SO ORDERED: December 17, 2004.

Basil H. Lorch III
United States Bankruptcy Judge

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

In re:	)	Chapter 11
	)	
ATA Holdings Corp., et al.,[1]	)	Case No. 04-19866
	)	(Jointly Administered)
Debtors.	)	

FINAL ORDER GRANTING DIP FINANCE/SALE MOTION

This matter came before the Court upon the Emergency Motion For Order (I) Authorizing Debtors To Obtain Postpetition Financing Pursuant To 11 U.S.C. §§ 105, 362, 364(c)(2), 364(c)(3) And 507; And To Sell, Lease And Purchase Assets Pursuant To 11 U.S.C. §§ 105 And 363; And (II) Scheduling Interim And Final Hearings Pursuant To Fed. R. Bankr. P. 4001(c) And (d) And 6004(a)(2) (the "DIP Finance/Sale Motion")[2] of the above captioned debtors and debtors-in-possession (collectively, the "Debtors"), for an Interim Order

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

[2] Capitalized terms that are not defined herein shall have the meaning ascribed to them in the DIP Finance/Sale Motion including the Term Sheet attached as Exhibit A to the DIP Finance/Sale Motion.

Granting Emergency Motion For Order (I) Authorizing Debtors To Obtain Postpetition Financing Pursuant To 11 U.S.C. §§ 105, 362, 364(c)(1), 364(c)(2), 364(c)(3) And 507; And To Sell, Lease And Purchase Assets Pursuant To 11 U.S.C. §§ 105 and 363; And (II) Scheduling Interim And Final Hearings Pursuant To Fed. R. Bankr. P. 4001(c) and (d) and 6004(a)(2) e (the "Interim Order"). The Interim Order was entered on November 16, 2004. The DIP Finance/Sale Motion seeks, among other things, a final order (1) granting authority under Sections 105, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3) and 507 of the Bankruptcy Code:

a. to enter into a DIP Financing Transaction with the Indiana Transportation Finance Authority (the "Authority"), all as described in an Outline of Terms and Conditions for $15.5 Million "DIP Financing Transaction" (the "Term Sheet") attached to the DIP Finance/Sale Motion as Exhibit A as amended by amendments described herein and in the Financing Documents (as defined in paragraph 6 hereafter), to obtain finance proceeds of $15,500,000 (less payment of fees and expenses). The DIP Financing Transaction is structured as (i) a sale free and clear of liens of certain Property[3] by ATA to the Authority, (ii) the lease of the Property from the Authority to the Indianapolis Airport Authority ("IAA"), (iii) the sublease of the Property from IAA to ATA, and (iv) a repurchase of the Property by ATA from the Authority at Maturity.

b. to grant to the Authority a priority in payment, pursuant to Section 364(c)(1) of the Bankruptcy Code, with respect to all obligations of the Debtors to the Authority under the Financing Documents over any and all administrative expenses of the kinds specified in or pursuant to Bankruptcy Code Sections 105, 326, 328, 330, 331, 503(a), 503(b), 507(a), 507(b), 546 and 1114 (to the extent permitted by law), subject to the Carve-Out;

c. subject to the Carve-Out (only with respect to (ii) below), to grant to the Authority, in order to secure the Debtors' obligations under the Documents to the Authority:

    i. pursuant to Section 364(c)(2) of the Bankruptcy Code, a perfected first priority lien in and against (a) all of the

[3] As defined in the Financing Documents (as defined in paragraph 6 herein) and as used herein "Property" is amended from the definition provided in the Term Sheet to exclude items 3., 4., and 5. on Exhibit 1 attached to the Term Sheet.

