



January 11, 2019

Dear Valued Customer,

This letter is to inform you that H.G. Makelim Co. (Makelim) is selling its business to two separate industrial engine distributors effective February 28, 2019.

- Our Kohler gas and diesel business will be purchased by Power Equipment Systems (PES), based in Salem, OR. PES is a leading Kohler distributor in both the turf and industrial markets. Chris Castellanos, our current Kohler California dealer rep, will be joining PES as their Northern California sales representative.
- Our Kubota and JCB business is being sold to Anderson Industrial Engines (AIE), headquartered in Omaha, NE with a branch operation in Kansas City, KS. AIE is recognized as one of Kubota's and JCB's top distributors. AIE will operate the former Makelim business out of our current Modesto, CA facility and retain our staff at that location as well as the following field sales reps: Ken Brokaw, Mark Peterson and Rick Veenstra.

The ownership team of both PES and AIE are personal friends of mine. They operate their businesses with a similar customer-focused philosophy as does Makelim. I couldn't have asked for two better companies to carry forward our business. They will provide a smooth transition for your business and will excel at meeting your product and service needs.

Makelim's last day of shipping product will be February 27, 2019. Please continue placing your orders with us until then. We will manage with PES and AIE the transition of any unfilled open orders that are on file with us as of that cutover date so that fulfillment of that product occurs seamlessly from each of those companies to you. You will receive a final statement from Makelim reflecting all open balances as of Feb 28, 2019. Payment, according to the invoiced terms, should be paid to Makelim when due.

Beginning March 1, 2019 your Kohler orders should be placed with PES and your Kubota and JCB orders with AIE. You will soon be receiving correspondence from PES and / or AIE with specific contact, ordering and account set-up information.

H.G. Makelim Co. has been in business for 97 years and owned by my family for 63 years. It was a very difficult decision to sell the company after our long history in the industry. However, I am confident it is the right decision for our employees, our suppliers, PES, AIE, and most importantly...you, our valued customer. It has been a privilege doing business with you over the years and thank you very much for your loyalty and support.

Sincerely,

*Jim Hess*

Jim Hess