

ECLIPSE Aerospace

2503 CLARK CARR LOOP, ALBUQUERQUE, NEW MEXICO

October 5, 2009

VIA: www.eclipseaerospace.net

TO: ALL ECLIPSE CUSTOMERS

FROM: MASON HOLLAND, MIKE PRESS & THE ECLIPSE AEROSPACE TEAM

In our second communication as Eclipse Aerospace, we are reporting our progress and successes from the first month of operations. Although we do not anticipate any "press releases" or other media for the near future, we do plan, as our primary method of communication for the balance of 2009, to issue these "Customer Communiqué" reports, every 4 to 6 weeks. Our first month of operation has been very busy with interviews, hiring staff, consolidating facilities, performing physical inventory of parts and tooling, meeting with FAA and EASA, negotiating with suppliers, restarting facility administration and services, closing all outstanding issues with the court and trustee, all the time attempting to meet customer needs for parts, services and upgrades.

In the paragraphs that follow we will offer the following report on our progress.

General Accomplishments

Employment: Our staff had grown from 12 to 35 in the month of September. We continue to work on our plan of low overhead and a focus on the key engineering and mechanic talent needed to support the fleet. We will continue to add engineers and mechanics throughout the balance of this year.

Customer Support Tracking: Our main method of information and contact has been via our website www.eclipseaerospace.net, at this website, customers and suppliers can ask questions and make specific requests for parts, schedule upgrades, or other services. To enhance this method of communication, beginning in the next few weeks, those customers requesting service, parts, or upgrades will be issued a "Customer Ticket Tracking Number" within 24 hours of request. The customer request will be tracked and as we work to satisfy the request, the customer will be updated on the progress of their request until it has been completed and the ticket is closed. So please continue to use the website as the primary means of requesting parts, service, and/or modifications.

Facility Consolidation: Gainesville and Albany service center leases were ended during this first month and all parts, tooling and general support equipment were moved to our Chicago Service Center. The former DayJet airplanes that were stored at the Gainesville facility are currently being prepared for a ferry flight to Chicago or Albuquerque where they will undergo refurbishment, reconditioning and upgrades. Two other warehouses in Albuquerque were closed and the contents were relocated to main facilities at the ABQ airport.

Physical Inventory: We are in the process of performing a complete physical inventory of all parts, tooling, computer, support equipment, and other items. This is required for our accounting records and more importantly is a key starting point in our ability to meet quality requirements and to effectively begin servicing our customer requirements.

FAA and EASA: Coordination with both agencies has been ongoing since the first week of operation. Both agencies have been extremely cooperative and we are building an excellent working relationship. They have been very helpful and working with our team in a spirit of cooperation.

Suppliers: Meetings with suppliers continue and negotiations have been completed for all parts needed for FIKI/AvioNG 1.5 upgrades. Some suppliers for other parts have elected to not continue producing parts and our team is in the process of qualifying new sources for these parts. We have sourced and negotiated all the parts needed for the next 60-days of operations and continue to work on validating our parts needs for the future. In addition, we are hosting a one-day "Supplier Summit" at the ABQ HQ facility on October 27th. Suppliers from around the world have been invited to participate and engage with Eclipse Aerospace. We are excited to share our plans and vision with our supplier partners.

General Services and Administration: Leases, Security, Computers, Janitorial, Utilities, Administration, and other service contracts have all been renegotiated and started. In order to reduce travel costs, video conferencing capability has been installed at our locations and is being used extensively.

Brokerage Service: We have restarted the prior company's brokerage service and renamed this effort "Eclipse Aerospace Brokerage" (EAB). The purpose of EAB is to connect buyers and sellers of Eclipse EA500 aircraft and facilitate sales. We ask that all buyers and sellers consider utilizing the EAB for the buying or selling of Eclipse aircraft. By participating in the sales process, EA will be a stronger company financially and can offer value added services to the seller and buyer.

