

August 16, 2002

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WORKFORCE TRANSITION

Mr. James Houck, Director  
Workforce Transition Unit  
Michigan Department of Career Development  
Workforce Programs  
Victor Office Center – 5<sup>th</sup> Floor  
201 North Washington Square  
Lansing, Michigan 48913

RE: Mass Layoff at the following business and location:  
Baker Electrical Products, Inc.  
34775 Potter Street  
Memphis, MI 48041

Dear Mr. Houck,

This letter is to inform you, in accordance with the WARN Act that a mass layoff at Baker Electrical Products, Inc. in Memphis, MI will occur. Baker expects to lay-off 61 direct labor employees and 6 indirect labor employees on September 13, 2002. The final reduction in workforce will occur on October 18, 2002 and will affect 11 direct labor and 1 indirect labor employees. Baker Electrical's current workforce totals 138 employees. The lay-offs represent 57.2 % of our total workforce.

On July 31, 2002 Kimball Electronics Group, a key customer of Baker Electrical notified Ron Fulkrod, Vice President that they will no longer conduct business with Woodward. Kimball represents \$9,000,000 in annual sales revenue, which is 54.22% of our total annual sales revenue. The notification from Kimball was not reasonably foreseeable and will have a significant impact to our organization. Efforts since this notification to retain the business has been unsuccessful.

Due to such short notice, Baker Electrical has no choice but to operate under an exception to the 60-day notification requirement for the first reduction. (See attached written notification)

The following positions will be eliminated on September 13, 2002:

Assembler	61 employees
Maintenance	1 employees

Shipping/Receiving Warehouse	1 employee
Press Room	1 employee
Purchasing	1 employee
Quality	1 employee
Sales	1 employec

The following positions will be eliminated on October 18, 2002:

Assembler	11 employees
Maintenance	1 employee

Employees were notified of this business situation on July 31, 2002 in an all-employee plant meeting. Personalized notification letters will be hand delivered to employees on August 16, 2002. Baker Electrical is committed to making every effort to provide as much notice as reasonably possible. Employees who have been impacted will receive a standard severance package on their last day of employment.

Should you require further information or wish to discuss this matter, please contact me at (810) 392-2136, extension 126.

Sincere Regards,



Ron Fulkrod  
Vice President  
Woodward Industrial Controls  
Baker Electrical Products, Inc.

cc: Mayor Garber  
City of Memphis  
Memphis, Michigan

John Halbrook, Chairman and Chief Executive Officer  
Woodward Governor Company