proceeds from any assumption and assignment or other disposition of any lease for any airport facilities at airport terminals or other agreements related to the operation or occupancy of such airport facilities or from the closing of a Transaction[4], (b) the Property and (c) items 3., 4., and 5. described on Schedule B attached hereto (the "Additional Collateral"); provided, however, that the Authority shall not receive liens or security interests in the airport facilities themselves or any lease for such airport facilities; and

ii. pursuant to Section 364(c)(3) a perfected junior priority lien in and against all other assets of the Debtors other than Excluded Assets (with such lien junior to the liens held by the ATSB Lenders and any other valid properly perfected liens). The replacement liens granted to ATSB Lenders by the Interim Order Authorizing Debtors' Use Of Cash Collateral And Use, Sale And Lease Of Other Pre-Petition Collateral entered on October 29, 2004 (the "Interim Cash Collateral Order") in property in which the ATSB Lenders did not hold a valid perfected lien at the Petition Date are limited to any diminution that may occur in the cash collateral or other pre-petition collateral of the ATSB Lenders. If and to the extent ATA has, at any applicable time prior to satisfaction of all obligations to the Authority under the Financing Documents, cash and receivables (other than credit card receivables) having a value in excess of the cash and receivables collateral of the ATSB Lenders at the Petition Date then the Authority will hold a first lien in and against such excess cash and receivables (other than credit card receivables); and

d. to grant authority to "borrow" up to $15,500,000 under the DIP Financing Transaction on an interim basis under the Interim Order pending a final hearing on the DIP Finance/Sale Motion;

On December 10, 2004, this Court entered an Order Scheduling Final Hearing On DIP Finance/Sale Motion (the "Scheduling Order"). The Scheduling Order set a final hearing (the "Final Hearing") for the DIP Finance/Sale Motion on December 16, 2004, established an

[4] As defined in Debtors' Motion For Order Pursuant to 11 U.S.C. §§ 105(a), 363, 365 And 1146(c) And Fed. R. Bankr. P. 2002, 6004 And 6006 Approving The Airtran Transaction Or, If Applicable, One Or More Alternative Transactions "Transaction Motion" (the "Transaction Motion").

objection deadline of December 13, 2004, and ordered that the Interim Order would remain in full force and effect until the Final Hearing or entry of a further order of the Court.

Upon completion of the Final Hearing held on December 16, 2004, pursuant to the Bankruptcy Code and to Bankruptcy Rules 2002 and 4001, and General Order 03-10 of the United States Bankruptcy Court, Southern District of Indiana (the "General Order"); and the Court having heard the arguments of counsel at the Final Hearing and noting that no objections were timely filed to the DIP Finance/Sale Motion; and having considered relevant matters in these chapter 11 cases; and finding that due and appropriate notice of the DIP Finance/Sale Motion and Final Hearing were given; and having considered the above and all pleadings filed to date with the Court and based upon the record made by the Debtors in connection with the DIP Finance/Sale Motion and after due deliberation and consideration and sufficient cause appearing therefore;

IT IS HEREBY FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. The provisions and terms of the Interim Order are hereby made final and shall continue in full force and effect, in accordance with its terms and consistent with this Order (the "Final Order").

2. Adequate and sufficient notice of the DIP Finance/Sale Motion has been provided to all persons entitled to under Bankruptcy Rules 2002, 4001 and 6004 and no further notice of the DIP Finance/Sale Motion is necessary, prior to the entry of this Final Order.

3. This matter constitutes a "core proceeding" within the meaning of 28 U.S.C. § 157.

4. The Court has jurisdiction over the parties and the subject matter of this proceeding pursuant to 28 U.S.C. § 1334 and 157.

Findings Regarding The DIP Financing Transaction

5. Good cause has been shown for the entry of this Final Order. The Debtors demonstrated and continue to demonstrate an immediate need to obtain postpetition financing. The DIP Financing Transaction is necessary for the Debtors to operate their businesses in chapter 11 and for the Debtors to proceed toward a successful reorganization. The terms of the DIP Financing Transaction are fair and reasonable. If the Debtors were not able to obtain postpetition financing as provided by the DIP Financing Transaction, the Debtors' estates would have suffered and would continue to suffer irreparable harm in that the Debtors would not have sufficient operating capital to operate their businesses. Obtaining postpetition financing was and is necessary and in the best interests of the Debtors estates.

6. Prior to filing the DIP Finance/Sale Motion, Debtors approached a number of financial institutions about providing postpetition financing. Under the circumstances, the Authority's proposal for the DIP Financing Transaction was and is the most favorable proposal and best addresses the Debtors' postpetition financing needs.

