

Today, Eclipse Aviation started a new era in its relatively short existence. Eclipse filed for protection in a Delaware court under Chapter 11 of the U.S. Bankruptcy Code. The company is using Section 363 of the U.S. code to sell its assets and a lead bidder, an affiliate of ETIRC Aviation, has filed an offer to purchase the business out of reorganization. As part of this filing, there is sufficient debtor-in-possession (DIP) financing to allow the company to operate until the sale is finalized in January 2009. The process allows for the current company operating under protection to continue the manufacture and support of the Eclipse 500.

While this is an extraordinarily difficult thing to face, it was the best possible choice before the Board of Directors, the senior lenders and the executive management team.

The implications of this action are many and certainly complicated for everyone involved. While we have modeled many different scenarios, at this time, until the sale is finalized, the old company cannot disclose the final plans for things like production, suppliers and deliveries in 2008 and 2009.

This letter will attempt to outline the immediate scenarios for each constituency amongst the customer groups.

Customers who have taken delivery of their aircraft:

During the sale process, the new company intends to operate as a going concern to support the Continued Airworthiness of the fleet. However, there is a different path of interaction between customers and the company operating in reorganization.

Warranty - Warranties are no longer covered by the new company, post petition. Any and all maintenance work performed on aircraft will be on a time and materials basis during debtor-in-possession operations. The new company must decide if it will honor any part of past warranties. Any outstanding warranty claims submitted pre-petition will not be honored by Eclipse or the new company.

If your aircraft is currently in an Eclipse service center for maintenance, the new company will continue to work on it and return it to service, on a time and materials payment basis.

JetCompleteR - JetComplete contract obligations are no longer being honored in this phase. It is too early to tell if a new aftermarket product will be offered by the new company. This means that Jeppesen and XM services (for the Garmin 496) will no longer be offered and paid by Eclipse on your behalf once your current subscriptions expire. Iridium services will be maintained by the new company for DSU purposes. Customers will be able to go directly to Jeppesen for service coverage so they are not grounded by out of date databases.

Pratt & Whitney Canada - Those with engine coverage as part of JetComplete will no longer have coverage through JetComplete or PWC under JetComplete. Please contact PWC for coverage in the Eagle Service Plan (ESP).

Spare parts - Debtor-in-possession financing will allow for spare parts to be supplied for continued airworthiness, providing the supplier is willing to continue providing parts to Eclipse while in reorganization. In the event a supplier is not willing to supply parts, the new company will be forced to find an alternate source.

Eclipse service centers - All Eclipse service centers will continue to operate while in debtor-in-possession for service, maintenance events and continued airworthiness.

Authorized service centers - At this time, Eclipse Aviation does not have any authorized service centers although a new service model could be implemented by the new company.

Post Delivery Commitments including modifications - Modification plans at the expense of Eclipse will not be honored in this phase of operations. Eclipse intends to sell services and/or the parts kits to all customers who request to have the final configuration installed on their aircraft. The new company will determine how to provide these mod services to the customer base after the sale.

The third party service centers that were intended to perform these mods will be given every chance to fulfill that opportunity for the new company and the Eclipse 500 customers.

Flight Training and maintenance training - Flight training will continue as planned including recurrency training but while in the debtor-in-possession phase, it is no longer part of the purchase price of the aircraft. The new company must determine what type of structure and inclusion in the delivered price can be maintained. Because JetComplete contracts are no longer valid, those requiring and scheduling recurrent training will pay the retail price of that service. Maintenance training classes will continue as required or requested.

Customers who have paid any deposit including the 60% deposit:
Those customers who have paid a deposit for an Eclipse 500 are unsecured creditors of Eclipse Aviation.

If there is a way to offer consideration to those affected depositors, it will be reviewed for consideration but it is not known at this time if it will be assumed by the new company.

Customer who have asked for a refund:
Customers who have asked for a refund are now an unsecured creditor of Eclipse Aviation.

Eclipse 400 customers:
Customers who have asked for a refund are now an unsecured creditor of Eclipse Aviation.

Those customers that have not asked for a 400 refund are an unsecured creditor of Eclipse Aviation and must wait until the new company decides whether to honor those deposits. The new company will determine if the Single Engine Jet Concept is a viable aircraft for today's market.

We truly understand that these are tremendously difficult times for you and for our employees. However, please be aware that there is not anything we are holding back from this communication so additional facts or answers will not be available from the teams staffing the phones.

The new company will continue the customer call events to update all customers on status and progress. The next one will be scheduled by the Customer care team.