December 21, 2009

TO: ALL ECLIPSE CUSTOMERS

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

In our third written communication as Eclipse Aerospace, we would like to report our progress during our first 90 days of operation. During our acquisition phase, which successfully closed on September 4, 2009, our team developed a 120 day Transition Plan, which is now almost complete. As you will see in the report below, we are making great progress in all areas of the company and our Associates are working diligently to bring the company back to full operation. Some of the highlights in this report:

1. We now have approval not only to source parts from current inventory but also from suppliers as well. Almost all parts can now be ordered via our website parts order system. (Except for PhostrEx, discussed below).
2. Our ABQ Service Center is now operational and 8 planes are undergoing upgrades including our first to incorporate the EASA configuration changes.
3. Our Chicago Service Center is now delivering the first group of upgraded aircraft.
4. EAI now has an FAA approved, factory sponsored Recurrent Pilot Training and FIKI/1.5 Differences Training courses.
5. The Bias-Ply tire Service Bulletin is now complete and can be ordered along with tires directly from EAI. Please contact Customer Care to place an Order for the New Bias Ply Tire Kit.

Now we will discuss in greater detail our progress.

**General Accomplishments**

**Employment:** Our staff had grown to over 60 Associates. We continue to add engineering and mechanic talent needed to support the fleet. Mechanics are being hired to ramp upgrade completions as quickly as possible. Engineering talent is being added to support the upgrades, complete the final design changes, and for continued aircraft improvements.

**Customer Support:** Our main method of information and contact has been via our website www.eclipseaerospace.net. Eclipse Aerospace has recently staffed our “Customer First” support department. In addition, the main phone lines and department extensions have been reactivated. We have also released an upgrade to the customer support section of our website. ALL customer requests MUST be initiated via this website. One of the website improvements is customer request tracking. Each time a customer enters a new request a “tracking number” is assigned to the request and the request is date and time stamped. All requests will be replied to within two business days. AOG requests will continue to receive priority service. Please continue to use the website as the primary means of requesting parts, service, and/or modifications.

**Physical Inventory:** We have completed a physical inventory of all parts, tooling, support equipment, and physical assets. Parts and inventory have been consolidated and logged into an updated inventory and parts system. This new system will allow us to locate current parts in inventory quickly and to also order parts from our suppliers for needed parts on hand.

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**FAA and EASA**: Meetings with both agencies are ongoing and mutually cooperative. We recently participated in a coordination meeting in Cologne, Germany with EASA officials on completing the EASA Service Bulletins and preparing for EU-Ops1 (commercial operation approval of the Eclipse 500 in Europe).

**Suppliers**: The first Supplier Conference took place in ABQ on October 27th. Over 70 suppliers attended. The feedback was very positive, as most former suppliers are interested in supporting the new Eclipse Aerospace.

**Brokerage Service**: The brokerage service has been active. Eclipse Aerospace has been receiving 30-40 calls/inquiries per week, requesting information about the Eclipse 500 and our listings. While sales are still slow, the activity level is picking up and we anticipate more sales as support of the aircraft improves.

**Specific Accomplishments**

**ABQ Service Center and Parts Distribution from ABQ**: The ABQ Service Center is now open for business. We have a staff of 13 mechanics working on 8 aircraft upgrades. We will continue to add additional mechanics as quickly as they can be sourced. We now have FAA approval to begin selling and distributing parts from ABQ with FAA oversight, both from current inventory and new parts from suppliers. We have now sourced all parts for the aircraft. Our longest lead time part is the PhostrEx bottle. Our engineers have completed the preliminary design for a new canister and we have signed a contract with a new supplier to perform materials compatibility testing and develop a new fill process. It will likely be several more months before we can offer PhostrEx bottles for sale and the retail price is yet to be determined.