7. The DIP Financing Transaction and the documents provided to the Court and the parties in interest at or before the Interim Hearing and as set forth on Schedule A to the Interim Order (the "Financing Documents") are reasonable and result from an appropriate exercise of the Debtors' business judgment and are the result of arm's length negotiations among the Debtors, the Authority and the IAA.

8. ATA has represented to the Court and the Authority and the Court hereby finds that

a. ATA has title to the Property to be conveyed to the Authority under the Financing Documents and to the Additional Collateral; and

b. to the extent any of the other Debtors or any other affiliate of ATA has any interest in such Property or Additional Collateral such Debtors or affiliates have consented to ATA's conveyance of such Property and the grant of the liens provided for herein in and against the Additional Collateral to the Authority free of any such interest.

9. The Authority has extended and continues to extend financing to the Debtors under the Financing Documents in good faith and the Authority has, under the Interim Order, and is and will be entitled to under this Final Order, the full protections of Bankruptcy Code § 364(c) with respect to any such extension of financing under the Financing Documents.

10. The purchase by the Authority of the Property and the lease of such Property by the Authority to the IAA and the sublease of the Property from the IAA to ATA as provided in the Financing Documents were all accomplished in good faith and the Authority and IAA have been and will be fully entitled to the full protection of Bankruptcy Code § 363(m) with respect to those transactions.

11. Debtors have represented to the Court and the Authority that the ATSB Lenders and the City of Chicago have advised Debtors of certain positions as follows:

a. The ATSB Lenders will not consent to have their liens in and against the Debtors' cash and accounts receivable (other than credit card receivables) and in the Pre-Petition Collateral (as defined the Interim Order Authorizing Debtors' Use of Cash Collateral And Use, Sale And Lease Or Other Prepetition Collateral (the "Interim Cash Use Order")) of the ATSB Lenders primed by a lien granted to the Authority to secure obligations of Debtors to the Authority under the Financing Documents, and

b. The City of Chicago will not consent to the grant to the Authority of a lien in and against the Midway Facilities Lease (as defined in the Interim Cash Use Order).

Authorization Of The DIP Financing Transaction And The Financing Documents

12. The DIP Finance/Sale Motion is hereby GRANTED.

13. The Interim Order is approved and this Final Order reapproves the DIP Financing Transaction and the Financing Documents.

14. The Interim Order authorized and directed and this Final Order again authorizes and directs that the Debtors to execute the Financing Documents (substantially in the form presented to the Court with any material changes approved by the Counsel for the Committee) and to take all steps necessary to effectuate the DIP Financing Transaction.

15. The Interim Order authorized and this Final Order again authorizes the Debtors to sell the Property to the Authority free and clear of all liens, claims and encumbrances (including those of state and federal taxing authorities (if any) and including leasehold or contractual rights in and to such Property that may be subject to protection under Bankruptcy Code § 365(i) or (n)) under Bankruptcy Code § 363 for the gross purchase price of $15,500,000.00.

16. The DIP Financing Transaction was negotiated at arm's length and in good faith, and, thus, the Authority's ownership interest in the Property acquired by the execution and consummation of the Financing Documents was, is and will be entitled to the full protection of Bankruptcy Code § 363(m).

17. The Interim Order authorized and this Final Order again authorizes Debtors to enter into all of the transactions provided for by the Financing Documents and to obtain financing from the Authority under the Financing Documents in an amount up to $15,500,000.00. In particular, the Debtors were and are authorized to obtain financing from and incur secured indebtedness to the Authority pursuant to the Financing Documents in accordance with their terms and conditions. The Debtors were and are authorized to pay fees and expenses to the parties to the Financing Documents incurred in connection with the DIP Financing Transaction

as provided in the Financing Documents, however all such fees and expenses to be paid by Debtors (other than fees or expenses payable after and as a consequence of an event of default under the Financing Documents) shall not exceed $500,000.

