

You are the President of the Central Building Garage Inc. Your company manages a 400 car garage used by business executives who occupy the Central Building. Because of steadily increasing operating costs (mainly wages), you have found it necessary to increase the monthly parking rates to \$106 a month (instead of the former \$96). This increase will become effective from February 01, 2024.

For the past 2 years you have been absorbing the increased operating expenses, but you cannot continue to do so any longer. After several conversations with Mr. P. L. Brown, the Vice President of Commercial Properties Inc., the Central Building's owners, who lease to the business firms in the building and from whom you lease your garage facilities, you received permission for the rate increase.

Now you must write two letters in block format:

- I.** To Mr. Brown, telling him your decision about the monthly rate and effective date. Inform him that you will notify all parking customers before a certain date. You might restate briefly the reasons for this increase refer to previous conversations and show appreciation. Will you organize by the direct or indirect plan? Why?
- II.** To all customers who have been renting monthly parking space from your Garage. This increase comes to them as a bad-news surprise. Give them whatever details you think they will appreciate having.