

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

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

**OBJECTION OF ROLLS-ROYCE PLC TO NOTICE  
REGARDING MAXIMUM CURE AMOUNTS**

Rolls-Royce plc ("Rolls-Royce"), by its attorneys Rubin & Levin, P.C. and Paul, Hastings, Janofsky & Walker LLP, respectfully objects to the maximum cure amount set forth in the Debtors' Notice Regarding Maximum Cure Amounts, dated November 29, 2004 (the "Notice"), and respectfully submits the following in response thereto:

1. The Debtors list Rolls-Royce as "Rolls-Royce Limited," contract party number 423, on its Schedule Regarding Maximum Cure Amounts for Executory Contracts and Unexpired Leases That May Be Assumed and Assigned, attached to the Notice, indicating a maximum cure amount of \$6,075,325.00 due under three contracts bearing Internal ID Nos. 673, 674 and 675.

2. American Trans Air, Inc., now known as ATA Airlines, Inc. ("ATA"), is a party with Rolls-Royce to a certain Fleet Hour Agreement pertaining to the repair and overhaul of certain Rolls-Royce RB211-535E4 aircraft engines (the "FHA"). Pursuant to the FHA, ATA

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<sup>1</sup> 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 Executjet, Inc. (04-19872), ATA Cargo, Inc. (04-19873), and Chicago Express Airlines, Inc. (04-19874).

is actually indebted to Rolls-Royce for the aggregate principal sum of \$6,920,258.96, in respect of charges due under the FHA for periods through and including October 31, 2004, together with interest on the various billed amounts comprising said aggregate principal sum, from the respective due dates of the invoices rendered to ATA by Rolls-Royce, at the interest rate set forth in the FHA. In addition, ATA is expected to be indebted to Rolls-Royce, in respect of charges due under the FHA for the month of November, 2004, in the estimated principal amount of \$2,100,000.00.

3. Furthermore, ATA is indebted to Rolls-Royce North America Inc. (“RRNA”), formerly known as Rolls-Royce Inc., an affiliate of Rolls-Royce, pursuant to a certain Spare Parts Agreement between RRNA and ATA (the “SPA”), for spare parts purchased on open account in the aggregate principal sum of \$44,635.99, together with late payment charges as provided in the SPA, on the various billed amounts comprising said aggregate principal sum, from the respective due dates of the invoices rendered to ATA by RRNA, all of which amounts must be paid in full in order to cure a default under the FHA resulting from ATA’s breach of any other agreement between ATA and any affiliate of Rolls-Royce in the Rolls-Royce group of companies.

4. Therefore, the actual cure amount under the FHA which ATA must pay is the aggregate principal sum of \$9,064,894.95, subject to adjustment once a final invoice is rendered for the month of November, 2004, together with all interest, late payment charges and attorney fees as provided in the FHA and SPA, and all amounts accrued for periods after November 30, 2004, and all interest, late payment charges and attorney fees thereon.

5. Consistent with the Order (A) Establishing Procedures for Approval of One or More Transactions, (B) Approving and Authorizing a Break-Up Fee and Expense Reimbursement, and (C) Approving a Form of Notice ("Transaction Order"), Rolls-Royce reserves its right to object to any assignment absent demonstration of the "adequate assurance of future performance" required by 11 U.S.C. § 365(b)(1)(C) by the party seeking to take such an assignment as part of an Alternative Transaction as defined in the Transaction Order.

WHEREFORE, Rolls-Royce respectfully objects to the Notice on the limited grounds set forth herein, requests that the Court sustain the objection and further requests that the Court grant Rolls-Royce all other just and proper relief.

Respectfully submitted,  
RUBIN & LEVIN, P.C.

By: /s/ James E. Rossow, Jr.  
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the debtor's counsel, the U.S. Trustee and the parties listed on the Service List pursuant to the Order Establishing Certain Notice, Case Management and Administrative Procedures dated October 29, 2004, by electronic mail, or first class United States mail, postage prepaid, this 7<sup>th</sup> day of December, 2004.

/s/ James E. Rossow, Jr.  
James E. Rossow, Jr.