18. The DIP Financing Transaction has been and shall be governed by the Financing Documents, the Interim Order (the terms and provisions of which are made final by this Final Order) and the Final Order. Debtors other than ATA (the "Guarantors") were authorized and are hereby again authorized to guarantee the obligations of ATA as provided in the Financing Documents. ATA is again authorized to buy back the Property in accordance with the terms of the Financing Documents. The Financing Documents, which were executed pursuant to the Interim Order and any further Financing Documents executed hereafter pursuant to this Final Order constituted and shall constitute valid and binding obligations of the Debtors, enforceable against each Debtor party thereto in accordance with the terms of the Financing Documents. No obligation, payment, transfer or grant of security under the Financing Documents, the Interim Order or this Final Order shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under Bankruptcy Code § 502(d)), or subject to any defense, reduction, setoff or counterclaim. The Court hereby expressly orders that the stay otherwise provided by Bankruptcy Rule 6004(g) was not, is not and shall not be in effect

19. Pursuant to Bankruptcy Code § 364 (c)(1) and the Interim Order, all obligations and liabilities of ATA to the Authority under the Financing Documents were granted a priority in payment over any and all administrative expenses of the kinds specified in or pursuant to Bankruptcy Code §§ 105, 326, 328, 330, 331, 503(a), 503(b), 507(a), 507(b), 546 and 1114 (to the extent permitted by law) other than the Carve-Out. The ATSB Lenders have

consented to the granting to the Authority of the superpriority administrative expense claim described above. Pursuant to Section 364(c)(2) of the Bankruptcy Code, the Interim Order granted to the Authority a perfected first priority lien in and against (a) all of the proceeds from any assumption and assignment or other disposition of any lease for any airport facilities at airport terminals or other agreements related to the operation or occupancy of such airport facilities or from the closing of a Transaction and (b) the assets identified on Schedule B hereto (the "Additional Collateral"); provided, however, that the Authority was not granted liens or security interests in the airport facilities themselves or the lease for such airport facilities. Pursuant to Section 364(c)(3), the Interim Order granted to the Authority a perfected junior priority lien, subject to the Carve-Out, in and against all other assets of the Debtors other than Excluded Assets[5] (with such lien junior to the liens held by the ATSB Lenders (as defined in the

[5] The Excluded Assets are (i) any retainers paid or deposited before the Petition Date by Debtors to or with their professionals for professional services and expense reimbursement in connection with the Cases; provided, however, that the security interests attach automatically to any reversionary or residual interest any Debtor may have in such retainer; (ii) any Trust Funds; (iii) Debtors' avoidance actions and proceeds thereof under Bankruptcy Code §§ 544-550 similar applicable State Law, and (iv) credit card receivables (but only to the extent the ATSB Lenders do not have a security interest therein). For the avoidance of doubt, the term "Trust Funds" is defined in the Cash Collateral Order and includes (a) federal income tax withholding and backup withholding tax, employment taxes, transportation excise taxes and security related charges, including (i) federal payroll withholding taxes, as described in Sections 3101, 3111 and 3402 of the Internal Revenue Code; (ii) federal Unemployment Tax Act taxes, as described in Chapter 23 of Subtitle C of the Internal Revenue Code; (iii) federal air transportation excise taxes, as described in Sections 4261 and 4271 of the Internal Revenue Code; (iv) the Section 1110 Assets (as defined below) and any other assets with respect to which the granting of any such security interests would cause a default, directly or indirectly, of any Section 1110 Agreement (as defined below), other than a default arising from a negative pledge or similar provision in any such Section 1110 Agreement with respect to otherwise unencumbered property, (v) federal security charges, as described in Title 49 of the Code of Federal Regulations of 2002 (referred to in this definition as the "CFR"), Chapter XII, Part 1510; (vi) federal Animal and Plant Health Inspection Service of the United States Department of Agriculture ("APHIS") user fees, as described in 21 U.S.C. § 136a (2002) and 7 CFR § 354.3; (vii) federal Immigration and Naturalization Service (INS) fees, as described in 8 CFR Part 286; (vii) federal customs taxes as described in 19 U.S.C. § 58c; and (viii) federal jet fuel taxes as described in Sections 4091 and 4092 of the Internal Revenue Code collected on behalf of and owed to the federal government, (b) any and all state and local income tax withholding, employment taxes and related charges and fees and similar taxes, charges and fees, including, but not limited to, state and local payroll withholding taxes, unemployment and supplemental unemployment taxes, disability taxes, workman's or workers' compensation charges and related charges and fees that are analogous to those described in Subtitle C of the Internal Revenue Code and that are described in or are analogous to Chapter 23 of Title 19 Delaware Code Annotated (2002) (referred to in this definition as "D.C.A.") collected on behalf of and owed to state and local authorities, agencies and entities, (c) Passenger Facility Fees and Charges as described in 49 U.S.C. § 40117 (2002) and Title 14 of the CFR, Subchapter 1, Part 158 collected on behalf of and owed to various administrators, institutions, authorities, agencies and entities and (d) voluntary and/or

