

 **CENTURY AVIATION**^{INC.}
INTERNATIONAL, LTD.

21 September 1990

Lulu Miyasata
Century Aviation Inc.
98 Kapalulu Place
Honolulu, Hawaii
96819

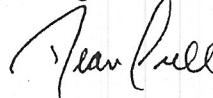
Dear Lulu:

Enclosed is a summary of how Gander Station began and how we became the top Fixed Base Operation in Gander.

It also tells of our frustrations and our concerns over our future since the change in ownership.

Would you please give this your utmost attention. We look forward to hearing from you as soon as possible.

Regards,



Dean Cull
Station Manager

Enclosure

GANDER INTERNATIONAL AIRPORT

P.O. BOX 418 GANDER, NEWFOUNDLAND A1V1W8 · TELEPHONE: (709) 256-2929
FACSIMILE: (709) 256-7977 · AFTN: CYQXHAIX · SITA: YQXOOZJ · UNICOM: 122.95

9/90

We want to tell you a story...it's a unique one... a success story...it's about people with a vision...it's still ongoing... and we so much want it to have a happy ending.

This is how our story begins.....

HEMMETER AVIATION LAUNCHES FIRST-EVER BIZJET FBO AT GANDER

In September of 1988, our company was born and we were brand new...you could say we were "the new kids on the block". We were the first to present the concept of a first-class, red carpet Fixed Base Operation at Gander International Airport. There was no other facility here at that time that provided an entire pkg. of service to corporate/private jets. Allied Aviation was the only other ground handler and the ones with **ALL** the business. They had been here for decades and they assumed they would be here for decades to come **BUT** they were not providing the service to their clients. They were No. One because they were the only one!

Hemmeter's move to Gander was part of an effort by Gander officials, Transport Canada (Gander Airport) and other key individuals who have pushed long and hard to retain the level of importance which Gander has earned over the years as one of the safest and friendliest trans-Atlantic fueling, catering and service stops. Gander needed to upgrade the level of service to be offered its corporate visitors and Hemmeter Aviation International was chosen to fill that role.

So there we were...still wet behind the ears...just a baby with lots of big ideas and not even at the first rung in the ladder!

We were hired...we were excited...and as we worked long hours upstairs in our crowded temporary office, our facility was taking shape downstairs on the international side. As we saw our work taking shape, we started believing more and more in ourselves and our company and we were slowly becoming a "family". We had many ups and downs along the way, but what family doesn't and there were those that did not believe what we stood for...but **WE** did and we persevered.

Till finally...we made more headlines.....

GANDER FBO'S FIRST ARRIVAL

Air Charter Ltd. flew into Gander on the 2nd of November in their challenger 600 from Teterboro, N.J. There never was such excitement...this was it...the real thing... and we were ready for them! On that night, as everything came together and we all worked side by side for our common goal which was to provide HBVGA with our superb service and Newfoundland hospitality and our Hemmeter style...we accomplished what we had set out to do and Air Charter were indeed overwhelmed! On that night we all grew a little more because it was then we had become the **GANDER TEAM**...and so we began our long, hard climb up the ladder.

Hemmeter's first-class facilities at HNL were duplicated at Gander but with a flavor for the local environment. We promoted our Newfoundland hospitality and our uniqueness, but still maintaining the exceptional standards our company stood for.

We were different from the other stations... geographically - being thousands of miles away in the North Atlantic...culturally - because of our distinct heritage...and climactically - with our extremely cold temperatures. We capitalized on this in our marketing...our clients became familiar with our Newfie Screech, our stories and pictures of moose and icebergs; they came to know our customs and our warm and friendly Newfoundland hospitality. We kept on climbing!

Along the way, we have had to overcome many upsets which stood in our way...but it only made us stronger and more determined to reach the top. Many of these disconcerting times were the many conflicts we encountered with Air Routing Int'l and we would like to provide a little background on Air Routing's role in our operation.

The Town of Gander initially interested Air Routing in Gander's growth potential and Air Routing in turn approached Hemmeter Aviation in the summer of 1988 with the idea of establishing a first-class FBO at Gander. HAI were approached because they had one of the best names in the business and Air Routing knew that Hemmeter had expressed an interest to expand internationally.

