

2002 AIRPORT ROAD GRAND RAPIDS, MN 55744 218/326-6657

September 27, 1983

TO:

ALL EMPLOYEES

FROM:

ROBERT D. SWENSON

Congratulations to everyone on receiving the new route award for Devils Lake and Jamestown. The Civil Aeronautics Board awarded the route to us with a 4-0 decision on the 16th. Although Big Sky, Northern and the State Aeronautics Commissioner of North Dakota may file petitions; with our level of services, the \$500,000 subsidy savings to the government, the support of Devils Lake and a 4-0 CAB decision, we are planning to start operations on December 1, 1983.

With respect to other new routes, we will begin service between Sioux Falls and Minneapolis/St. Paul on October 30, with additional service to Pierre possible on that date depending upon government approvals.

We have recently purchased our seventh Beech 99 to accommodate the growth that we will be implementing during the next two months. This aircraft was purchased in San Diego and is now in the process of getting upgraded to our standards and colors. Look for this and our other recent addition on the flight line all refurbished.

After constant analysis with other aircraft types, we are very pleased to continue adding to our Beech fleet. Having discussed the values and problems with other operators in the field of various aircraft types and after analyzing the economics of flying alternate types of aircraft in the under 20 seat category, we always return to the Beech 99 as the best aircraft for the type of flying we are doing. Further, we are nearing the time for preparation of our de Havilland Dash-8 aircraft deliveries and feel that this type of aircraft will best complement our fleet. As of December, 1983, we are only 18 months away (one summer), from our first Dash-8 delivery date. Time is moving by fast and we are excited about this new aircraft.

We will be securing office space at Burlington Northern on the field in Minneapolis very shortly and look forward to increased office and meeting space there for use in our operations groups.

Our company recently received our internal computer, an IBM System 36, that will be used in all areas of the Company and allow us to continue growth efficiently as we learn to use the systems available on it.

We set a record month for passengers in the month of August of 4,412, with station records set at Brookings, Fairmont, Grand Rapids, Huron, Mankato and Mitchell. Congratulations to everyone in the Company! Believe it or not, we also set a record for Omaha to Minneapolis through Fort Dodge and Mason City of 51 passengers.

Thanks for your efforts as we carry greater numbers of passengers on our flights. Have a great month!

Best regards,

Robert D. Swenson

President & Chief Executive Officer

Some changes have been made to the employee benefit package effective October 1, 1983, but in summary the changes provide the same or better coverage and the insurer in some cases has been changed.

Major Medical Health Insurance

Coverage - same Insurer - same (new name is Fireman's Fund) Cost to employee - same

Term Life Insurance

Coverage - To employee - same

To dependents - better coverage -\$5,000 to spouse and children (ages 6 months to 19 years old)/ previous coverage was \$2,500 to spouse and \$1,000 to dependent children

Short Term Disability

- Coverage 13 weeks in duration instead of 26 weeks as before, but long term disability begins at the end of 13 weeks so there is no break in coverage between long term and short term disability
 - Benefits as before will begin on the first day of accident or eighth day of sickness
 - Weekly income amount is the same as before

Insurer - Mesaba will self insure this coverage so any benefits payable will be paid to you via payroll check
Cost to employee - none/same as before

Long Term Disability

Coverage - Benefit begins at the end of 13 weeks instead of 26 weeks as before. Benefit begins when short term disability ends.

Insurer - same as before - Hartford Cost to employee - none/same as before