the filing of an application with, or approval by, the Bankruptcy Court. The payments shall be made in full in Cash as soon as practicable after the Effective Date. However, any such payment shall be made only if the Servicer has provided the Debtor with an estimate of any such fees and expenses prior to the Confirmation Hearing and such fees and expenses are subject to a reasonableness analysis based on the projected recovery under this Plan for Claims related to the Servicer's services.

6.6 Claims Administration Responsibility. The Debtor will retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving all Claims against and Interests in the Debtor. Unless otherwise extended by the Bankruptcy Court, any objections to Claims shall be served and filed on or before the Claims Objection Deadline. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the holder of a Claim if the Debtor effects service in any of the following manners: (i) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the extent counsel for the holder of a Claim is unknown, by first class mail, postage prepaid, on the signatory on the proof of claim or interest or other representative identified on the proof of claim or any attachment thereto; or (iii) by first class mail, postage prepaid, on any counsel that has appeared on behalf of the holder of a Claim in the Chapter 11 Case. Any Claim determined and liquidated pursuant to (i) an order of the Bankruptcy Court, or (ii) applicable non-bankruptcy law (which determination has not been stayed, reversed or amended and as to which determination (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending) shall be deemed, to the extent applicable, an Allowed Claim in such liquidated amount and satisfied in accordance with the Plan (provided that, to the extent a Claim is an Allowed Insured Claim, such Allowed Claim shall be paid from the insurance proceeds available to satisfy such liquidated amount). Nothing contained in this Article 6.6 shall constitute or be deemed a waiver of any claim, right, or Cause of Action that the Debtor may have against any person in connection with or arising out of any Claim or Claims, including without limitation, any rights under section 157(b) of title 28 of the United States Code.

6.7 Procedures for Treating and Resolving Disputed Claims. No payments or distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, and the Disputed Claim has become an Allowed Claim. Distribution with respect to Allowed Claims of each individual agency or entity of the United States shall be made in accordance with the terms of the Plan as soon as all of the Claims of that individual agency or entity are resolved. The Debtor shall establish appropriate reserves for Disputed Claims in any class, as it determines are necessary and appropriate. Prior to making any distributions to holders of a particular class or type of Claim, the Debtor shall determine whether a Distribution Reserve (a "Distribution Reserve") is necessary. If the Debtor determines that a Distribution Reserve is necessary, the Debtor shall establish a Distribution Reserve to withhold from any such distributions 100% of distributions to which

holders of Disputed Claims would be entitled under the Plan as of such date if such Disputed Claim were an Allowed Claim in their Disputed Claim Amount. Notwithstanding the foregoing, the Disbursing Agent shall have the right to request estimation of any Disputed Claim and authority from the Bankruptcy Court to withhold less than 100% of the Disputed Claim Amount from distributions to holders of Allowed Claims in that class or type. The holder of a Disputed Claim shall not be entitled to receive or recover any amount in excess of the amount provided in the Distribution Reserve to pay such Claim.

ARTICLE VII

Executory Contracts and Unexpired Leases

7.1 Any executory contract or unexpired lease that has not already been either assumed and assigned or rejected by an order of this Court shall be rejected as of the Confirmation Date. Counterparties to Executory contracts and unexpired leases rejected pursuant to the Confirmation Order shall have 30 days from the Confirmation Date to file a proof of Claim for any damages arising from the rejection or be forever barred from asserting such Claim.

ARTICLE VIII

Retention of Jurisdiction

8.1 The Bankruptcy Court shall retain jurisdiction over the Debtor for the following purposes: (a) to determine the extent, validity and amount of any and all Claims and Disputed Claims, whether secured or unsecured, including allowance and estimation of claims; (b) to determine any and all applications for compensation through the Effective Date or thereafter only as required pursuant to the Plan; (c) to determine any and all (i) causes of action brought by the Debtor against third Persons; (ii) adversary proceedings; and (iii) contested matters; (d) to effectuate, interpret, and enforce the provisions of the Plan; (e) to correct any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan; and (f) to determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Case and the Plan, including, among others, the following matters:

- a. to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- b. to enforce all orders previously entered by the Bankruptcy Court; and
- c. to enter a decree closing the Chapter 11 Case.

Nothing in this Article 8.1 shall constitute a waiver by the United States of any right it may have to assert that the Bankruptcy Court lacks jurisdiction over any matter set forth herein.

ARTICLE IX

Remaining Issues

9.1 Payment of U.S. Trustee's Fees. All fees payable to 28 U.S.C. Section 1930 shall be paid when due until the closing of the Debtor's case.

9.2 No Admission Against Error. Neither the filing of the Plan, the Disclosure Statement, nor any statement contained therein, shall be or be deemed an admission against interest. In the event the Plan is not consummated, neither the Plan, the Disclosure Statement nor any statement contained herein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside the Bankruptcy Court involving the Debtor or its former officers, directors, or Interest Holders.

9.3 No Waiver. Nothing set forth in the Plan or the Disclosure Statement shall be deemed a waiver or release of any claims, rights or causes of action against any Person other than the Debtor except as set forth specifically in the Plan.

9.4 Post-Confirmation Notice. Pursuant to Bankruptcy Rule 2002 and any applicable local Bankruptcy Rules, notice of all post-Confirmation matters for which notice is required to be given shall be deemed sufficient if served upon counsel for the U.S. Trustee's Office, counsel to the Creditors' Committee, counsel to the Debtor and all persons on the Bankruptcy Rule 2002 service list. With the exception of the Debtor, the Creditors' Committee and the U.S. Trustee, any Person desiring to remain on the Debtor's Bankruptcy Rule 2002 service list shall be required to file a request for continued service and to serve such request upon counsel to the Debtor and the Creditors' Committee within thirty (30) days subsequent to the Effective Date. Persons shall be notified of such continued notice requirements in the notice of entry of the Confirmation Order. Persons who do not file a request for continued service shall be removed from the Bankruptcy Rule 2002 service list.

9.5 The Creditors' Committee. The Creditors' Committee shall be dissolved on the Effective Date of the Plan, and a Creditors' Liquidation Committee comprised of the three members of the Post Confirmation Committee formed in the Reorganizing Debtors' Plan shall be formed for the limited purposes of assisting the Debtor with the appropriate procedures for the settlement of General Unsecured Claims; overseeing the distributions to the holders of General Unsecured Claims under the Plan and the collection of Avoidance Claims, to appear before and be heard by the Bankruptcy Court and other courts of competent jurisdiction in connection with the above limited duties; and such other matters as may be agreed upon between the Debtor and the Creditors' Liquidation Committee. The Creditors' Liquidation Committee may employ, without further order of the Court, professionals to assist it in carrying out its duties as limited above, including any professionals retained in this Chapter 11 Case, and the Debtor shall pay the reasonable costs and expenses of the Creditors' Liquidation Committee, including reasonable professional fees, in the ordinary course without further order of the Court, which fees and expenses shall not exceed \$40,000.

