



January 24, 2022

To Our Valued Distributors:

State Water Heaters is announcing a price increase on gas tankless orders placed after February 28, 2022, as we continue to experience rising ocean carrier freight costs to bring our product to the United States.

As a result, we will be implementing the following price increase on orders placed after February 28, 2022:

- Gas tankless product up to 13%

All price quotes, including proof of performance, will also increase up to 13% after February 28, 2022.

ORDER POLICY AND GUIDELINES

- New price sheets will be distributed on or before February 11, 2022.
- Orders must be placed by February 28, 2022 for immediate shipment.
- We reserve the right to limit or cancel orders based on inventory availability.
- The standard 540 models are currently not available due supply chain challenges. The 540's with X3 technology will be available for ordering.
- All orders received after February 28, 2022 will be invoiced at the new price levels.

Please contact your Local Representative, Regional Sales Manager, or me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Dean", is positioned above the typed name.

Chuck Dean
Vice President Wholesales Sales