Cash Collateral Order) and any other valid properly perfected liens). The replacement liens granted to the ATSB Lenders in property in which the ATSB Lenders did not hold a valid perfected lien at the Petition Date are limited to any diminution that may occur in the cash collateral of the ATSB Lenders. If and to the extent ATA has, at any time prior to satisfaction of all obligations of ATA and the other Debtors to the Authority contemplated by this Agreement, cash and receivables (other than credit card receivables) having a value in excess of the cash and receivables collateral of the ATSB Lenders at the Petition Date, the Authority shall hold a first lien in and against such excess cash and receivables (other than credit card receivables). The security interests which are granted hereunder to the Authority shall not extend or apply to any

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other non-statutorily required employee payroll deductions, whether authorized by the employee, imposed by court order, agreed to pursuant to collective bargaining arrangement or otherwise, including (i) employee contributions made for the purpose of participating in any employer-sponsored retirement plan as described and defined in Section 401(k) of the Internal Revenue Code (including repayment of any 401(k) related loans made to the employee but excluding any funds matched and/or contributed by the employer on behalf of any employee), (ii) employee payments made for the purpose of participating in any employer-sponsored medical, dental or related health plan, (iii) employee payments made for the purpose of satisfying periodic union dues, (iv) employee payments made for the purpose of purchasing United States Savings Bonds, (v) employee payments made for the purpose of making deposits to an account at or making repayment of an extension of credit from an employer-associated credit union, (vi) employee payments made for the purpose of purchasing life, accident, disability or other insurance, (vii) employee payments made for the purpose of participating in any employer-sponsored cafeteria plan as described and defined in Section 125 of the Internal Revenue Code, (viii) employee-directed donations to charitable organizations and (ix) levies, garnishments and other attachments on employee compensation (as described in Sections 6305 and 6331 of the Internal Revenue Code, in Section 4913 of Title 10 of D.C.A. or in any analogous provision of other applicable federal, state or local law) collected on behalf of any Governmental Authority or any other Person authorized to receive funds of the type described in this clause (d). Notwithstanding any other term or provision hereof, the collateral shall not, for the avoidance of doubt, include (i) any assets which are governed by trust agreements and do not constitute property of the Debtors' estates, (ii) passenger facility charges ("PFCs") collected by the Debtors or the Debtors' agents pursuant to 49 U.S.C. § 40117 and 14 C.F.R. part 158, whether or not such PFCs are held in a trust account; (iii) passenger inspection user fees ("User Fees") collected by the Debtors or the Debtors' agents pursuant to 21 U.S.C. § 136a, 8 U.S.C. § 1356, and/or 19 U.S.C. § 58c, whether or not such User Fees are held in a trust account; (iv) security service fees ("Security Service Fees") collected by the Debtors or the Debtors' agents pursuant to 49 C.F.R. part 1510, whether or not such Security Service Fees are held in a trust account; (v) any deposit or reserve delivered by a Debtor to a Section 1110 Beneficiary (as defined below) in connection with the purchase, financing or lease of a Section 1110 Asset (as defined below); and (b) the security interests attach automatically to any reversionary or residual interest any Debtor may have in any such deposit or reserve upon the satisfaction of the obligations secured thereby; and (vi) any third-party assets that are subject to a valid consignment or bailment under the law of the applicable jurisdiction. To the extent that the Debtors are required by applicable statute or regulation, or order of the Court, to segregate any of such PFCs, User Fees or Security Service Fees, the Debtors shall comply with such requirements and shall hold such funds in separate accounts.