Upon agreement, Air Routing proceeded to buy a large hangar facility known as Hangar 22 at Gander. It was agreed that Hemmeter would set up a lounge in the international airport, but move across the field to the hangar once renovations had been completed at the hangar. In the meantime, the hangar was still used to house aircraft.

This hangar turned out to be extremely expensive to upkeep and the total expense of operating the hangar was the responsibility of Hemmeter. A year later, there was disagreement with the renovations at the hangar which strained an already tense relationship. It indeed was not feasible to relocate at that time and because of many, many other complications, Hemmeter severed ties with Air Routing.

Since that time, Air Routing has set up another company at Gander, operating from Hangar 22. It is known as General Aviation Terminal and operated by Mr. Gerry Pritchett.

This was an extremely unpleasant experience for all of us and for our company, but the Gander Team dug in and weathered the storm...through it all we climbed some more rungs up the ladder.

We were now in a precarious position...Air Routing had their own FBO and all of our flights up to this point had been sent us through them. The big question was would they continue to use us or would we lose them? Also, Allied Aviation still had the highest percentage of traffic because their flight following company was Universal and had been as long as Allied had been in operation. We were getting some of Universal's flights but we needed more to survive. Where was the solution.

We have not yet mentioned the diligence, the determination and the faith that one man had in us and our dream, but it has to be told. That man was Tom Anusewicz. He was there from the very beginning and every step of the way. He was not always visible, every couple of months he would visit and every one of us looked forward to these trips; but, he would be there behind the scene, working and negotiating and it was through Tom that in May of 1990 we made more headlines.

They read.....

HEMMETER AVIATION BECOMES UNIVERSAL'S PRIMARY GROUND HANDLER IN YQX

It didn't happen overnight, it takes time to build a relationship based on trust and respect and he accomplished this with Universal and we with him. It was a strong link that made us feel close to our friends and co-workers in Hawaii even though we were separated by thousands of miles.

We hired additional staff...we expanded our V.I.P. lounge...our percentage of traffic drastically increased... doubled...and now we had to ensure that we maintained our same high level of service and that Universal would received nothing but positive feedback from its clients who had made the switch. We stood our ground...we persevered again.

At the same time that Tom was negotiating with Universal, he had also formed a very strong relationship with Bill London with Irving Oil in Saint John, New Brunswick. Air Consolidated are the

agents for Irving Oil in Gander and Tom saw the golden opportunity of Hemmeter Aviation becoming Irving's representative in Gander and absorbing Air Consol's staff, purchasing our own fuel trucks and cashing in on a share of the fuel pumped to Universal flights. This was it...it was all finally coming together...**Hemmeter - Universal - Irving. The Big Three.** We knew there would be initial problems with funding for fuel trucks; but it was nothing that couldn't be eventually resolved. We were almost there...the last rung in the ladder. We all knew we were on the verge of something new and exciting.

Each time Tom visited, he also made time to maintain good working relationships with Transport Canada; the Town of Gander; Dave Power, our company lawyer and so on...he gave a very positive image of our company and what it represented. Our Gander Team also continued to work hard and we grew and grew. Our Hemmeter name spread.....within the aviation community, we were establishing a reputation for first-class service; within our local community, we were special and we had built a solid, respectable reputation; and at Gander Int'l Airport, we were the best. We felt enormously proud of what we all had achieved. We were no longer "the new kids on the block".

To confirm our claim to No. One, **Aviation International News** in their July issue printed their survey results. Pilots had given us top ratings in their estimation of our international FBO!

However, it wasn't to be and our hopes and dreams became hazy as we read this particular headline.....

CHRISTOPHER HEMMETER HAS SOLD HEMMETER AVIATION TO A NEW OWNER

It still came as a shock and a surprise even though some of us had heard a scattered bit of information here and there. Who were our new owners? What kind of commitment would they make to our Gander Station? We had so many questions that we needed answered and typical of most takeovers we needed a lot of assurance.

Tom came to visit not long after and answered our questions to the best of his knowledge. He had a very positive attitude and shared with us some of the highlights of his trip to Japan. We all felt that we would continue to give 100% to the company and that in the very near future we would be communicating with our new owners and hearing what their plans for Gander would be.

However, shortly after this we were dealt another piece of news...Tom was finished with the new company. Tom had not only become the key figure in our potential for success, but he had become our friend and it was very difficult to accept that he was gone for good. We all miss him and will treasure our many happy memories of him.

