

ADELPHI CAPITAL, LLC

May 17, 2005

Sally Brown

President

Ambassadair Travel Club, Inc.

7337 W. Washington Street

Indianapolis, IN 46231

Re: Adelphi Capital, LLC / Engagement for Advisory Services

Dear Sally:

This letter (the 'Engagement Letter') memorializes our mutual agreement regarding the advisory services that Adelphi Capital, LLC ('Adelphi') will provide to Ambassadair Travel Club, Inc. and Amber Travel, Inc. (collectively, 'Ambassadair') to (i) source an acquirer for Ambassadair, (ii) negotiate and structure a definitive asset sale agreement for these entities, and (iii) finalize and close the sale transaction by administering a Section 363 bidding process to be approved by the bankruptcy court. The paragraphs which follow briefly describe the advisory services that Adelphi will provide to Ambassadair (as presented in more detail to your team on May 6, 2005) and the business relationship which will govern the engagement.

ADELPHI ADVISORY SUPPORT

- **Objectives.**

As described during our discussions last Friday, Adelphi will tailor its advisory services to quickly and effectively achieve several key transaction objectives. These include, but are not limited to: (i) structuring a marketing and transaction process that satisfies all Section 363 requirements; (ii) maximizing realizable return to Ambassadair by refining the value proposition and 'pitch' to prospective buyers; (iii) building on the significant work done to date to finalize offering collateral for distribution; (iv) prioritizing buyer groups and individual buyer candidates where potential synergies or other considerations can maximize realizable value; (v) moving quickly to attract the interest of potential buyers and leveraging Adelphi relationships to maximize the outreach; (vi) assessing interest among solicited candidates and guiding preliminary discussions to one or more firm proposals; (vii) negotiating and structuring the terms of a non-binding letter of intent; (viii) supporting the negotiation of a definitive asset purchase agreement reflecting 'stalking horse' protections as required; (ix) maximizing the time and resources of Ambassadair's executive team; and (x) minimizing the impact of the sale process on Ambassadair's day-to-day focus on growth and execution.

- **Process/Approach.**

To achieve the objectives described above, Adelphi will employ an advisory approach that will include, but not be limited to: (i) internal advisory diligence – i.e., conducting an in depth analysis of the business to clearly define the business model and articulate key value drivers; (ii) external advisory diligence – i.e., analyzing the marketplace and prospective buyer universe to prioritize the sell-side approach; (iii) go-to-market strategies – i.e., refining the ‘pitch’ and offering collateral, prioritizing buyer groups and individual candidates, and designing the outreach strategy; (iv) internal constituency approvals – i.e., soliciting input and approvals from key internal constituencies (e.g., ATA Holdings Corp. (‘ATA’) senior management, Ambassador senior management, debtor-in-possession lenders, creditors committee, legal and other advisors); (v) target outreach – i.e., approaching prioritized candidates, distributing offering collateral (under non-disclosure agreements), and leveraging Adelphi relationships to augment and accelerate the outreach process; (vi) lead candidate narrowing – i.e., assessing candidate interest, supporting management introductions/presentations, etc., and narrowing the field to one or more credible suitors; (vii) lead buyer negotiation – i.e., pushing lead candidates to submit firm proposals, assessing bids with internal constituencies, and negotiating and structuring a non-binding letter of intent with the prevailing buyer; (viii) APA negotiation support – i.e., supporting counsel with negotiation of the asset purchase agreement, serving as lead negotiator on business and financial oriented transaction issues, and facilitating Ambassador’s response to due diligence requests; and (ix) bankruptcy process support – i.e., working with Ambassador, ATA, and their counsel to develop court approved bidding procedures, supporting the administration of the Section 363 bidding/auction process, and assisting with the negotiation, structure, and documentation of a new prevailing bid if required.

BUSINESS RELATIONSHIP

In consideration of the advisory services described above, Adelphi will receive (i) a retainer fee of \$45,000 due upon approval of the Engagement Letter and execution of the Engagement Letter, (ii) a minimum success of \$202,500 for any sale price up to and including \$10 million, and (iii) a ‘premium’ success fee equal to 2.5% of any incremental sale price which exceeds \$10 million (e.g., if the total sale price is \$12 million, Adelphi earns \$202,500 on the first \$10 million of value and 2.5% of the incremental \$2 million of value). Reasonable out-of-pocket expenses incurred by Adelphi on Ambassador’s behalf, such as out-of-town travel, lodging, and other non-recurring expenses, will be reimbursed by Ambassador at cost. All reimbursable expenses greater than five hundred dollars (\$500) must be approved by Ambassador in advance.

We look forward to working with Ambassadair on this important project. If the approach outlined herein meets with your approval, please indicate your acceptance by signing where provided below and mailing an executed copy of this document to our office along with the initial payment of the project fee as described above.

Best Regards,



Thomas J. Donohue, Jr.

READ, SIGNED, AND ACCEPTED

By: _____

For: _____

Date: _____