



EVAPCO, INC.
P.O. Box 1300
Westminster, Maryland 21158

Telephone: 410-756-2600
Facsimile: 410-756-6450

March 15, 2018

To: North America HVAC and IR Sales Representatives

From: Bill Bartley

Subject: Price Increase Effective March 19, 2018

Dear North America Sales Team,

These are the times that try my soul! Two unusual and significant cost increasing events pertaining to Evapco's North American business are currently unfolding. Consequently, this correspondence is provided to notify you that Evapco is hereby increasing equipment pricing and freight allowances for all products manufactured in our North American factories.

The price increases outlined below are effective March 19, 2018. The new/increased pricing will be active in our Spectrum selection software program on March 19. Old pricing and new pricing will be available in Spectrum March 19 through April 18, 2018. After April 18, only new pricing will be available in Spectrum. **All quotations offered on and after March 19, 2018 shall use the new pricing as the basis. All orders entered after April 18, 2018 must be entered with the new pricing.**

Due to the large uncertainty of our future costs, I wish to emphasize that all of your Evapco quotations **MUST** include language which says "**Quoted pricing is valid for acceptance within thirty days from the date of this quotation and shipment within six months from date of order placement.**" Unfortunately, depending on how the issues at hand play out, we may be required to strictly enforce the pricing validity periods pertaining to both order date and shipment date – so please make sure you have these validity periods included in your quotations.

Freight Costs

The impact of the Electronic Logging Device Mandate enacted late last year is now increasing the price Evapco must pay to ship our products. The full impact is not yet known, because the grace period is just now expiring. However, it is clear that our shipping costs will increase as the availability of drivers and driving hours is reduced due to this legislation. Therefore, Evapco is immediately increasing freight pricing included in our Spectrum selection software by 5%. We will monitor the situation and increase or reduce our freight prices appropriately once the dust settles,

Committed to making life easier, more reliable and more sustainable for people everywhere.

but it seems likely that 5% may not be enough to cover our freight cost increases – stay tuned, we shall see.

Equipment Pricing

The recently implemented tariffs imposed on steel and aluminum imported into the USA is increasing the cost Evapco must pay for materials required to build our products. The full impact is not yet known because the USA steel industry is currently digesting the change and planning their reactions. However, based on quotations we have received within the last few days, it is clear that significant cost increases are immediately forthcoming. Therefore, Evapco is immediately increasing all base unit, option and accessory pricing as follows based on product type.

Cooling Towers.....	+ 5.0 %
Closed Circuit Coolers	+ 5.0 %
eco-Air Dry and Adiabatic Coolers and Condensers	+ 3.0 %
Evaporative Condensers	+ 5.0 %
Ice Coils and Ice Tanks	+ 8.0 %
Evaporators	+ 3.0 %
CPA Systems and EDF Make up Units	+ 4.0 %
Evapcold LCR Penthouse and Chiller Packages.....	+ 3.0 %
RVS Vessels	+ 8.0 %
RVS Packages	+ 5.0 %
Pulse-Pure and Smart Shield Water Systems	+ 3.0 %

I wish to take this opportunity to thank you for your many efforts to help promote Evapco products and secure orders. All of us at Evapco appreciate your hard work and look forward to our future mutual success.

Respectfully yours,
EVAPCO, INC.



William G. Bartley
President & C.E.O.