

HLR U.S.A. INC.

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TO: Avon Rubber and Plastics, Inc., 805 W. 13th Street, Cadillac, MI 49601

DATE: July 1, 1998

ATTENTION: Roger A. Hunt, President/CEO

PHONE: 1-616-876-1211

FAX: 1-616-876-1292

FROM: Leigh R. Larson, P/GM

REFERENCE: Dates related to company sale.

TOTAL PAGES: 1

Dear Roger:

Following our recent conversation in your office, I decided to contact Phil Skrade at Corporate Financial Advisors in Waukesha for clarification. Phil has provided the following general information.

Four firms were solicited in the first phase, including Avon and Alfa-Laval. Three expressed strong immediate interest, but one holding company had a potential conflict of interest due to the law firm that would have represented both buyer and seller. The on-site visits were limited to Avon and Alfa-Laval.

Avon visited first, and Alfa-Laval visited second. During the process the CFA personnel advised both companies of the advantage of an early bid (pre-emptive) before the bidding expiration date.

The fax copy of the Avon Letter of Intent was dated January 17, 1998. The Original dated January 18th was received on January 20th. CFA made every effort to contact Alfa-Laval at this time to advise that the Avon Letter of Intent had been signed, but it took several days for them to be available.

Phil said his last visit with the Alfa-Laval representatives was a visit to Waukesha by accountants on Thursday, January 15th. On Wednesday, January 21st a fax offer was received from Alfa-Laval. The Alfa-Laval offer turned out to be for a lower amount than the Avon offer, and would not have been accepted, anyway.

So, Avon beat Alfa-Laval to the punch by making the early bid. However, Alfa-Laval was advised of an early bid possibility, and was encouraged to get their bid in ahead of the deadline. At no time was Alfa-Laval out of the running until the Avon Letter of Intent was signed.

Phil Skrade said he would be available to discuss this matter further, if you wish. His CFA telephone number is 1-414-798-3844 (Ext. 227).

Sincerely,



Leigh R. Larson. P/GM