9.6 Plan Modification. The Plan may be altered, amended or modified before or after the Confirmation Date in accordance with Section 1127 of the Bankruptcy Code.

9.7 Setoff Against Claims. The Debtor may set off against any Claim, and the payments made pursuant to the Plan in respect of such Claim, any claims or causes of action of any nature whatsoever that the Debtor may have against the holder of the Claim, but neither the failure to do so nor the allowance of such Claim shall constitute a waiver or release by the Debtor of any claims, rights or causes of actions against the holder of the Claim. Any payment in respect of a disputed, unliquidated or contingent Claim shall be returned promptly to the Debtor in the event and to the extent such Claims are determined by the Court or any other court of competent jurisdiction not to be Allowed Claims. Confirmation of the Plan shall bar any right of setoff claimed by a creditor unless such creditor filed, prior to the Confirmation Date, a motion for relief from the automatic stay seeking the authority to effectuate such a setoff right. All defenses of the Debtor with respect to any such motion are hereby preserved. Provided, however, that nothing in this Plan shall enjoin or otherwise impair any right of set off and/or recoupment that the United States may otherwise have.

9.8 Further Action. The Debtor is authorized to take any action necessary or appropriate to execute the provisions of the Plan.

9.9 Unclaimed Property. Unclaimed Property shall be deposited in a segregated account established by the Debtor. Such Unclaimed Property shall be held in such account, in trust, for the benefit of the holders of Allowed Claims entitled thereto under the terms of the Plan. For a period of one hundred twenty (120) days following the distribution to creditors under the Plan, Unclaimed Property: (a) shall be held in such segregated account solely for the benefit of such holder or holders which have failed to claim such Unclaimed Property; and (b) shall be released from such segregated account and delivered to the holder entitled thereto upon presentation of proper proof by such holder of its entitlement thereto. After expiration of one hundred and twenty (120) days, the holders of Allowed Claims theretofore entitled to such Unclaimed Property shall cease to be entitled thereto, and such Claims of the Unclaimed Property shall be deemed disallowed in their entirety and the funds shall be redistributed to the other holders of Allowed Claims in order of priority in accordance with the terms of this Plan. Such funds shall not be subject to the escheat laws of any state.

9.10 Professional Fee Claims Bar Date. Any and all applications for the request for the final allowance of Administrative Claims incurred by professionals employed pursuant to Sections 327 and 1103 of the Bankruptcy Code shall be filed with the Bankruptcy Court and served upon counsel to the Debtor on or before the date which is sixty (60) days after the Effective Date. Failure to file and serve timely such applications or requests shall result in the disallowance of such Professional Fee Claims and such Professional Fee Claims shall be barred forever.

9.11 Compliance with Tax Requirements. In connection with the Plan, the Debtor shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all Distributions hereunder shall be subject to such withholding and reporting requirements.

9.12 Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its businesses, the Debtor shall comply with such law, rule, regulation, or order; provided that nothing contained herein shall require such compliance by the Debtor if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings by the Debtor, and, if and where appropriate, an adequate reserve has been set aside on the books of Debtor.

9.13 Dissolution of the Debtor. After the closing of the Chapter 11 case, the Debtor will be dissolved pursuant to the laws of the State of Georgia.

9.14 Allocation of Plan Distributions Between Principal and Interest. To the extent that any Allowed Claim entitled to a distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for United States federal income tax purposes to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

9.15 Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Indiana shall govern the construction and implementation of the Plan, any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control). Corporate governance matters shall be governed by the laws of the state of incorporation of the Debtor.

9.16 Notices. Any notice required or permitted to be provided to the Debtor or the Creditors' Committee shall be in writing and served by (a) certified mail, return receipt requested, (b) hand delivery, or (c) overnight delivery service, to be addressed as follows:

If to the Debtor:

C8 Airlines, Inc.
7337 Washington Street
Indianapolis, IN 46231
Attention: Brian Hunt

with a copy to:

Baker & Daniels LLP
300 North Meridian Street, Suite 2700
Indianapolis, Indiana 46204
Attention: Terry E. Hall, Esq.

If to the Creditors' Committee:

Akin Gump Strauss Hauer & Feld LLP
590 Madison Avenue
New York, New York 10022
Attention: Lisa Beckerman

ARTICLE X

Effect Of The Plan On Claims And Interests

10.1 **Compromises and Settlements.** In accordance with this Plan, pursuant to Bankruptcy Rule 9019(a), without further order of the Bankruptcy Court, the Debtor may compromise and settle various (a) Claims against it and (b) Causes of Action that it may have against other Persons. The Debtor expressly reserves the right to compromise and settle Claims against it and claims it may have against other Persons.

10.2 **Satisfaction of Subordination Rights.** All Claims against the Debtor and all rights and claims between or among the holders of Claims relating in any manner whatsoever to distributions on account of Claims against the Debtor, based upon any subordination rights, whether asserted or unasserted, legal or equitable, shall be deemed satisfied by the distributions under the Plan to the holders of Claims having such subordination rights, and such subordination rights shall be deemed waived, released, discharged, and terminated as of the Effective Date. Distributions to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by the holder of any Claim by reason of any subordination rights or otherwise, so that each holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan.

10.3 **Exculpation and Limitation of Liability.** Except as otherwise specifically provided in this Plan, the Debtor, the Creditors' Committee, the members of the Creditors' Committee in their capacities as such, the Indenture Trustee, the ATSB Lender Parties (solely in such capacity) and BearingPoint, Inc. as the Loan Administrator under the ATSB Loan agreement, and any of such parties' respective present or former members, officers, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers, or agents and any of such parties' successors and assigns, shall not have or incur, and are hereby released from, any claim, obligation, Cause of Action, or liability to one another or to any holder of a Claim or an Interest, or any other party-in-interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or Affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the Debtor's Chapter 11 Case, negotiation and filing of the Plan, filing the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

ARTICLE XI

Conditions Precedent

11.1 **Conditions to Confirmation.** The following are conditions precedent to confirmation of the Plan that may be satisfied or waived in accordance with Article 11.3 of the Plan:

a. The Bankruptcy Court shall have approved a disclosure statement with respect to the Plan in form and substance acceptable to the Debtor, the ATSB, and the Creditors' Committee,

b. The Confirmation Order shall be in form and substance reasonably acceptable to the Debtor, the ATSB, and the Creditors' Committee.