interest of the Debtors in (i) any aircraft or engine, or including all parts substitutions, renewals and replacements of, improvements, accessions and accumulations incident to each such aircraft, aircraft engine, appliance or spare part and all documents related to any of the foregoing to the extent any such asset constitutes equipment within the scope of section 1110(a) of the Bankruptcy Code (all of the foregoing being referred to as "Section 1110 Assets"); (ii) any other assets with respect to which the granting of any such security interests would cause a default, directly or indirectly, of any Section 1110 Agreement (as defined below), other than a default arising from a negative pledge or similar provision in any such Section 1110 Agreement with respect to otherwise unencumbered property; (iii) deposits of cash and Cash Equivalents, made by the Debtors in the ordinary course of business, of the type described in clause (iii) of the definition of "Permitted Encumbrances" in the Loan Agreement (as defined in the Cash Collateral Order); and (iv) the Carve-Out. For purposes hereof, a "Section 1110 Agreement" shall include any agreement related to Section 1110 Assets, including, without limitation, security agreements, mortgages, trusts, leases, conditional sale agreements or other instruments applicable to such Section 1110 Assets. The term "Carve Out" means claims of the following parties for payment of the following amounts arising in connection with the Cases: (i) quarterly fees required to be paid to the United States Trustee pursuant to 28 U.S.C.§ 1930(a)(6) and any fees payable to the Clerk of the Bankruptcy Court, (ii) prior to the occurrence of an Event of Default (a) the reasonable expenses of any member of the Committee which are allowed by the Bankruptcy Court and (b) unpaid professional fees and disbursements incurred prior to the occurrence of an Event of Default by the professionals retained, pursuant to Sections 327 or 1103 (a) of the Bankruptcy Code, by the Debtors and the Committee which are allowed by this Court (before or after the Event of Default) and (iii) following the occurrence of an Event of Default,

the reasonable expenses of any member of the Committee and unpaid professional fees and disbursements by the professionals retained, pursuant to Sections 327 or 1103 (a) of the Bankruptcy Code, by the Debtors and the Committee incurred after the occurrence of an Event of Default which are allowed by this Court not to exceed $500,000 in the aggregate; provided, however, that the Carve-Out shall not include any fees or expenses incurred by any party in connection with the investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Authority or the IAA or any of their affiliates.

20. The Authority shall be entitled to all of the benefits of Bankruptcy Code § 364(e) for all amounts paid or advanced to the Debtors hereunder pursuant to the DIP Financing Transaction. In the event any or all of the provisions of this Final Order are hereafter modified, amended, stayed or vacated by a subsequent order of this or any other Court, no such modification, amendment, stay or vacation shall affect the validity and enforceability of any obligation, debt, lien, security interest or priority authorized or created hereby. Notwithstanding the occurrence of the Termination Date (as defined below) or anything herein to the contrary, all of the rights, remedies, benefits and protections provided to the Authority under this Interim Order and the DIP Financing Transaction and the Financing Documents shall survive the Termination Date.

21. Pursuant to the Financing Documents, if an Event of Default occurs before a repurchase by ATA of the Property, then the Authority may proceed in a commercially reasonable manner to sell or otherwise dispose of the Property and the Additional Collateral (including a sale of all or some part of the Property and/or Additional Collateral to the Debtors) and then apply the proceeds of such sale or other disposition (a "Post-Default Sale") to satisfy the

amount owing by Debtors under the Financing Documents (the "Repurchase Amount"). Prior to an Event of Default, the Authority may not sell the Property to any party other than the Debtors. The Court hereby modifies the stay of Bankruptcy Code § 362 to allow the Authority to proceed with such a Post-Default Sale no earlier than three (3) business days after the Authority files a notice with the Court and serves such notice upon the Debtors, the Committee, the ATSB Lenders, and the United States Trustee. Following such a Post-Default Sale, the Authority will promptly remit to ATA any proceeds recovered in excess of the Repurchase Amount. If and to the extent the Authority is able to recoup the Repurchase Amount from a Post-Default Sale of less than all of the Property and/or the Additional Collateral, the Authority shall promptly redeliver and convey to ATA any Property that is not disposed of by such Post-Default Sale and release the Authority's lien in and against any of the Additional Collateral not disposed of by such Post-Default Sale.

