

Central States Bus Sales, Inc.
303 Business Park Drive, Lebanon TN 37090
615-466-5040 • FAX: 615-466-5045 • 877-307-0322
www.centralstatesbus.com

"The Bus Experts"

February 15, 2016

Mrs. Freda Parsons
RTEC
100 East Main Street
Mount Vernon, KY 40456

RE: KPTA bus contract and Ford 5.4L V8 Engine status

Mrs. Parsons,

As you probably know, Ford Motor Company has decided to discontinue the 5.4L V-8 gasoline engine. Considering we have a contract in place with the transportation cabinet I would like to address this situation directly.

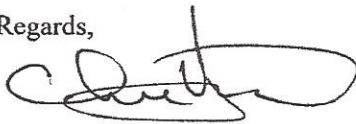
First, I have requested a letter from both Ford and Starcraft to explain the current chassis situation and the availability of the E series chassis with the V8 gas engine. Unfortunately, there are no longer any chassis available for us with this engine and Ford will not be building any more in the future.

Second, we can still get the E series chassis to fulfill orders but they will be required to go with the 6.8L V-10 engine upgrade. As you know, this option is already available on the contract at a price of \$950. We are still able to produce all models under contract (8+2, 12+2 & 16+2) but the orders must contain the aforementioned option. We will continue to honor current pricing of the contract as long as possible. We suspect the model year will come to a close soon but we will try to plan in advance to hold as many stock chassis as we can for your orders before implementing a chassis model year increase.

Finally, we currently have a replacement product for the 5.4L E series chassis in the new Ford Transit. We are currently working on specifications for you that would allow you to include this in your next bid solicitation. We are confident this is the way the industry is headed for the smaller floor plan buses such as your 8+2.

If you have any questions or need additional information please feel free to contact me by phone. Thank you for your continued support as we truly value your business.

Regards,



Chuck Harvill
Central States Bus Sales, Inc.
General Manager, KY Operations

Memo: Ford 5.4l engine supply

To whom it may concern:

Starcraft Bus no longer has any available Ford chassis with 5.4l gasoline engines. Ford is no longer offering this engine in cutaway chassis. We had anticipated this discontinuation and had purchased extra chassis but we have now exhausted our supply.

Mark Barczak

Mark Barczak
Government Bid Administrator