11.2 **Conditions to Consummation.** The Effective Date shall have occurred. The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 11.3 of the Plan:

a. The Confirmation Order shall have been entered by the Bankruptcy Court and shall remain unstayed.

b. The Confirmation Date shall have occurred.

c. All other actions, documents, consents and agreements necessary to implement the Plan shall have been effected, obtained and/or executed.

11.3 Waiver of Conditions to Confirmation or Consummation. The conditions set forth in Articles 11.1, and 11.2 of the Plan may be waived by the Debtor, with the consent of the Creditors' Committee and the ATSB, not to be unreasonably withheld, without any notice to other parties-in-interest or the Bankruptcy Court and without a hearing. The failure of the Debtor in its sole discretion to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

Dated: Indianapolis, Indiana
April 13, 2006

C8 Airlines, Inc.
DEBTOR AND DEBTOR-IN-POSSESSION AS PROPONENT

By: /s/ Terry E. Hall
By Counsel on behalf of C8 Airlines, Inc.

James M. Carr (#3128-49)
Terry E. Hall (#22041-49)
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PLAN EXHIBIT A

NONEXCLUSIVE LIST OF RETAINED ACTIONS

NONEXCLUSIVE LIST OF RETAINED ACTIONS (INCLUDING A NONEXCLUSIVE LIST OF AVOIDANCE ACTIONS THAT ARE RETAINED ACTIONS)

Pursuant to Article 5.3 of the Plan¹, the Debtor will expressly reserve all Causes of Action that are held or otherwise assertable prior to the Effective Date by the Debtor (collectively, the "Retained Actions" and individually a "Retained Action") for possible assertion by the Debtor. Such Retained Actions do not include any Cause of Action that is or has been previously expressly waived, relinquished, released, compromised or settled in or by the Plan as confirmed by the Confirmation Order or pursuant to a Final Order. Therefore, no preclusion doctrine, including, without limitation, any doctrine of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to any Retained Action. Creditors of the Debtor and any Person to whom the Debtor has incurred an obligation (whether on account of services, purchase, or sale of goods or otherwise), or who has received services from the Debtor or a transfer of money or property from the Debtor, or who has transacted business with the Debtor, or leased equipment or property from or to the Debtor should assume that the circumstances regarding such obligation, receipt of services, transfer, lease or other transaction may be reviewed by the Debtor and may (to the extent not theretofore expressly waived, relinquished, released, compromised or settled) be the subject of a Retained Action asserted by the Debtor after the Effective Date, whether or not (a) such Person has filed a proof of claim against the Debtor in the Chapter 11 Case; (b) such Person's proof of claim has been objected to; (c) such Person's Claim was included in the Schedules; or (d) such Person's Scheduled Claim has been objected to by the Debtor or has been identified by the Debtor as disputed, contingent or unliquidated. Pursuant to Article 5.3 of the Plan, nothing herein is or shall be construed as a representation or assertion by the Debtor that any Retained Action identified or described herein is a valid Cause of Action or that the Debtor will, in fact, assert or prosecute any such Retained Action.

Without limitation, the Debtor will expressly reserve and shall retain all of the following Causes of Action, including, without limitation, the Avoidance Claims identified below (the following being a nonexclusive list of the Retained Actions):

(a) Retained Actions arising out of facts, transactions or occurrences giving rise to or that otherwise form the basis of or constitute setoffs or counterclaims with respect to objections to Claims;

(b) All Avoidance Claims (except to the extent Avoidance Claims have been expressly waived or released by the Debtor), including, without limitation, all Avoidance Claims based on payments made by the Debtor within 90 days of the Petition Date, including those identified on the nonexclusive list of Avoidance Claims attached hereto as Schedule 1. The Debtor will expressly reserve the right to pursue any and all Avoidance Claims against all payees, whether or not such payees are included on Schedule 1; and

(c) Any other Retained Actions, including, without limitation, those identified and/or described on the nonexclusive list of Retained Actions attached hereto as Schedule 1, whether legal, equitable or statutory in nature, arising out of, or in connection with the Debtor's businesses, assets or operations or otherwise affecting the Debtor, including, without limitation, possible Causes of Action against the following types of parties, both domestic and foreign, for the following types of claims:

(a) Causes of Action against vendors, and/or suppliers of goods and/or services, travel or other agencies,

¹ Capitalized terms that are used herein but are not otherwise defined herein shall have the meanings ascribed to such terms in the Plan of Liquidation of C8 Airlines, Inc. F/K/A Chicago Express Airlines, Inc. (the "Plan").

and/or other parties for overpayments, back charges, duplicate payments, improper holdbacks, deposits, warranties, guarantees, indemnities, and/or setoff; (b) Causes of Action against utilities, vendors, and/or suppliers of services and/or goods, travel or other agencies, and/or other parties for wrongful or improper termination or suspension of services and/or supply of goods and/or failure to meet other contractual or regulatory obligations; (c) Causes of Action against vendors and/or suppliers of goods and/or services, travel or other agencies, and/or other parties, including for failure to fully perform or to condition performance on additional requirements under contracts with the Debtor before the assumption or rejection of the subject executory contracts; (d) Causes of Action to foreclose or otherwise realize upon any liens, including, without limitation, mechanic's, artisan's, materialmen's, possessory, and/or statutory liens held by the Debtor; (e) Causes of Action for payments, deposits, holdbacks, reserves, or other amounts owed by any creditor, lessor, utility, supplier, vendor, insurer, surety, factor, lender, bondholder, lessor, and/or other party; (f) Causes of Action against any current or former director, officer, employee, and/or agent of the Debtor arising out of employment related matters, including, without limitation, Causes of Action regarding intellectual property, confidentiality obligations, employment contracts, travel charges, wage and benefit overpayments, travel, contractual covenants, and/or employee fraud or wrongdoing; (g) Causes of Action against any professional services provider and/or any other party arising out of financial reporting; (h) Causes of Action arising out of environmental and/or contaminant exposure matters against airlines, airport authorities, fuel suppliers, fuel distribution entities, landlords, lessors, environmental consultants, environmental agencies, and/or suppliers of environmental services and/or goods; (i) Causes of Action against insurance carriers, reinsurance carriers, underwriters, and/or surety bond issuers relating to coverage, indemnity, contribution, reimbursement, and/or other matters; (j) Causes of Action, including counterclaims and defenses, relating to notes, bonds, and/or other contract obligations; (k) Causes of Action against local, state, federal, and foreign taxing authorities for refunds of overpayments and/or other payments; (l) Causes of Action against attorneys, accountants, consultants, or other professional service providers relating to services rendered; (m) contract, tort, or equitable Causes of Action that may exist or subsequently arise; (n) any intracompany or intercompany Causes of Action; (o) Causes of Action arising under Section 362 (the automatic stay) of the Bankruptcy Code; (p) Causes of Action against passengers and/or customers relating to ticket fraud, misuse of frequent flyer miles, or any other loyalty program currency, additional charges, penalties, and/or fees in connection with any ticket or other benefit purchased or acquired by any passenger and/or customer; (q) Causes of Action against any union arising from, among other things, state and/or federal law or under a collective bargaining agreement, including, without limitation, any wrongful or illegal acts, any wrongful termination, suspension of performance, defamation, and/or failure to meet other contract or regulatory obligations; (r) Causes of Action arising out of or in connection with the Debtor's clearinghouse arrangements, whether against such clearinghouses themselves or the current and former members or other participants in such clearinghouses; (s) Causes of Action for unfair competition, interference with contract or potential business advantage, conversion, infringement of intellectual property, or other business tort claims; (t) Causes of Action against other air carriers or other Persons pertaining to antitrust or price fixing, including, without limitation, violations of Section 2 of the Sherman Act, 15 U.S.C. § 2, related to predatory pricing and/or other predatory or anticompetitive conduct; and/or (u) Causes of Action for purposes of setoff or counterclaim, permissive or mandatory, in any lawsuit with respect to a Claim that is not discharged by the Plan in which the Debtor is a defendant or an interested party, against any Person, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