However, we still had a tragic piece of news yet to come...a fax from Bill London refusing us credit for fuel...ties were being severed...Universal gravely concerned over recent events...relationships falling apart. It seemed to us

that what had taken us two long years to build was falling apart almost overnight.

We are gravely concerned and extremely frustrated that no one has come to visit on behalf of the new owners to meet with us. Several months have gone by and except for the day to day correspondence and the items dealing with NBAA, we feel the lines of communication between our Station and HNL are practically non-existent. We feel intensely left out and unimportant. Major issues are not being addressed. We are completely in the dark as to where we stand with regards to Century's long-range plans for our facility.

We feel it necessary to express our concern that open lines of communication were not kept between certain individuals and firms who are vital to the efficiency and success of our company. These people should have been contacted and relationships maintained...

Mr. Bill London, Irving Oil Limited, whom we have worked very closely with and were very near reaching an agreement to do the intoplane service on behalf of Irving Oil for various airlines and flight following companies.

Mr. David Power, who is a director and lawyer for our Company and who has also provided much needed support and encouragement. We feel it is of the utmost importance to maintain a good rapport with Mr. Power since we need two Canadian directors and Mr. Paul Malone, one of the directors, has already left.

Unfortunately, in the transition, Universal were not given positive support and recognition.

Mr. Lawrence Lachappelle, the Airport General Manager of Gander Int'l Airport is very much interested in having discussions with you as president of Century Aviation. Being the first company to establish a first-class FBO in Gander, and the FBO that handles the majority of corporate aircraft, he is very much interested in knowing your plans for the future of our company in Gander.

During our infancy stages, we handled on average, 30% of the corporates on a monthly basis. With our continued hard work and efforts we have established ourselves with the aviation world and our percentage of aircraft handled has increased by 117.45%. The people of the Gander Station are to be commended for this success. Even during a busy day, many other Airport tenants look to us to see if we can handle the pressure and time after time, we have proven that we can handle any situation we are faced with. We truly are the "FBO" in Gander.

In our opinion, we believe this company has the potential to prosper and grow with funding channeled into the proper areas. The purchase of our own fuel trucks would enable us to, not only pump our own fuel, but to sell it as well, thus improving the profits for the company.

As you are aware, one of the main reasons for our success todate is a result of our strong relationship with Universal. I believe it is of utmost importance that we not only maintain this relationship, but also show that we are eager to work closely with them to develop other income opportunities for Century Aviation. We need to get back on track to bring the big three back together again...Century - Universal - and Irving. We believe we can still accomplish this given the go ahead to proceed.

Ground support equipment is much needed to allow us to operate in an efficient manner and also enable us to function on par with our competitors.

With the ever increasing number of corporate aircraft, and due to our harsh climate, a hangar facility will be a vital asset, especially since our competitor has the advantage of having their own hangar facility.

Because these important matters have not been addressed, we fear that our competition will try to take advantage of our weakened position. Many of our clients have been expecting new equipment and the completion of our lounge expansion....this area needs to be addressed soon...we need new furniture, etc. and the concurrence to proceed with our renovations.

It is of great concern to all employees of Century Aviation that our distinct Newfoundland culture, for which we are well known and which we promoted in our station's growth, is being overpowered by the Hawaiian image that is being portrayed by the marketing people in Hawaii. We are well aware that the company originated in Hawaii, but since it has grown to an international level, we feel that this station and any prospective station should retain their own unique culture and identity. This way, they will still receive the same quality of service, but with a diversified culture.

Ideally, we would like to have more of a voice on how the company is promoted. The NBAA is a perfect example of how Gander has been incorporated as having Hawaiian traditions. There is not even any mention of Gander in the backdrop and wearing traditional Hawaiian costume is foreign to our culture.

We believe in order for this company to operate efficiently, it is extremely important to have good communication between the Station Manager and the President of the company. There are so many issues which need to be resolved just in the everyday running of the station, i.e. wage increases based on appraisals, changes in our current handling fees, managerial responsibilities and limits, just to name a few.

Please consider our views and our concerns and recognize our fantastic growth potential. We are the Gander Team

and we are willing to work...to work very hard...because we believe in each other and we love the company that has evolved from the efforts of everyone that has contributed to it. We sincerely want to go on...we want to reach that last rung in the ladder. We want our story to have a happy ending...and we are reaching out to you to please communicate with us and talk to us and share with us your plans for our future.