



February 22, 2002

Mr. Dale Callaway  
President UAW Local #985  
24827 Plymouth Road  
Redford, Michigan 48239

Re: Carron Industries

Dear Mr. Callaway:

This letter is sent as notice to Local #985 in its role as the bargaining agent of Carron Industries hourly production and maintenance employees, pursuant to the Worker Adjustment and Retraining Notification Act (WARN), 29 USC Sec. 2101 et seq. More particularly I wish to advise that Carron has made a final business decision to permanently terminate the Ford Safety & Crash Operation at its Inkster, Michigan facilities, effective on or about April 8, 2002.

I presently anticipate that the termination of the Safety & Crash Operation will result in an employment loss of approximately 113 bargaining unit jobs. I anticipate that the employment loss will be approximately as follows:

Union (hourly):

Auto Mechanic	56
Metal Model Maker	39
Material Control Specialist	8
Truck Driver	3
Maintenance	3
General Garage Helper	1
Tool Room Machinist	2
Tool & Die Maker	2
Auto Body Repair	2
Total	116

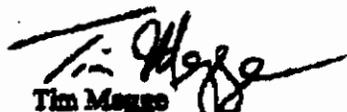
I assure you that in determining which employees will be laid off we intend to follow the applicable seniority, layoff, and bumping right provisions of the collective bargaining agreement. Due to the requirements of these provisions, at this time I am not able to give you the names of the employees who will be affected. However, I anticipate that a tentative list of names will be made available to the Union within the next 10 days. The Company also intends to continue to honor all of the other provisions of the collective bargaining agreement during the layoff process and thereafter. In this regard it specifically reserves its right to discipline and terminate seniority employees for proper cause as specified in Section B.3(B) of Article IV.

After consulting with the Company's legal counsel, the 60 day notice period contemplated by WARN commenced on February 6<sup>th</sup>, 2002 with meeting with the Carron Bargaining committee, other UAW representatives, and Carron Management, to discuss Ford Motor Company's 6% cost reduction to its Safety & Crash billing rate. The Company and the Union were unsuccessful in agreeing to a proposal that would meet both Ford's billing requirements and make Carron's balance sheet more favorable for refinancing. Due to this result, Ford is going to restructure the Safety & Crash Safety business to another supplier.

I notified Ford Motor Company of Carron's position on Friday, February 22, 2002, at which time they began a process to move the Safety & Crash business from Carron. Accordingly, the 60 day WARN period expires, Monday April 8, 2002.

I regret having to give this notice, but I see no alternative if Carron is to remain a viable business. In the event that you or any of your members have questions concerning the matter, please contact Jim Myers, Carron CFO, who can be reached at 313-274-2300, ext. 4365.

Sincerely,

  
Tim Maggo  
President and CEO

**CC. Mr. James Houck, Director  
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**Honorable Hilliard Hampton  
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**Harvey I. Wax, Esq.**