**Bias-Ply Tires**: We received the Bias-Ply Tire certification in October, however, we have experienced a delay in the approval of the quality control process for delivery from the supplier of the two “Placards” required by the FAA. This has now been resolved. Please contact Customer Care to place your order for the New Bias Ply tires, Placards and AFM Supplement. The initial order will be supplied as a kit from Eclipse Aerospace, which will include the Service Bulletin, AFM Supplement, Placards and two main tire(s). Additional tires may be purchased through EAI or directly through approved Michelin distributors. You will however, have to place your initial order through EAI in order to receive the Placards and required AFM Supplement.

EAI has worked very hard to obtain approval of the bias-ply tires and reduce the cost of the actual tires. As a result of these efforts, our customers will enjoy over double the number of landings per tire and we wish to offer these tires at the introductory price of $295 each.

**Parts Supply**: Since September we have received requests for over 350 parts for the aircraft. Our supply chain and parts distribution teams have worked very hard to source these parts, create a quality control process, inspection process, payment process and shipping process. We are pleased to report that as of December 10, our parts backorder list is now less than 75 parts. Most parts requests are now being shipped within a week of their original request. We continue to improve and are working towards a goal of same day shipping for most parts as we continue to build inventory to expected forward stocking levels in the coming months.
**Pilot Training:** Eclipse Aerospace recently received approval from the FAA to begin conducting FIKI / Avio NG 1.5 Differences Training to pilots intending to fly as PIC in Eclipse 500 aircraft that have been modified by Service Bulletin 500-99-05, NG 1.5 and Autopilot Version 2; and Service Bulletin 500-99-04, Flight Into Known Icing (FIKI). We are pleased to offer this, our first FAA approved factory training course, to our customers. The FIKI / Avio NG 1.5 Differences Training, and the other factory training courses that will soon follow, will allow our customers to obtain higher limits for their Eclipse 500 hull and liability insurance coverage. We are also in negotiations with the insurance industry to obtain discounts for hull and liability insurance coverage for customers who complete our factory training courses.

In addition, we are pleased to announce the FAA approval of our factory authorized annual recurrent training program. As with the FIKI/ 1.5 Differences course, both of these programs are offered as "in aircraft” training programs and can be scheduled through our website for training in ABQ, Chicago (differences only) or, upon request, at your location. More information about training can be found in the Q&A section below.

**Mechanic Training:** On December 1, 2009 Eclipse Aerospace entered into a contract with Global Jet Services to provide all Eclipse maintenance training programs. More about the mechanic training programs can be found by visiting the partner link on our website for Global Jet Services.

**Publications Section on Website:** We have added a section to our website which contains a listing of all Service Bulletins and other important technical documents for the EA500. Many of these documents can be downloaded from our site while some specific documents are distributed upon request. We will, in the near future, offer a Subscription Service for all technical publications and manuals.

**Upgrades and Modifications**

**FIKI and Avio NG 1.5:** We have begun delivering our first group of FIKI/AvioNG 1.5 upgraded aircraft. The owners and pilots of these planes are very pleased and we have been told the completed aircraft is a joy to fly! The first aircraft to be upgraded are always the hardest, and we are proud of the job our team is performing. Additional time was needed in getting FAA approvals, parts supply back on line, and completing the technical details of the Service Bulletin. Now our throughput should ramp as we scale and train our staff. We will continue to add team members to support this effort and are confident our induction/delivery schedule for upgrades should improve beginning in January.

**Avio to AvioNG 1.5 and FIKI:** We are in the process of upgrading two aircraft in this category and validating the Service Bulletins. The first two planes should be completed in mid January and we will then be able to start accepting additional orders for the Avio to AvioNG upgrades. We will validate and establish a retail price at that time.

**EASA, AvioNG 1.5 and FIKI:** We have started work to validate our first EASA upgrade. We expect this upgrade to be completed before the end of January. In addition, we are working closely with this Customer to place this aircraft into commercial operations as the first EA500 to be utilized for commercial purposes in Europe.
Communications and Scheduling Service/Modifications

During our transition period, we encourage you to continue to utilize our website. Although we have reactivated our telephone extensions, to help keep our limited staff as efficient as possible, our main communication avenue continues to be through our website at www.eclipseaerospace.net.

Summary

As you can see by the above communication, we continue to grow and address the challenges with an open and dedicated team of professionals.

