October 21, 1982

Dear Fellow Employees:

We have filed a registration with the Securities and Exchange Commission for an initial public stock offering to take place beginning late November. Our Company will be offering 900,000 shares of common stock at a proposed price of \$2.00 per share. The proceeds from this offering will be used in part, for, purchase of additional aircraft, repayment of short-term debt and to provide additional working capital. Our ability to raise this additional equity, along with every employee's performance, hard work and pursuit of excellence, will help to make our Company a tough, efficient competitor and allow us to continue on our present course.

Since we are under strict scrutiny by the SEC during this time period and until the issue is closed, I ask that you refer any pressing questions you may receive about our operations, or the future that you believe our Company holds, to either Dave, Phil or myself. I ask that you please note the following guidelines for the sake of all of us during this process. Subjects you cannot discuss with non-company personnel:

- 1. Projects or ideas regarding the future.
- 2. Financial information or forecasts.
- 3. Any type of speculation.

Subjects you can discuss if questioned:

- 1. December 15 startup of new service to Fort Dodge, Mason City and Omaha.
- 2. Routes and equipment that we presently service and fly.
- 3. Factual information about past performance.
- 4. You can ask for a name and address of any interested party and state that when available, we will send a copy of our prospectus, (the information relating to the Company's business and past performance).

Please note that information given about current or past information can only be general and factual in nature. We cannot be a part of any exclusive interviews in any of the cities we serve, or in any national publications. If asked for an exclusive interview in any of the outlying stations, please respond by saying, 'We have filed for a public stock offering with the SEC and are unable to comment at this time, however, when the offering is completed and we are able to, we would welcome any such interviews''.

A very important function that all of us can do is to provide a written name list of business contacts, friends or family that would be interested in receiving a copy of the prospectus when it is available. Please submit these name lists and addresses to my office in care of Andrea. Additionally, should you or any of your immediate family desire to purchase stock, please let Dave Knudson know, so that we can reserve shares for interested employees and their families. You will be receiving a copy of our prospectus when available to make an informed decision to commit to such stock. In no way is this an effort to ask that you buy stock when it is available; I only want you to know that the Company can reserve some for you to decide upon, should you elect to do so.

Your assistance in all areas throughout these next few months will be greatly appreciated as the corporate office will be very busy.

In addition to the news of the offering, we have also filed for service to Wisconsin Rapids, Wisconsin, with a service pattern to both Chicago and Minneapolis. Our competition in this case appears to be American Central, Lakeland and perhaps another carrier or two. We have met with some community leaders and found them to be very receptive to our operations. American Central has decided to start service there on November 1, subsidy free, much as Bemidji has done in Thief River Falls. Although we know we have a chance in this service pattern, we know that American Central's early startup will be a considerable factor.

We are also modifying our Ironwood proposal with a second alternate to provide service to its' EAS city pair of Ashland, Wisconsin. Ashland has been served throughout many years in the past by Midstate and Lakeland subsidy free; currently they have no service. The people there are excellent to work with and the service pattern we are proposing will be much like we serve Hibbing and Grand Rapids, since Ashland is only about 32 miles from Ironwood.

I'm sure you all know that we finally received slot and airspace approvals to initiate service into Fort Dodge, Mason City and Omaha on December 15. We are finalizing the process of getting delivery on our fifth Beech at this time. It should be at our maintenance facilities next week for new paint and new interior along with an intensive maintenance check.

With regards to new personnel, we have added the following people since ${\tt I}$ last wrote to you:

9/21/82	Mary Salwei	PSA	org
9/27/82	David Schwarz	Avionics	GPZ
9/30/82	Janine Hince	Maintenance	GPZ
10/1/82	Al Hann	Director of	
		Marketing	GPZ
10/15/82	Steve Radsom	Pilot	OTG

To these new employees, 'Welcome into our fine organization and thank you for selecting our Company'.

For all of you who have marketing questions or ideas, including advertising, fares and schedules, I ask that you direct those questions to Al Hann, our new Director of Marketing. Al has a wealth of experience that he brings to our Company from all of his years of service with North Central and Republic Airlines and we are delighted to have him with us.

Well, that's all the information I have for now. As long as we maintain flawless levels of safety, performance and reliability and continue to be cost efficient, we will excel in this competitive industry. Let's all continue working hard to maintain these goals. Thank you for all your performance and efforts; remember that satisfying our passengers through excellent service in a personalized way is what our business is all about. I hope the Fall is going well for you and yours.

Best regards,

Robert D. Swenson

President