SCHEDULE 1
NONEXCLUSIVE LIST OF RETAINED ACTIONS

<u>Personsⁱ Against Whom Retained Action May Be Assertedⁱⁱ</u>	<u>Summary Description of Certain Retained Actions</u>
4 Imprint	Avoidance Claim
A & M Parts Inc.	Avoidance Claim
AAR Corporation	Avoidance Claim
AAR Dist / Cooper	Avoidance Claim
Accraline Inc.	Avoidance Claim
Action Transmission & Auto	Avoidance Claim
ADP. Inc.	Avoidance Claim
AEP	Avoidance Claim
Aero Quality Sales	Avoidance Claim
Aerospace Lighting	Avoidance Claim
Air Host Inc.	Avoidance Claim
Aircraft Services International – MDW	Avoidance Claim
Aircraft Services International – MKE	Avoidance Claim
Airgas Great Lakes	Avoidance Claim
Airlines Managers Council	Avoidance Claim
Airport Connection of Wisc Inc.	Avoidance Claim
Airport Days Inn - Suites	Avoidance Claim
Airport Delivery Service	Avoidance Claim
Airport Shuttle Service	Avoidance Claim
AIT Worldwide Logistics	Avoidance Claim
All Spares Inc.	Avoidance Claim
American Industrial Leasing	Avoidance Claim
American Tent & Mfg	Avoidance Claim
American Unites Taxicab Co.	Avoidance Claim
Anden Business Systems Inc.	Avoidance Claim
API	Avoidance Claim
API AMR Combs -Memphis	Avoidance Claim
Arctic Glacier	Avoidance Claim
Associated Bag Company	Avoidance Claim
Au Bon Pain	Avoidance Claim
Automatic Fire Controls	Avoidance Claim
Automotive Optics LTD	Avoidance Claim
Avion Graphics	Avoidance Claim
Avionica	Avoidance Claim
Avis	Avoidance Claim
Avsoft Systems LLC	Avoidance Claim
B & B courier	Avoidance Claim
BADGER CAB	Avoidance Claim
Baggage Express	Avoidance Claim
Barfield Instruments	Avoidance Claim
Barron Equipment Company	Avoidance Claim
Basso & Co	Avoidance Claim
BC Transit	Avoidance Claim
Bella Brew	Avoidance Claim
Best Western Inn On The Park	Avoidance Claim

Best Western Inn Tower	Avoidance Claim
Bill's Body Shop	Avoidance Claim
Bishop Int'l Airport Authority	Avoidance Claim
Briski Industrial Supply Co	Avoidance Claim
Brown Aviation Tool Supply Co	Avoidance Claim
Bruce Industries Inc	Avoidance Claim
Business Aircraft Consumables	Avoidance Claim
BWC State Insurance Fund	Avoidance Claim
Calder City Taxicab	Avoidance Claim
Callahan Aircraft Services	Avoidance Claim
Candlewood Suites	Avoidance Claim
Cardinal Buses Inc	Avoidance Claim
Carquest Of 63rd Street	Avoidance Claim
Central Jet Group Inc	Avoidance Claim
Ceridian	Avoidance Claim
Charlatte GSE	Avoidance Claim
Charles A Smith	Avoidance Claim
Charles Services Inc	Avoidance Claim
Charter Township Of Flint	Avoidance Claim
Chicago Communication Service	Avoidance Claim
Cintas (Uniformstoyou)	Avoidance Claim
Cintas 336	Avoidance Claim
Cintas Corporation #597	Avoidance Claim
City Of Chicago	Avoidance Claim
City Of Chicago	Avoidance Claim
Clarion Hotel Airport	Avoidance Claim
Classic Carriage Limousine	Avoidance Claim
CLW Inc	Avoidance Claim
CMS Solutions	Avoidance Claim
Cobus Industries LP	Avoidance Claim
Coca-Cola Bottling	Avoidance Claim
Columbia Medical Mfg Co	Avoidance Claim
Com-Ed	Avoidance Claim
Concentra Medical Centers	Avoidance Claim
Concentra Medical Centers	Avoidance Claim
Corporate Cab 464	Avoidance Claim
Corporate Limousine Service	Avoidance Claim
Corporate Lodging	Avoidance Claim
Corporate Wings-SBN	Avoidance Claim
Creative Host Services	Avoidance Claim
Crowne Plaza Five Seasons	Avoidance Claim
Crowne Plaza-MSN	Avoidance Claim
Crystal Mountain	Avoidance Claim
CT Corporation System	Avoidance Claim
Culligan Water Conditioning	Avoidance Claim
Cummins N Power LLC	Avoidance Claim
Dailey Express	Avoidance Claim
Dallas Airmotive Millville	Avoidance Claim
Damian Harden	Avoidance Claim