Our goals remain the same:

1. Restoring 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 our study on the viability of restoring the production of the EA500 aircraft.

Again, thank you to ALL of our customers, fleet operators and pilots for your continued 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?

The ABQ Service Center is open for business. Staff continues to be hired and trained and Modifications and Upgrades are underway. Please see our website for scheduling upgrades in ABQ.

When will pilot Differences and Recurrent training start?

It already has! Our two-day ground and flight training for FIKI/1.5 is provided at the discounted rate of $995 per student (for training in ABQ and PWK), when an order for the FIKI 1.5 aircraft upgrade is placed. In addition, we offer factory approved recurrent training at a rate of $2,495 per student (for training in ABQ). Please visit our website under training for more information or to schedule a training program.

What specifically is included in the FIKI/1.5 Differences Training program?

The content and length of the course is partially governed by AC 61-137A, Approval of Manufacturer’s Required Training Programs. It is organized into three components: ground training (classroom), cockpit procedures training, and flight training. Ground training will describe and explain the systems that are new to the FIKI / Avio NG 1.5 pilot. Cockpit procedures training (CPT) will provide demonstration and practice on new systems and their operation. Finally, the flight training component will allow the pilot to first practice flight operations with new systems, and then demonstrate proficiency to ATP standards.

The FIKI/1.5 course covers 2 days and contains minimum of 6 hours of ground, 3 hours of CPT, and 3 hours of flight in the aircraft. The only prerequisite is that the training pilot has some familiarity with the Garmin 400 series GPS system. Without at least a basic knowledge of Garmin, all three components of the training may last significantly longer. A good source of information can be found at https://buy.garmin.com/shop/shop.do?pID=298&ra=true. Downloadable “freebies” include a Garmin 400 simulator, training video, and lesson plans.

Do I Have to Purchase the FIKI/1.5 Differences Training?

Yes, Eclipse Aerospace has worked very closely with the FAA in establishing an approved training program to afford you, the Owner with the most complete understanding of the new and additional features being offered in the FIKI /1.5 Upgrade. The price of $995.00 (for training in ABQ and PWK) and is automatically added to your Upgrade and may be used for one Owner or his designee.

Will there be other authorized factory service centers besides ABQ and Chicago?

Yes, we expect to identify and authorize several Service Centers in early 2010. Until then we will continue to build strong relationships with all repair stations that have qualified Eclipse trained mechanics on staff.

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What is included in version 1.6 and when will it be available and at what price?

Version 1.6 was announced at NBAA. We are excited about this upgrade. Version 1.6 utilizes GPS data to provide the pilot with moving map and approach chart displays with aircraft position overlaid onto the chart or map. In addition, XM weather features are overlaid onto the map along with METAR’s, TAF’s and other weather station reporting information. Since final certification is not complete, we have not established pricing. We expect certification in the future and are looking forward to providing this additional functionality for the EA500 aircraft.

When will I be able to purchase a PhostrEx canister for my aircraft?

We recently entered into a new agreement with a Supplier to redesign, source and produce PhostrEx canisters. We expect to be able to commercially offer the new canister by mid 2010.

When will batteries be available for purchase?

We now have a large supply of batteries in stock. Our hope was to announce our ability to sell these batteries this month. However, the FAA has asked for additional information in authorizing these batteries for sale. We hope to have this issue resolved very quickly and upon approval we will contact all on our list for batteries for immediate shipment.

Can I now buy the new bias-ply tires and what is the cost?

Yes, you can now buy the new bias-ply tires by ordering them and the Service Bulletin kit from the EAI website. The Service Bulletin kit includes the Service Bulletin, two “FAA approved” placards, and two main tires for a cost of $750. Additional tires will be kept in stock and can be ordered for $295 each.

Is anything being done to remove the AD restricting the aircraft to 37,000 ft?

Yes. We are evaluating potential design solutions with Pratt and Whitney Canada and will announce our path forward in the first quarter of 2010. This is a high priority item for Eclipse Aerospace and functionality we intend on restoring to the aircraft.