

November 19, 2007

Arrowhead RV
4820 E. Highway 90
Marianna, FL 32446

Subject: Carefree Of Colorado Power Winch Recall [07V-511]

Dear Palomino Dealer:

Please read the enclosed materials closely, as some of the units that you purchased from Palomino RV have been involved in a recall of the Carefree Of Colorado Power Winch.

Below is a list of units that we have decided need to be looked at to determine if they are included in the winch recall, and modified if they are:

n035730 Y-4125

We are very sorry for this inconvenience, but with your cooperation this issue can be remedied speedily and effectively. If you have any questions please feel free to call me.

Sincerely,

Palomino RV
A Division of Forest River Inc.

Kim Dobson
Warranty Manager

Encl:
Vehicle Safety Defect Service Bulletin
Safety Recall – Folding Camping Trailers
Owner Reply Form
Cable Shaft Replacement – Tech Svc Bulletin

December 4, 2007

VEHICLE SAFETY DEFECT SERVICE BULLETIN

TO: All Palomino RV Folding Camping Trailer Dealers

The National Traffic and Motor Vehicle Safety Act, as amended, provides that each vehicle which is subject to a recall campaign of this type must be adequately repaired within a reasonable time after the owner has tendered it for repair. Failure to repair within sixty (60) days after tender of a vehicle is prima facie evidence of failure to repair within a reasonable time.

Every effort must be made to promptly schedule an appointment with each owner and to repair their vehicle as soon as possible. As you will see in reading the attached copy of the letter that is being sent to owners, the owners are being instructed to contact the Palomino customer service if their dealer does not remedy the condition within three (3) days of the mutually agreed upon service date. If the condition is not remedied within a reasonable time, they are instructed on how to contact the National Highway Traffic Safety Administration.

DEFECT INVOLVED

Palomino RV has determined that a defect which relates to motor vehicle safety exists in certain 2007 and 2008 Palomino Folding Camping Trailers equipped with Carefree of Colorado Powerwinch Model P55000 FCT Winches ("FCT winch") shipped between February 2007 and August 2007. An incorrect material was used in the manufacture of cable shafts on some FCT winch production units. Under certain circumstance while the top is being lifted, if the winch is place into a stall condition, the cable shaft may break prior to the fuse or circuit breaker tripping. If the cable shaft breaks, the FCT top will free-fall into the lowered position. A stall condition can occur by: (1) improper setting of the winch limit switch, (2) seizure of the FCT where the winch is activated to raise the FCT top without releasing the top locking latches or, (3) any other mechanical binding that may restrict the top from being raised while the winch is activated.

VEHICLES INVOLVED

Involved are certain Palomino RV Folding Camping Trailers equipped with Carefree of Colorado Powerwinch Model P55000 FCT Winch built within the following VIN breakpoints: N034956 through N036342

Involved vehicles have been identified by Vehicle Identification Number Computer Listings. Computer listings contain the complete Vehicle Identification Number, owner

name and address data, and are furnished to involved dealers with the campaign bulletin. Owner name and address data furnished will enable dealers to follow-up with owners involved in this campaign.

These listings may contain owner names and addresses obtained from State Motor Vehicle Registration Records.

IMPORTANT

Some of the vehicles affected may still be in your inventory. Federal law requires you to complete the recall service on these vehicles before delivery.

DEALER SERVICE INSTRUCTIONS

Service Procedure: This procedure involves inspecting the vehicle and the cable shaft. If the unit is identified as affected, the cable shaft will need to be replaced. This can be accomplished per the attached shaft replacement instructions.

RECALL SERVICE CAN BE COMPLETED QUICKLY. IDENTIFY WHETHER THE UNIT IS AFFECTED, REMOVE AND REPLACE THE CABLE SHAFT, AND READJUST THE LIMIT SWITCH. TIME TO COMPLET THE NECESSARY RECIALL IS ESTIMATED AT 30 MINUTES. SIMPLY FAX IN THE RECALL WARRANTY FORM TO CAREFREE OF COLORADO TO GET A LABOR REIMBURSEMENT FO .5 HOURS TIMES DEALER'S POSTED SHOP RATE.

Parts: All necessary parts will be provided to you and the dealer at no charge by Carefree of Colorado. The recall part number R001522 contains a new shaft, set screw, and installation instructions.

Completion Reporting and Reimbursement: Claims for vehicles which have been UPDATED WITH RECALL KIT # R001522 must be submitted to Carefree of Colorado. Claims submitted will be used by Carefree of Colorado to record service and provide necessary payment.

Following the above procedures will expedite the processing of your claim. If you have any questions or need assistance in obtaining reimbursement, please contact Carefree of Colorado Customer Service at 1-800-621-2617 or by mail at Carefree of Colorado, 2145 W. 6th Avenue, Broomfield, CO 80020.

If you have any questions or need assistance in completing this action, please contact Palomino RV Customer Service at 269-432-3246 or by mail at Palomino RV, PO Box 802, Colon, MI 49040

THANK YOU FOR YOUR COOPERATION. WE APOLOGIZE FOR ANY INCONVENIENCE, BUT NOTHING IS MORE IMPORTANT THAN THE SAFETY AND SATISFACTION OF OUR CUSTOMERS.