Dane County Treasurer	Avoidance Claim
Datasafe Storage Corporation	Avoidance Claim
Days Inn Airport-St Louis	Avoidance Claim
Dayton Airport Hotel	Avoidance Claim
Deloitte & Touche	Avoidance Claim
Dennex Inc	Avoidance Claim
Department Of Financial Ins	Avoidance Claim
Direct Data Products	Avoidance Claim
Diversified Communications Grp	Avoidance Claim
Downey Tire Co	Avoidance Claim
Duncan Aviation-BTL	Avoidance Claim
Edmond Wheelchair Repair	Avoidance Claim
Eldorado Solutions	Avoidance Claim
Elite Baggage Del	Avoidance Claim
Embraer	Avoidance Claim
Emryan	Avoidance Claim
Enterprise Funding Group	Avoidance Claim
Epic Equipment Sales & Service	Avoidance Claim
Essex Pb & R Corporation	Avoidance Claim
EE Medical	Avoidance Claim
Executive	Avoidance Claim
Executive Delivery Of Grr	Avoidance Claim
Federal Express	Avoidance Claim
First Access	Avoidance Claim
Flight Dimensions Intl	Avoidance Claim
Flint Air Service	Avoidance Claim
Fontella Electric Inc	Avoidance Claim
Four Points Sheraton	Avoidance Claim
Four Points Sheraton (MDW)	Avoidance Claim
Fox Fire Safety	Avoidance Claim
Fox Valley Cab Inc	Avoidance Claim
Fraza / Forklifts Of Detroit	Avoidance Claim
Future Metals	Avoidance Claim
Fyr-Fyter Sales & Service	Avoidance Claim
G E Aircraft Engines	Avoidance Claim
G E Structured Services	Avoidance Claim
G Neil Companies	Avoidance Claim
General Mitchell Intl Airport	Avoidance Claim
Gladco Enterprise	Avoidance Claim
Grand Rapids City Treasurer	Avoidance Claim
Great Lakes Supply & Chemical	Avoidance Claim
Great West Life \$ Annuity Ins	Avoidance Claim
Hamilton Sundstrand	Avoidance Claim
Hamilton Sundstrand	Avoidance Claim
Hampton Inn	Avoidance Claim
Hand Held Products	Avoidance Claim
Harlan Global Mfg LLC	Avoidance Claim
Harold's Shoe Repair	Avoidance Claim
Harry Coleman	Avoidance Claim

Harvaire Inc	Avoidance Claim
Hawkeye Fire & Safety Co	Avoidance Claim
Hayes Beer Distributing	Avoidance Claim
Henry Gbade Oladini	Avoidance Claim
Hexcel	Avoidance Claim
Hinckley Springs	Avoidance Claim
Hobart Brothers Company	Avoidance Claim
Holiday Inn	Avoidance Claim
Holiday Inn Express	Avoidance Claim
Holiday Inn Of Moline	Avoidance Claim
Holiday Inn-Des Moines	Avoidance Claim
Home City Ice	Avoidance Claim
Homestead Studio Suites Hotel	Avoidance Claim
Howard Johnson	Avoidance Claim
Howell Instruments	Avoidance Claim
Hummer	Avoidance Claim
Huntleigh Corporation	Avoidance Claim
Icc Business Products	Avoidance Claim
Ikon Office Solutions	Avoidance Claim
Illinois Bus And Van	Avoidance Claim
Indianapolis Airport Authority	Avoidance Claim
Installation Plus	Avoidance Claim
Jackson Equipment Testing Serv	Avoidance Claim
Jeppesen-Sanderson	Avoidance Claim
Judge & Dolph LTD	Avoidance Claim
Keith Behnke	Avoidance Claim
Kent Co Dept Aeronautics	Avoidance Claim
Kentucky State Treasurer	Avoidance Claim
Kenyon International	Avoidance Claim
Lab Safety Supply Inc	Avoidance Claim
Lane Bros Inc	Avoidance Claim
Lassel Ice	Avoidance Claim
Leader Advertising Agency Inc	Avoidance Claim
Lektro	Avoidance Claim
Lewis University	Avoidance Claim
Lexington-Fayette Urban County	Avoidance Claim
Lift A Loft Corp	Avoidance Claim
Logan Square Pest Control Inc	Avoidance Claim
Lucas County Treasurer	Avoidance Claim
Macneal Health Network	Avoidance Claim
Marion Cab Co	Avoidance Claim
Mark C Pope Associates Inc	Avoidance Claim
Matco Tools	Avoidance Claim
Mc Master-Carr	Avoidance Claim
McGladrey & Pullen LLP	Avoidance Claim
Medaire Inc	Avoidance Claim
Memorial Medical Center	Avoidance Claim
Mensik's Fleet Maintenance	Avoidance Claim
Mercury Air Center	Avoidance Claim

Mesaba Airlines	Avoidance Claim
Methodist Occupational	Avoidance Claim
Metropolitan Airport Authority	Avoidance Claim
Michael Lewis Co	Avoidance Claim
Michiana Aircraft Service	Avoidance Claim
Mid-American Energy Co	Avoidance Claim
Midway Industrial	Avoidance Claim
Midway Truck Parts	Avoidance Claim
Midway Wholesalers Inc	Avoidance Claim
Midwest Aero Support Inc	Avoidance Claim
Midwest Airlines	Avoidance Claim
Montana Jacks Moline	Avoidance Claim
Montgomery County	Avoidance Claim
Motion Industries Inc	Avoidance Claim
Murphy & Hartelius	Avoidance Claim
National Business Furniture	Avoidance Claim
National Flight Services	Avoidance Claim
Nelson Oil Company Inc	Avoidance Claim
NES Rentals	Avoidance Claim
New York Marriott Marquis	Avoidance Claim
Niacc Technology Inc	Avoidance Claim
Norcross Air Inc	Avoidance Claim
Norman Perry Trophies & Eng	Avoidance Claim
Northern Air Inc	Avoidance Claim
Northwoods Delivery	Avoidance Claim
O & O Enterprises Inc	Avoidance Claim
Oak Brook Mechanical Services In	Avoidance Claim
Occuhealth	Avoidance Claim
Office Depot (MDW)	Avoidance Claim
Office Depot Inc	Avoidance Claim
Officemax	Avoidance Claim
Omega Airport Shuttle	Avoidance Claim
On The Spot Delivery S	Avoidance Claim
Onesource	Avoidance Claim
Package Delivery Service	Avoidance Claim
Pan Am International	Avoidance Claim
Paramount Panels	Avoidance Claim
Peoples' Energy	Avoidance Claim
Pepsi Americas	Avoidance Claim
Piedmont Hawthorne	Avoidance Claim
Popular Iron Works	Avoidance Claim
Positanos Pizza	Avoidance Claim
Prime Flight Aviation Services	Avoidance Claim
Print King Inc	Avoidance Claim
Prospect Airport Svs Inc	Avoidance Claim
QCIA Airport Services LLC	Avoidance Claim
Quad City Tech Inc	Avoidance Claim
Radisson Grand Rapids East	Avoidance Claim
Radisson Indianapolis Airport	Avoidance Claim