NBAA: Eclipse Aerospace will have a low-key presence at the upcoming NBAA Conference in Orlando, Florida. We will NOT have a display in the Convention Center nor will we have a static display. However, Mason Holland, Mike Press and Ken Ross will be speaking and answering questions at the M&O briefing along with Pratt Whitney Canada and some other suppliers. The briefing is scheduled on the 21st of October at 1PM. Please consult the NBAA agenda for location; Eclipse aircraft owners are encouraged to attend.

Specific Accomplishments

FAA TC: On Wednesday September 30th, the FAA reissued and formally presented the Eclipse 500 Type Certificate to Eclipse Aerospace. During the month of September various teams of FAA representatives visited with members of our team and collectively developed a plan of action to work in an efficient and hopefully expedited fashion to reinstitute quality programs needed for the sourcing, ordering, sale, and delivery of parts and services for the customer. We are very proud of our team's quick action with the FAA and equally impressed with the FAA's willingness and desire to help partner with us in providing a safe flying experience for our customers.

EASA TC: On Wednesday September 30th, EASA announced that the Eclipse 500 Type Certificate has been reinstated under the Eclipse Aerospace Inc. name and it is in full force and current. This event will allow Eclipse Aerospace to move full steam ahead in our EASA modification program.

Jeppesen Navigation Database: A new agreement with Jeppesen has been negotiated that will result in Jeppesen providing the AvioNG navigation database directly to owners. We believe that this will be a less costly and more efficient way to distribute the data to our customers. After the completion of a process audit requested by the FAA, we will be able to restore this service for the affected customers. We continue to maintain this as a high priority item.

Bias-Ply Tires: Our engineering team is working with the FAA to complete the new Bias-Ply tire certification so that these tires can be made available to our customers. This activity is in the final coordination with the FAA and we anticipate this approval within the next few weeks. We intend to allow suppliers to sell these tires directly to our customers in order to reduce cost and expedite distribution. We recognize that some owners may be in need of tires immediately and cannot wait for bias-ply tires to be approved, therefore we are discounting our current stock of the radial tires to **\$275** each. If you need tires, please do not wait, these are in limited supply and we will not be ordering any more of these tires in the future. We do not want you to be without tires while waiting for the bias-ply tires. (To order, please place a request on our website and we will call you within one business day to take your order, first come, first served)

Parts Shortage: We are pleased to announce that on September 30th, we have an agreement with the FAA on a method to restart the quality inspection process required to distribute aircraft parts. Effective today (October 5th), we have implemented the first phase of this parts inspection process and are now shipping parts as quickly as they can be inspected. Over the next few weeks we will be able to greatly improve the timing between parts request and actual delivery.

Upgrades and Modifications

FIKI and AvioNG 1.5: We have the first four complete FIKI/AvioNG 1.5 upgrades scheduled to begin this month in Chicago. Also, starting in October we will no longer do FIKI only upgrades. We will only perform FIKI upgrades in combination with AvioNG 1.5. The cost for the combined FIKI/AvioNG 1.5 upgrade is \$149,000 if the aircraft already has AvioNG and the correct FIKI boots installed (if new boots are needed then they will be done on a time and material basis). The FIKI/AvioNG 1.5 must be done at the same time in order to save cost and down time.

Avio or non ETT to AvioNG 1.5 and FIKI: We have started the first two Avio to AvioNG upgrades, these two aircraft will be taken from Avio all the way to AvioNG 1.5 and FIKI. We will price this upgrade when we finish these two aircraft as they will be used for Validation/Verification.

EASA, AvioNG 1.5 and FIKI: We will be starting one EASA, AvioNG 1.5 and FIKI upgrade on a European airplane in October. We will price this upgrade when we finish this aircraft as it will be used for EASA Validation/Verification.

ETT, AvioNG 1.5 and FIKI: We have begun to source parts and make plans for aircraft requiring the full ETT upgrade. We plan to do these upgrades for customers in Albuquerque after our repair station gets certification.

Communications and Scheduling Service/Modifications

For efficiency and to allow our staff to focus on the task at hand during our transition period, we encourage you to utilize our website. Our main communication avenue continues to be through our website at www.eclipseaerospace.net. Last month while we were starting up, we may have been slow in responding to various requests. We have now hired a full-time Customer Service Representative who will be joining our team shortly and this will improve our responsiveness. Also, on our website you will find information on how to request service or provide comments. Thanks for your patience in this area, but rest assured we are working every day on filling your requests as quickly as we can.

