

January 24, 2011

Dear Member;

In an effort to offer you the best possible value for your money, we have been committed to trying to assure the ongoing maintenance and upgrades in your fitness equipment. With the current membership dues of \$25.00 per person per month and the special incentive programs that we offer for Prepaid and Family memberships, we believe that we have been able to offer great value at a great cost.

Our membership has expanded nicely, and that brings in more revenue but also increased usage of our equipment. If our equipment breaks down and is out of service, this generates much dissatisfaction when there are many users and insufficient properly working equipment. Servicing this equipment is a very costly burden on our cash flow.

With the purchase of 10 new pieces of equipment that include five new treadmills, two new ellipticals, two new bikes, a new leg press and a three year warranty on parts and labor at the cost of \$40,000 we find it necessary to raise our dues \$5.00 per month starting March 1st of 2011. This will be the first membership price increase in ten years, which equates to an annual inflation of only 0.02%. Monthly membership will be \$30.00 due the 1st of every month, pay for five months \$150.00 and get the sixth month free, Family membership will be \$55.00 a month and daily will be \$5.00

Our next capital investment will be to replace some of our body building equipment. We have much to look forward to and your input on this equipment will be invaluable to us when we can start to make decisions for the future.

We thank you for your commitment and ongoing support of your Fitness Center. We believe that you can see the results of our hard work and the dedication of countless volunteers who strive to make your Fitness Center one that brings value to our community and most of all our members.

Thank You
PACC BOARD OF DIRECTORS