Raingear Depot	Avoidance Claim
Raytheon Aircraft Services	Avoidance Claim
Reddington Design	Avoidance Claim
Regional Airline Association	Avoidance Claim
Regional Help Wanted Com Inc	Avoidance Claim
Reliable Disposal	Avoidance Claim
Reliable Fire Equipment Co	Avoidance Claim
Reliance Standard Life Ins	Avoidance Claim
Reliance Standard Life Ins Co	Avoidance Claim
Reliance Standard Life Ins Co	Avoidance Claim
Roberts Aviation Corp	Avoidance Claim
Ron Rosen	Avoidance Claim
Royal Excursions	Avoidance Claim
Rush Delivery Inc	Avoidance Claim
Saab Aircraft Of America	Avoidance Claim
Sabre Inc	Avoidance Claim
Safety-Kleen System	Avoidance Claim
Sage Parts	Avoidance Claim
Sage Parts Plus	Avoidance Claim
SBC Datacom	Avoidance Claim
Servisair	Avoidance Claim
Shillelagh Electric Inc	Avoidance Claim
Signature Flight Support-DSM	Avoidance Claim
Signature Flight-Midway	Avoidance Claim
Sisu Services Inc	Avoidance Claim
Skyway Airlines	Avoidance Claim
Smiths Industries	Avoidance Claim
SNH Aerospace Services Inc	Avoidance Claim
Specialty Bulb Co Inc	Avoidance Claim
Springfield Airport Authority	Avoidance Claim
St Joseph County A / P Authorit	Avoidance Claim
Standard Battery Inc	Avoidance Claim
State Of Florida	Avoidance Claim
Sterling Courier Inc	Avoidance Claim
Subway	Avoidance Claim
Tano's Pizza	Avoidance Claim
Target Auto Repair	Avoidance Claim
Taylor Plumbing Inc	Avoidance Claim
Terminix International	Avoidance Claim
The Blueprint Shoppe Inc	Avoidance Claim
The Brickman Group LTD	Avoidance Claim
The Copy Shop	Avoidance Claim
TLD America	Avoidance Claim
TMG Airepairs	Avoidance Claim
TNTLE LLC	Avoidance Claim
TOL Aviation Inc	Avoidance Claim
Toledo Lucas County	Avoidance Claim
Tracer	Avoidance Claim
Trans State Airlines	Avoidance Claim

Trans Tech	Avoidance Claim
Traveling Bags	Avoidance Claim
Troutman Sanders LLP	Avoidance Claim
U S Dept Of Transportation	Avoidance Claim
U S Drug Testing Services	Avoidance Claim
Unicare	Avoidance Claim
United Limo	Avoidance Claim
V / Gladieux Enterprise Inc	Avoidance Claim
Van Ausdall & Farrar Inc	Avoidance Claim
Vision Service Plan-(IV)	Avoidance Claim
Visiontron	Avoidance Claim
VMS Aircraft	Avoidance Claim
W W Grainger (SPI)	Avoidance Claim
Waste Management Illinois	Avoidance Claim
Wencor West	Avoidance Claim
Western Remac Inc	Avoidance Claim
Willrent Inc	Avoidance Claim
Wisconsin Aviation Four Lakes	Avoidance Claim
World Way Corporation	Avoidance Claim
Worthington Aviation Parts	Avoidance Claim
Wright Bros Aero Inc	Avoidance Claim
Yellow Cab	Avoidance Claim
Yellow Freight System Inc	Avoidance Claim
Evansville Airport	Any and all causes of action, including counterclaims, whether legal, equitable or statutory in nature, arising out of, or in connection with the Debtor's businesses, assets or operations or otherwise affecting the Debtor.

ⁱ Reference to a Person shall also be to such Person's affiliates, principals, employees, agents, officers, directors, attorneys and other professionals.

ⁱⁱ The Debtor expressly reserves the right to pursue any and all Avoidance Claims against all payees, whether or not such payees are included on this Schedule.



SO ORDERED: April 18, 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., ¹	)	Case No. 04-19866
	)	(Jointly Administered)
Debtors.)	

ORDER ON SOLICITATION PROCEDURES MOTION

Upon the Motion of C8 Airlines, Inc. for Scheduling and Procedures Order with Respect to Solicitation and Tabulation of Votes for Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. filed on March 22, 2006 [Docket No. 3878] (the "C8 Solicitation Procedures Motion") by C8 Airlines, Inc. ("C8"); the objections thereto, if any, the arguments of counsel; and a hearing having been held on the motion commencing April 11, 2006; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

¹ 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 C8 Airlines, Inc., formerly named Chicago Express Airlines, Inc. (04-19874).

A. CONFIRMATION HEARING DATE

1. Pursuant to Bankruptcy Rule 3017(c), the Court has previously set a hearing (the "Confirmation Hearing") to consider confirmation of the Plan², as the same may be further modified or amended, to commence at 9:00 a.m. (prevailing Indianapolis time) on June 6, 2006, or as soon thereafter as counsel can be heard, before the Honorable Basil H. Lorch, III, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Indiana. The Confirmation Hearing may be continued from time to time by announcing such continuance in open court, all without further notice to parties in interest, and the Plan may be modified pursuant to Section 1127 of the Bankruptcy Code prior to, during or as a result of the Confirmation Hearing, without further notice to parties in interest.

B. DEADLINE AND PROCEDURES FOR FILING OBJECTIONS TO CONFIRMATION

2. Pursuant to Bankruptcy Rule 3020(b)(1), **May 19, 2006, at 4:00 p.m. (prevailing Indianapolis time)** is fixed as the last date and time for filing and serving objections to the confirmation of the Plan (the "Confirmation Objection Deadline").

3. In order to be considered, objections to the confirmation of the Plan, if any, must be in writing and must be (a) filed with the Office of the Clerk, United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, (b) served, so that they are **received** by the Confirmation Objection Deadline by the following parties:

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the C8 Solicitation Procedures Motion or, as stated in the C8 Solicitation Procedures Motion, the meanings ascribed to such terms in the Plan of Liquidation of C8 Airlines, inc. f/k/a Chicago Express Airlines, Inc.

