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GENERAL INVESTIGATION

September 8, 2006

06V-347
(2 pages)

**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: Damon Corporation
Safety Defect
Manufacture's Recall Identification Code: 06-116

Dear Mr. Person:

Damon Corporation ("Damon") decided that a safety defect exists in some of the motor vehicles listed below and is furnishing notification to the National Highway Traffic Safety Administration in Pursuant to Part 573 of Title 49 of the Code of Federal Regulations.

As more specifically set forth below, Damon will conduct the recall campaign involving these motor vehicles.

- A. Recall Population and Vehicle Identification. Certain 2006 model year DayBreak, Challenger, and Intruder Class A motorhomes, which were manufactured by Damon during the period from May 2005 through May, 2006. The total number of motorhomes subject to this recall campaign is 1592.

- B. Description of Defect. The defect involves the routing of hydraulic lines for the leveling jack systems underneath the motorhomes. Some lines may be improperly secured or routed too close to a drive train heat source. This may cause melting of the hydraulic line resulting in leakage of hydraulic fluid, which could cause a fire.

- C. Basis for Determining that a Defect Exists. Damon decided to conduct this recall following an internal investigation. Damon is aware of one minor indirect injury and related warranty claims.
- D. Remedying of Defect. Damon will inspect and secure the clearance of the hydraulic leveling hose that may be too close to heat sources including but not limited to tailpipes, catalytic converters, muffler, exhaust manifolds, engine components and transmission components.
- E. Owner Notification. Damon anticipates it will notify the owners of the motorhomes the week of September 25, 2006. (Damon will submit its proposed owner and dealer letter to NHTSA for approval on or before September 18, 2006.) There are no foreseeable problems at this time with implementing the recall.
- F. Dealer Notification. Damon will notify Damon dealers that have sold motorhomes subject to this recall campaign or that have such motorhomes currently in inventory.
- G. Quarterly Reporting Requirements. Damon will be responsible for filing quarterly reports in connection with Damon recall directly to NHTSA.
- H. Campaign Number. Damon's internal campaign number for this recall is 06-116. Damon will also use the recall campaign number assigned by NHTSA.

This information should comply with the NHTSA regulations and satisfy the obligations of Damon with respect to this recall campaign. If you need any additional information regarding this recall campaign, please feel free to contact me at 800-860-3812, Ext. 346.

Sincerely,



Diane Faus
Legal Affairs Coordinator
Dfaus@DamonRV.com
574-264-3837 Fax

cc: Dave Mihalick
Compliance Manager
Thor Industries, Inc.