

FAULKNER, GARMHAUSEN, KEISTER & SHENK
A LEGAL PROFESSIONAL ASSOCIATION
COURTVIEW CENTER - SUITE 300
100 SOUTH MAIN AVENUE
SIDNEY, OHIO 45365
(937) 492-1271
FAX: (937) 498-1306
www.fgks-law.com

MINSTER, OHIO
(419) 628-3677

HARRY N. FAULKNER
JOHN M. GARMHAUSEN
RALPH F. KEISTER
JAMES R. SHENK*
MICHAEL A. STAUDT
JAMES L. THIEMAN**
THOMAS J. POTTS
DANIEL A. BENSMAN
WILLIAM E. LANG
DAVID B. SHUFFELTON
BRYAN A. NIEMEYER
JOHN M. DEEDS

FT. LORAMIE OFFICE
31 S. MAIN STREET
P.O. BOX 320
FT. LORAMIE, OHIO 45845
(937) 295-2983
FAX: (937) 295-3633

05V-195
(3 pages)

SENDER'S E-MAIL
dbensman@fgks-law.com

*ALSO ADMITTED IN FLORIDA
**ALSO ADMITTED IN INDIANA

May 10, 2005

**VIA FACSIMILE AND
CERTIFIED U.S. MAIL,
RETURN RECEIPT REQUESTED**

Mr. George H. Person
National Highway Traffic Safety Administration
Office of Defects Investigation
400 7th Street, S.W. NSA-11
Washington, DC 20590

**Re: Eldorado National (California), Inc.
Defect and Non-Compliance Report**

Dear Mr. Person:

Our firm is general counsel for Eldorado National (California), Inc. ("Eldorado"), 9670 Galena Street, Riverside, California 92509. Eldorado National received notification from Workhorse Custom Chassis ("Workhorse") in March 2005 that the ABS telltale and other warning brake signals fail to conform to Federal Motor Vehicle Safety Standards (FMVSS) 101 and 105. Workhorse has already instituted a safety recall campaign in connection with this matter. The recall number assigned by NHTSA for Workhorse's safety recall campaign is 04V-195.

Pursuant to Part 573 of Title 49 of the Code of Federal Regulations, we are hereby notifying the National Highway Traffic Safety Administration that certain buses manufactured by Eldorado contain the chassis manufactured by Workhorse that fail to conform to FMVSS 101 and 105.

As more specifically set forth below, Workhorse has agreed to conduct the recall campaign involving these non-compliant chassis, including but not limited to providing notification to all of Eldorado's potential customers that are subject to the recall campaign, remedying the non-compliance, and filing the quarterly reports in connection with the recall campaign.

DEFECTS INVESTIGATION
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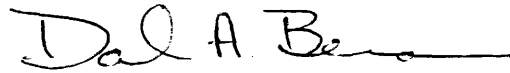
- A. Recall Population and Vehicle Identification. The non-compliant chassis supplied by Workhorse have been used on certain 2003 and 2004 model year Escort FE buses manufactured by ElDorado during the period from February 2003 through May 2004. The total number of buses subject to this recall campaign is 13.
- B. Description of Non-Compliance. All of the buses subject to this recall campaign were built on Workhorse chassis that contain an Actia Corporate instrument panel cluster. The non-compliance involves incorrect software programmed into the instrument panel cluster such that certain driver warnings required by FMVSS 101 and 105 are not displayed. As a result of this incorrect software, the instrument panel cluster may fail to illuminate warning lamps indicating brake system failure codes.
- C. Basis for Determining that a Non-Compliance Exists. ElDorado received notification from Workhorse in March 2005 that a potential non-compliance exists with respect to the Actia Corporate instrument panel cluster used on certain Workhorse chassis.
- D. Remedying of Non-Compliance. As set forth in the notification issued by Workhorse in connection with recall campaign 04V-195, Workhorse dealers will reprogram the software used in the instrument panel cluster or exchange the instrument panel cluster. The owners of the buses subject to this recall campaign will be advised to contact Workhorse in order to make arrangements to have the remedy completed by Workhorse. Workhorse has agreed to remedy the non-compliance without charge to the owners.

In order for Workhorse to remedy the defect referred to above, all of the owners of the buses sold by ElDorado that are subject to this recall campaign must be notified. ElDorado has already completed its obligation to provide Workhorse with the names and addresses of the current owners of such buses. Workhorse will implement the recall campaign in accordance with the procedures specified in recall campaign 04V-195.
- E. Owner Notifications. Workhorse has agreed to provide the notification letters to the owners of the buses that are subject to this recall campaign in accordance with the procedures specified in recall campaign 04V-195.
- F. Quarterly Reporting Requirements. Workhorse will be responsible for filing quarterly reports in connection with recall campaign 04V-195. Because the information included by Workhorse in its quarterly reports will encompass the remedying of the ElDorado buses subject to this recall campaign, ElDorado will not file quarterly reports to avoid duplication.
- G. Campaign Number. ElDorado does not have an internal campaign number for this recall. ElDorado will use the recall campaign number assigned by NHTSA.

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The enclosed information should comply with the NHTSA regulations and satisfy the obligations of ElDorado with respect to this recall campaign. If you need any additional information regarding the participation of ElDorado in this recall campaign, please feel free to contact me at (937) 492-1271.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel A. Bensman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel A. Bensman

dja

cc: ElDorado National (California), Inc. (via fax)
Mr. John M. Garmhausen

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