C8:

C8 Airlines, Inc.
c/o ATA Airlines, Inc.
7337 W Washington St.
Indianapolis, IN 46231-1328
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Fax: 317-282-7091
Brian.Hunt@iflyata.com

Counsel for C8:

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Attn: James M. Carr
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jim.carr@bakerd.com
terry.hall@bakerd.com

Counsel for the Creditors' Committee:

Akin Gump Strauss Hauer & Feld LLP
590 Madison Avenue
New York, New York 10022
Attn: Lisa Beckerman
Fax: (212) 872-1002
lbeckerman@akingump.com

Greenebaum Doll & McDonald PLLC
3300 National City Tower
101 S. Fifth Street
Louisville, KY 40202
Fax: (502) 587-3695
Attn: C. R. Bowles, Jr.
CRB@gdm.com

United States Trustee:

Office of the United States Trustee
101 West Ohio Street, Suite 1000
Indianapolis, Indiana 46204
Attn: Joe McGonigal
Fax: (317) 226-6356
joe.mcgonigal@usdoj.gov

and (c) state the name and address of the objecting party, the amount of its Claim or the nature of its Interest, and the nature of the objection and the legal basis therefor including any proposed deletions, additions, or modifications to the language of the Plan, if applicable. Objection to confirmation of the Plan not filed and served by the time and date and in the manner set forth above shall not be considered and shall be overruled on that basis alone.

C. Content And Transmittal of Solicitation Packages

4. The method of transmittal and distribution of the Solicitation Packages proposed in the C8 Solicitation Procedures Motion and the content of the Solicitation Packages, are approved.

1. Service of the Solicitation Packages and the other notices and documents described in the C8 Solicitation Procedures Motion to the extent required herein and in the time and manner as set forth in the C8 Solicitation Procedures Motion shall constitute adequate and sufficient notice, and no other or further notice is necessary.

2. The Solicitation Package shall be transmitted no later than the later of April 18, 2006, or five (5) business days after the entry of an order approving the Disclosure Statement, to the holders of Claims, Interests or other parties, all as described in the C8 Solicitation Procedures Motion.

3. C8 shall promptly serve a copy of this Order by e-notice, facsimile, or other immediate delivery method on each Nominee identified by the Voting Agent as an entity through which Public Holders hold Claims so that they will have notice of this procedure.

4. The Nominees of the Old Holdings Unsecured Notes shall distribute, in accordance with all applicable provisions of the Solicitation Procedures Motion, the Solicitation Packages within five (5) business days of receipt to the Public Holders for which they hold.

5. No notice or service of any kind will be required to be made by C8 upon any person to whom C8 mailed the notice of hearing to approve the Disclosure Statement, but received such notices returned by the United States Postal Service marked "undeliverable as addressed," "moved - left no forwarding address" or "forwarding order expired," or similar reason, unless C8 was informed in writing by such person of that person's new address.

6. The form of the Notice of Confirmation Hearing and Related Matters, substantially in the form attached as Exhibit 1 hereto, is approved.

7. The forms of Ballots (which term includes Beneficial Holder Ballots and Master Ballots), substantially in the form attached as Exhibit 2 hereto, are approved.

8. The form of the Notice of Non-Voting Status, substantially in the form attached as Exhibit 3 hereto, is approved.

D. Record Date

5. April 11, 2006, is fixed as the record date (the "Voting Record Date") for determining holders of Claims entitled to receive a Solicitation Package and to vote to accept or reject the Plan.

E. Treatment of Unliquidated, Contingent, Or Disputed Claims For Voting Purposes

6. Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rule 3003(c)(2), any holder of a Claim that appears on the Schedules as disputed, contingent or unliquidated and that is not the subject of a timely filed proof of claim, shall not be treated as a creditor with respect to such Claim for purposes of voting on the Plan, receiving distributions under the Plan, or receiving notices, other than by publication.

7. Proofs of Claim (a) filed against C8 for a Claim that is in an unliquidated amount including any with amounts marked as "unknown" or "unascertainable" or purports to be contingent ("Unliquidated/Contingent Claim"), and (b) that have not been previously objected to by C8 are deemed to have been objected to by virtue of the C8 Solicitation Procedures Motion solely for voting purposes. Service of the Notice of Confirmation Hearing constitutes adequate and sufficient notice of Unliquidated/Contingent Claim Limited Objection.

8. Unless the holder of a Unliquidated/Contingent Claim: (a) obtains an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes in an amount deemed proper by this Court; or (b) enters into a stipulation with C8 that provides such Claim is allowed for voting purposes, any Ballot cast with respect to such Claim shall be counted in determining whether the numerosity requirement of Section 1126(c) of the Bankruptcy Code has been satisfied, and shall be counted in an amount of \$1.00 in determining whether the aggregate dollar amount requirement of Section 1226(c) of the Bankruptcy Code has been satisfied.

9. Any Claim, including an Unliquidated/Contingent Claim, as to which a separate objection (as opposed to the Unliquidated/Contingent Claims Limited Objection) has been or may be filed before the confirmation of the Plan, shall not be counted for any purpose in determining whether the requirements of Section 1126(c) of the Bankruptcy Code have been met, unless (a) such Claim has been temporarily allowed for voting purposes pursuant to Bankruptcy Rule 3018(a) by motion or stipulation or (b) to the extent that the objection to such Claim has been resolved by this Court in favor of the creditor asserting the Claim. The holder of a Claim to

which an objection, other than the Unliquidated/Contingent Objection, has been filed on or before the Voting Deadline and that has not been either resolved by this Court or temporarily allowed by this Court for voting purposes shall receive a Solicitation Package but any Ballot completed by that holder shall not be counted unless and until no later than the Confirmation Hearing date, such objection has been resolved or the Claim has been temporarily allowed for voting purposes.

F. Voting Deadline

10. May 19, 2006, at 4:00 p.m. (prevailing Indianapolis time) is hereby fixed as the last date by which Ballots for accepting or rejecting the Plan must be received by the Voting Agent in order to be counted (the "Voting Deadline").

G. Ballot Tabulation

11. Only Ballots that are timely received, are cast by a holder of an Allowed Claim³, that contain sufficient information to permit the identification of the creditor, and are cast as an acceptance of the Plan shall be counted and be deemed to be cast as acceptances of the Plan.

12. Only Ballots that are timely received, are cast by a holder of an Allowed Claim, that contain sufficient information to permit the identification of the creditors, and are cast as rejection of the Plan shall be counted and be deemed to be cast as a rejection of the Plan.