Summary

As you can see by the above communication, our small but energized, committed, and capable team has accomplished a tremendous amount of work in a very short period of time. We are proud of the team we have assembled as they are dedicated to the product and the customer. We will continue to grow at an organic pace, and addressing each situation in a planned, logical, and organized fashion.

Our goals remain the same:

1. Restore service and parts to the existing fleet.
2. Continue the modifications and upgrade program in Chicago and Albuquerque.
3. Begin refurbishment and marketing of repurchased aircraft.
4. Continue to study the viability of restoring the production of the EA500 aircraft.

Again, thanks to all of our customers for their support. We appreciate the kind words and thoughts and we are here working for you! "Customer First"

On the next Page you will find some Frequently Asked Questions and Answers

Questions and Answers

When will the ABQ Service Center open?

Our objective is to get the ABQ Service Center up and running during October. Additional staff are being hired and trained and the shop is getting organized while we complete some required FAA documentation.

When will simulator training restart?

We are currently in the evaluation phase of prospective training providers. We will have an FAA/insurance approved simulator training course and provider available as soon as possible. We will keep customers informed as to our progress and this continues to be a high priority item.

Is Eclipse Aerospace refurbishing aircraft? If so, how does this process work?

Yes. As part of the refurbishment, EA will perform all of the modifications, refurbish the interior, re-paint and re-stripe the aircraft as needed before selling these aircraft.

Some Questions directly related to the FIKI/ 1.5 Modifications:

In addition to FIKI, what additional functionality is gained by upgrading to 1.5?

Additional features in the 1.5 upgrade include: Flight Plan display on the MFD, WAAS GPS Guidance on the PFD via the Garmin 400W, Coupled Autopilot (including roll steering), improved AFM procedures, vastly improved Autopilot engagement in turbulence, Stormscope® functionality, and other improvements.

What about the features not included in the AvioNG 1.5 upgrades that were originally promised by the "old Eclipse"?

We are in the process of studying the opportunity to add functionality in the future such as; Auto Throttle, FMS, Moving Map, XM® weather. There is no timetable for these features but we are performing the AvioNG 1.5 modification to allow flexibility for these features to be added in the future.

If I have already installed one of the third-party Garmin 400 systems, can I upgrade to full FIKI/ 1.5? If so at what cost?

Yes you can upgrade to the full FIKI/ 1.5 solution. The cost will depend on how your current installation was performed. Where possible we will reuse parts.

Should I consider just installing a third-party Garmin system until I can be scheduled for my full FIKI/ 1.5 upgrade?

We do not recommend this, Eclipse will make navigation database updates available in the coming weeks. Although the Garmin installations performed by third parties may be legal as a 337 install, the FAA aircraft certification office has informed Eclipse Aerospace of their intent to review all 337 installations. In addition, we believe our capacity to perform the full FIKI/ 1.5 installs will rise to meet the current demand within the next several months.

Will there be an alternative to the current windshield coating for FIKI in the near future?

We believe the windshield coating application will be replaced by a more robust solution in the future. However, these solutions will require additional flight testing and certification. Until an alternative solution is approved the current solution meets the needs of most aircraft owners. In addition, our Chicago service center has improved the clarity of the existing windshield coating.

How "fragile" is the FIKI windshield coating and is it getting damaged in the field?

The coating appears to hold up well against rain and normal in-flight abrasion, but can be scratched with improper cleaning. We have found that special purpose disposable towels with a flow of water, does a fine job. The key is to let the soap and water do the work, and not to apply pressure. We do spend time training crews when they pick up the aircraft after the upgrade.

What is the frequency of required inspections for the FIKI windshield application?

The coated window has a 50 hour inspection requirement. It does require a special instrument (available) but takes less than 15 minutes to perform.

What is involved (time, cost) to remove and/ or replace of the FIKI windshield coating if needed?

The coating is labor intensive and the product quite expensive. It would also depend on how the old coating was removed. The cost is estimated to be in the \$4,000- \$5,000 range.