

October 4, 2006

DEFECT NOTIFICATION

Dear Customer:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of U.S.A.

Prévost Car Inc. has decided that a defect which relates to motor vehicle safety exists in certain 2006 H3-41 & H3-45 coaches, and 2007 X3-45 coaches.

Bendix has determined that a check valve inside the Bendix® SR-7™ spring brake modulating valve may not properly seat, causing internal valve leakage. The leakage can result in delayed application of the spring brakes to park the vehicle upon pulling of the dash valve button. The delay, which could last up to three minutes, may be accompanied by secondary air leakage, such that the secondary reservoir is depleted. During this time, there is a risk that the vehicle can roll away. This issue does not affect the operation of the vehicles service brakes, however it could affect the emergency stopping distance in the event of a primary air system failure application of parking brakes.

The root cause of the problem is that the diameter of the valve cavity and width of the ribs which guide the internal check valve, were manufactured by the valve body sub-supplier to the incorrect drawing revision. This condition may occur intermittently.

| Model | Serial Numbers |
|---|---|
| H3-41 & H3-45 Coaches Model Year: 2006 | 2PCH3349161010604, 2PCH3341061010605, 2PCH3349561010606, 2PCH3349761010607, 2PCH3349061010609, 2PCH3349761010610 |
| X3-45 Coaches Model Year: 2007 | 2PCG3349071028959, 2PCG3349771028960, 2PCG3349071028962 |

CORRECTIVE ACTIONS:

Safety Recall SR06-10 and Bendix SR-7 Valve Recall Campaign Identification Guidelines (BW2585) will explain the complete procedure required. Federal regulation requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

REPORTING REQUIREMENT:

In order to verify and document the corrective action taken on your vehicle(s) pursuant to the requirements of the Federal Motor Vehicle Safety Regulations, we are enclosing a "SAFETY RECALL CERTIFICATION" sheet. When the vehicle(s) is (are) repaired, this (these) sheet(s) must be completed and returned to PRÉVOST CAR INC. head office.

LABOR & PARTS REIMBURSEMENT:

Prévost Car Inc. will reimburse you parts and labor incurred.

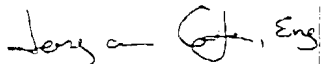
Federal laws require that you be informed of your right to notify the Department of Transportation if you are unable to have the defect remedied without charge. The address for this purpose is:

National Highway Traffic Safety Administration
Washington, DC 20590
USA
Auto Safety Hotline: 1-888-327-4236.

If any assistance is required, please contact your local distributor or the PRÉVOST CAR INC. after sales service department.

We regret any inconvenience which this situation may cause you. However, we are concerned about your safety; rest assured that PRÉVOST CAR INC. is making all efforts to remedy the defect as quickly as possible in the interest of motor vehicle safety.

Truly yours,



Josyane Côté, Eng.
Technical Publications Manager.