



HYDRO

October 22, 2004

VIA FACSIMILE (517) 373-4648 AND FIRST CLASS MAIL

Deborah Hennessey
Workforce Transition Unit
Michigan Department of Career Development
Workforce Programs
Victor Office Center – 5th Floor
201 North Washington Square
Lansing, Michigan 48913

RECEIVED
MDOCD-OWD

OCT 25 2004

WORKFORCE TRANSITION

Re: Layoff of Employees at the Holland, Michigan Facility

Dear Ms. Hennessey:

This letter is to notify you that Hydro Automotive Structures (“Hydro”) has made the decision to eliminate a large portion of its workforce at its Holland, Michigan facility located at 365 West 24th Street, Holland Michigan. This letter is notification to you pursuant to the Worker Adjustment Retraining and Notification Act (“WARN Act”) of this action. The reduction in force is the result of the elimination of certain customer programs and therefore is anticipated to be permanent. The facility will remain open, but with a smaller workforce.

We anticipate the reduction in force to commence on or about December 22, 2004. On or about that date, we anticipate starting the phase out of the engine cradle product line and expect to make initial layoffs of approximately 92 employees at that time. On about January 15, 2005, we anticipate phasing out the remainder of the engine cradle product line and expect to layoff an additional 64 employees at that time. We may retain a few employees after the line has closed to assist with final clean up. However, we expect that all employees affected by this reduction in force will be laid off by January 31, 2005. At this time, it is difficult to predict exactly when each layoff will take place, but we anticipate this will be the schedule. We will notify you of developments and changes in this schedule.

Determinations of who will be laid off, as well as any applicable bumping rights, will be made in accordance with the current labor agreements covering employees. For those individuals not subject to the provisions of a collective bargaining agreement, we will determine layoffs depending upon the facility’s needs and employees will be notified of this fact.

Deborah Hennessy
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I have attached a listing of the job titles of positions to be affected, and the number of affected employees in each classification. I have also attached a copy of the letter sent to the collective bargaining representatives of the affected employees, as well as a copy of the letter sent to the employees.

The following is a listing of the name of each union representing certain affected employees and the name and address of the chief elected officer of each:

- UAW Local Number 1402 – Daril Valentine, President, 533 Ottawa Ave., Holland, MI 49423
- International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW – Ron Gettlefinger, President, UAW, Solidarity House, 8000 East Jefferson Avenue, Detroit, Michigan 48214

We know this reduction in force will be difficult for everyone, and we will do what we can to assist employees in handling this event. We appreciate your cooperation in assisting us to facilitate this reduction in force.

If you have any questions, or would like any additional information, please contact myself or Allison Solis, our Human Resources Manager at 616-396-6591.

Sincerely,



Hans-Erik Kristiansson
President

Affected Employees - Non Union

# of Employees Affected	Title
1	MAINTENANCE SCHEDULER
1	ELECTRICAL ENGINEER
1	CNC TECHNICIAN
1	WELDING ENGINEER
1	SCHEDULER
4	PRODUCTION ENGINEER
1	MAINTENANCE ENGINEER
1	MAINTENANCE MANAGER
1	MAINTENANCE COORDINATOR
1	METALLURGIST

UNION EMPLOYEES

Reductions by Department		
Department	# of Employees Reduced	
	December	January
Bumpers	9	0
Tool Crib	2	0
CMM	2	0
Engine Cradle	5	48
Die Shop	0	3
Extrusion	1	12
Buildings & Grounds	2	0
Maintenance	11	0
Met Lab	1	1
Corvette Brackets	1	0
Samples	3	0
Logistics	10	0
Tool Room	8	0
Windshield Frame	24	0
Total	79	64