13. The following Ballots shall not be counted in determining whether the Plan has been accepted or rejected:

- (a) any Ballot received after the Voting Deadline;
- (b) any Ballot that is illegible or contains insufficient information to permit the identification of the creditor;
- (c) any Ballot timely received that contains sufficient information to permit the identification of the creditor and indicates both acceptance and rejection of the Plan;
- (d) any Ballot, otherwise proper, that indicates neither an acceptance nor rejection of the Plan;
- (e) any Ballot cast by (i) a creditor who has not timely filed a Proof of Claim with respect to the Claim being voted and whose Claim either is not listed, or is listed as a disputed, contingent or unliquidated Claim on the Schedules or (ii) a creditor who has timely filed a Proof of Claim which is the subject of a pending objection (other than an Unliquidated/Contingent Objection) and the Claim has not been temporarily allowed by this Court for voting purposes;

³ An allowed Claim for voting purposes includes a claim asserted in a fixed noncontingent amount on a timely filed Proof of Claim and to which no Objection has been filed or if filed has been resolved in favor of the claimant.

- (f) any Ballot cast by a person that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;
- (g) any Ballot that is transmitted to the Voting Agent electronically by facsimile or e-mail, unless this requirement is waived by C8 in consultation with the Notice Parties; and
- (h) any Ballot that does not have an original signature, unless this requirement is waived by C8 in consultation with the Notice Parties.

14. C8 may waive, in consultation with the Notice Parties, any or all of the requirements limiting the means of transmittal of any Ballot, including, without limitation, the Voting Deadline.

15. Pursuant to Sections 105(a) and (d) of the Bankruptcy Code, the following guidelines are established for determining the amount and number of Claims voted:

(a) In determining whether a Class of Claims has accepted the Plan by the requisite dollar amount, the amount of a Claim shall be either (i) the amount allowed by the Court; (ii) the amount temporarily allowed by the Court for voting purposes pursuant to Bankruptcy Rule 3018(a); or (iii) if not so allowed under either (i) or (ii) above, then (x) the liquidated amount specified in a Proof of Claim timely filed with the Court or the Voting Agent by such voting creditor and not purported to be contingent and not subject to a pending objection, or (y) if no Proof of Claim has been timely filed, on the basis of the undisputed, non-contingent and liquidated amount of such Claim as it appears in the Schedules on or before the Voting Record Date.

(b) Ballots, but not Ballots that are Master Ballots or Beneficial Holder Ballots to be distributed to Public Holders, may be preprinted with the dollar amount as determined in subparagraph (a) above and, if they are so preprinted, the Voting Agent shall use the preprinted amount in tabulating votes unless the holder of the Claim obtains an order from this Court under Bankruptcy Rule 3018(a) on or before the Confirmation Hearing.

16. Notwithstanding Bankruptcy Rule 3018(a), whenever two or more Ballots are cast voting the same Claim prior to the Voting Deadline, the last Ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and thus shall supersede any prior received Ballots.

17. Any person who holds Claims in more than one Class or more than one Claim within a Class must vote separately with respect to each Claim.

18. All Nominees through which Public Holders hold are required to collect and summarize on a Master Ballot all Beneficial Holder Ballots cast by Public Holders for which they serve and then return the Master Ballot to the Voting Agent by the Voting Deadline.

19. The Nominees shall retain for inspection by the Court the Ballots cast by Public Holders for one (1) year following the Voting Deadline.

20. To avoid double counting, (i) that votes cast by Public Holders through a Nominee and transmitted by means of a Master Ballot shall be applied against the positions held by such Nominees, as evidenced by the applicable record list of Public Holders or through participation in a securities depository, and (ii) votes submitted by a Nominee on a Master Ballot and any other votes submitted by the Nominee shall not be counted in excess of the position maintained by the respective Nominee on the Voting Record Date.

21. To the extent that conflicting votes or duplicative votes are submitted on a Master Ballot, to the extent that any such duplicative votes are not reconcilable prior to the Voting Deadline, the Voting Agent shall count votes in respect of such Master Ballot in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot that contained the duplicative vote, but only to the extent of the applicable Nominee's position on the Voting Record Date.

22. Each record holder or Public Holder will be deemed to have voted the full principal amount of its Claim, notwithstanding anything to the contrary on any Ballot.

23. This Order shall be without prejudice to the right of C8 to seek additional extension(s) of the times or deadlines established therein, or to seek other appropriate relief, including, but not limited to, relief to modify any of the procedures established herein.

####

Requested by:

James M. Carr (#3128-49)
Terry E. Hall (#22041-49)
Stephen A. Claffey (#3233-98)
Jeffrey C. Nelson (#25173-49)
Baker & Daniels LLP
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jeffrey.nelson@bakerd.com

Distribution:
Core Group
2002 List
Appearance List

EXHIBIT 3



SO ORDERED: April 18, 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., ¹	)	Case No. 04-19866
	)	(Jointly Administered)
Debtors.)	

ORDER APPROVING THE DISCLOSURE STATEMENT

This matter is before the Court to consider the adequacy of the First Amended Disclosure Statement With Respect to the First Amended Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (docket # 3906) (the "Disclosure Statement") filed by the C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (the "Debtor") on March 30, 2006. The

¹ 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 C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (04-19874).

Disclosure Statement amends the Disclosure Statement With Respect to the Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (docket #3667) (the "Initial Disclosure Statement") filed on January 31, 2006. A hearing to consider approval of the Disclosure Statement was conducted on proper notice on April 11, 2006 (the "Hearing").

The Court, after notice and considering the Disclosure Statement (a copy of which is attached hereto as Exhibit A) and the representations of counsel at the Hearing, and being otherwise advised,

THE COURT HEREBY FINDS AND DETERMINES THAT:²

A. Proper and adequate notice of the Hearing and the deadline for filing objections to the Disclosure Statement was given.

B. The Initial Disclosure Statement was properly filed and served on January 31, 2006, and the Disclosure Statement provided proper and sufficient notice of proposed changes and such service constitutes proper and adequate service and notice.

C. The Disclosure Statement in the form attached hereto as Exhibit A contains "adequate information" within the meaning of Section 1125(a) of the Bankruptcy Code.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. Pursuant to Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017(b), the Disclosure Statement, in the form attached hereto as Exhibit A, is approved in all respects.

² Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact as and when appropriate.

2. All Persons who solicit acceptance of the Plan using the Disclosure Statement will comply with the requirements of Section 1125 of the Bankruptcy Code and be entitled to the full protection of Section 1125(c) of the Bankruptcy Code.

3. Under and subject to the deadlines and procedures approved by the Solicitation Procedures Order³, solicitation of votes on the Plan may begin.

4. This Order evidences the Court's oral ruling from the Bench on April 11, 2006, approving the Disclosure Statement as amended.

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³ Capitalized terms not defined herein have the meaning ascribed to those terms in the Disclosure Statement

Requested by:

James M. Carr (#3128-49)

Terry E. Hall (#22041-49)

Stephen A. Claffey (#3233-98)

Jeffrey C. Nelson (#25173-49)

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Distribution:

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2002 List

Appearance List