22. The terms of this Final Order, but not the rights, obligations, liabilities and liens granted or incurred hereunder or in the Financing Documents, will expire on the date (the "Termination Date") that is the earlier of:

a. the entry of an order by any court modifying, amending, vacating or staying any provision of the Interim Order or this Final Order;

b. the voluntary or involuntary dismissal of the Chapter 11 Cases;

c. the appointment of a chapter 11 Trustee or Examiner;

d. the conversion of the case to one under Chapter 7 of the Bankruptcy Code;

e. the entry of an Order confirming a chapter 11 plan of reorganization;

f. failure to pay postpetition rent for real and personal property leased from the IAA;

23. Any of the following shall constitute Events of Default under the terms of this Final Order:

a. termination of Debtors' right to use cash collateral of the ATSB Lender Parties and a failure by the Bankruptcy Court to reinstate such right of use within three (3) business days;

b. the Interim Order or this Final Order, as the case may be, fails to be in full force and effect, or is vacated, reversed or stayed, or modified or amended in any manner;

c. any party obtaining an administrative priority *pari pasu* with the superpriority granted to the Authority as described above;

d. the creation of any lien or encumbrance in any prepetition or postpetition asset of any Debtor, other than the replacement lien granted to the ATSB Lender Parties by this Court;

e. appointment of a trustee in the cases or conversion of the cases to cases under Chapter 7 of the Bankruptcy Code;

f. Debtors have not closed a Transaction on or before February 15, 2005; and

g. failure of ATA to pay postpetition rent to the IAA for real property leased by ATA from IAA under the [name and date of lease agreement] (the "ATA Airport Lease") as required by the ATA Airport Lease and Bankruptcy Code § 365(d)(3).

24. In taking any action reasonably authorized under the Financing Documents, the Interim Order and this Final Order, or the DIP Financing Transaction, the Authority and IAA shall have no liability to the Debtors or any third party.

25. The provisions the Interim Order and this Final Order shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns, including but not limited to any Trustee who may be appointed in the Chapter 11 Cases or any superceding case under chapter 7 of the Bankruptcy Code. The obligations of the Debtors with respect to the DIP Financing Transaction and the Financing Documents shall not be modified or discharged by

the entry of an order confirming a plan of reorganization in this case, except as otherwise consented in writing by the Authority.

26. The terms and conditions relating to the Interim Order and this Final Order have been negotiated, agreed to, and the terms thereof promulgated, in good faith and at arm's length between the Debtors and the Authority, with all parties represented by counsel. The Interim Order, this Final Order, and the Financing Documents represent good faith transactions which are in the best interests of the Debtor's estate. The security interests and liens and priorities granted under this Interim Order are entitled to the full benefits and protections of the Bankruptcy Code.

27. Upon entry of the Interim Order the liens granted herein to the Authority were deemed fully perfected without need for any further filing, recording, or other action by the Authority. Notwithstanding the foregoing, if the Authority wishes to further assure itself with regard to perfection of such liens it may file or record any instrument or paper or take any further action it may deem appropriate to further perfect such liens without regard to any restriction or stay otherwise provided by Bankruptcy Code § 362 or other applicable law.

28. The Court shall retain jurisdiction over this matter to resolve any disputes with regard to the DIP Financing Transaction or the Financing Documents.

29. Notwithstanding any provision of the Term Sheet or the Financing Documents, nothing in this Final Order or the Interim Order shall, nor shall it be deemed to, impair or alter the rights of secured parties, lessors and conditional vendors, or the obligations of the Debtors, pursuant to section 1110 of the Bankruptcy Code, or modify in any way the provisions of section 1110 of the Bankruptcy Code.

30. The Debtors are prohibited from using the proceeds of the DIP Financing Transaction to fund the Debtors' key employee retention plan.

31. Nothing in this Final Order or the Interim Order will impair any setoff right that the United States government may have.

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Requested by:

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