



The Polish Cultural Center of the Pacific, Inc.

Business Plan

From the

INAUGURAL Board of Directors

OCTOBER 1, 2009

Polish Cultural Center of the Pacific, Inc.

Concept:

To obtain and maintain a facility that will serve as a Cultural Center that will:

- a. House a Polish library of over 5,000 books,
 - b. House Polish historical items, i.e., art, memorabilia, original Polish clothing and Costumes, serve as a Museum and Gallery and
 - c. Provide place for instruction in Polish culture, i.e., dance, history, and language.
- We have located a building that we are trying to purchase to meet these needs.

The following is a small breakdown of that financial process.

Objective:

1. Raise \$4.5 million dollars

Commitments:

1. We have verbal commitments from various agencies and companies in:
 - a. Poland for a minimum of approximately \$600,000.00
 - b. Rome for approximately \$150,000.00
2. All funds raised will be placed in a segregated bank account for the protection of contributors' funds and allow for return of funds if we are unsuccessful in purchasing this particular building. However, PCCP will continue to search for alternative buildings for planned PCCP uses.

Goals:

1. We have applied for 501(c)3 status and expect approval soon.
2. Plans for funding project:
 - a. Contact individuals and other entities for contributions,
 - b. Obtain additional funding from grants, fund raisers, out reach, and
 - c. At the end of year one expect income from Phase I completion, and
 - d. At the end of year two expect Phase I & II income to enable project to be self sustaining.
3. Once we have commitments for \$2.5 million we will make an offer on the building.
4. Development projection:
 - a. Phase I completion to include the first and second floors within 12 months depending upon issuance of necessary permits.
 - b. Phase II completion of floors 3, 4, & 5.

Timing:

1. We expect to circle \$2.5 million of donations in approximately one month.



The Polish Cultural Center of the Pacific, Inc. Business Operating Plan

Mission Statement:

To preserve, promote and protect the legacy of Polish Heritage on the West Coast of the United States, and to educate all generations in the patriotic spirit of our forefathers and in the divine spirit of Pope John Paul II's universal Message of Peace.

Background

It has been almost 5 years since Pope John Paul II passed away and 20 years since Poland became an independent country. It has also been over 32 years since a group of people met in a home in Oakland to discuss the concept of a formal place in the San Francisco Bay Area where the accomplishments of Polonians, especially Polish-Americans, could be showcased.

Now after all these years, we are doing something about the discussions held so long ago. In the middle of May 2009 and effective July 2, 2009, The Polish Cultural Center of the Pacific, Inc. was formed. The intent is that every West Coast Polonia organization become a voting member and have a voice in the operation of PCCP. This Center will be an adjunct to these organizations and serve as a central venue where mutual purposes of the community can be met. The Center can then in turn be effective in offering charitable support, providing educational facilities and promoting cultural events relative to Polish Heritage.

The goal is to turn 32 years of discussions into a reality by meeting the current needs and planning ahead for those organizations in the years to come. The local Polonia is approximately 115,000 strong, and the 2000 census indicates that there are over 500,000 Poles in the State of California, and six million in the Western States. The Polish Cultural Center of the Pacific will be a resource for West Coast Polish-American communities who will continue to bear the torch of freedom lit by our forefathers, lighting the way for those who will commit to representing our heritage in the best possible light.

On July 2, 2009, The Polish Cultural Center of the Pacific, Inc., was formed as a Public Benefit Corporation, a 503(c)3 non-profit. The Inaugural PCCP Board of Directors is comprised of the following members:

Caria Tomczykowska, CEO
Waclaw Szudelski , CFO
Edward Martinek
Milada Pajaczkowski, Secretary
Gustav Metkowski

Some of the decisions already in place:

1. No salaries will be paid to Directors,
2. A renowned architect has offered his services on remodeling plans, gratis
3. An attorney has committed to providing services pro bono.
4. Contractors have already assessed the work necessary to complete renovation.
5. Our business Plan was in place by October 1, 2009.

The Polish Cultural Center of the Pacific Foundation is a functioning body today. Some early funds have already been donated toward the purchase of the Center and have been deposited in a corporate PCCP Trust account. A notable organization and several private corporations in Poland have indicated a commitment to fund part of the acquisition and the John Paul II Foundation in Rome is interested in providing funding for the inclusion of a John Paul II Memorial Chapel. Additional funding is anticipated from donations, loans and lender investments. Lender investments will include debt placements with returns available and with options exercisable at a later time where the funds can be returned or be reconstituted donations, should the sale be incomplete.



The plans for this particular building's function include: a Polish Restaurant and cafe (with minimum 150 guest capacity), classrooms for a Polish Language School, offices for the various Polonia organizations, hotel accommodations, the Pope John Paul II Chapel and Shrine, a 30,000 volume Research Library, a Heritage Museum, an Exhibition Gallery, a Concert Hall, a Dance Studio, a Children's Day Care Center, an Executive Meeting and Conference Center, a Bookstore and Gift Shop, and Student Dormitories available to the general public.

The historic building, built in 1912 as a residence for single women, has five floors with a mezzanine and is located on a 1.0 acre lot size. Currently, there are 159 rooms with total square footage of 42,760 Sq Ft. It is seismically retrofitted, has new windows, and the plumbing and electrical has been updated recently.



Parking is plentiful and the proximity to the new Cathedral of Christ the Light, the beautiful Lake Merritt and nearby residential and corporate hi-rises and downtown Oakland makes it even more attractive. Access to three freeways is close by and public transportation is steps away.

The existing historic Polish Club in San Francisco cannot accommodate expansion on the scale we envision and therefore cannot fulfill the PCCP's planned goal of multi-faceted services at one location. It should be noted that the Club is supportive of our dream.

Short term Strategy

The near term objective is to acquire the property described below. The property is estimated to cost between USD \$1 and 2 million. The estimates are conditional on assumptions about costs and the desire for the current lender to accept an offer for their loan that is less than the amount they have outstanding on this defaulted property.

Business Operations during the interim (short term period after acquisition)

Quarterly Financial Forecast (In 1000 USD)

Year 2010 - 2011

| Activities | 2010 - Q1 | 2010 - Q2 | 2010 - Q3 | 2010 - Q4 | 2011 - Q1 | 2011 - Q2 | 2011 - Q3 | 2011 - Q4 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ST JP II Chapel | (18.30) | 20.10 | 20.10 | 20.10 | 20.10 | 20.10 | 20.10 | 20.10 |
| ST Restaurant & cafeteria | (30.00) | 22.50 | 22.50 | 22.50 | 22.50 | 22.50 | 22.50 | 22.50 |
| ST Library | (9.00) | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| ST Polish language school | (8.00) | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| ST Traditional dance, singing / events training studio | (10.00) | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| ST Concert hall | (20.00) | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| ST Children day care | (5.00) | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| ST Book store and gift shop | (18.50) | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| ST Student dormitories & Hotel rooms | (200.00) | (300.00) | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| ST Guest rooms | 0.00 | (10.00) | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LT Student dormitories - 3rd floor | 0.00 | 0.00 | (200.00) | (300.00) | 45.00 | 45.00 | 45.00 | 45.00 |
| LT Business Offices | 0.00 | 0.00 | 0.00 | 0.00 | (250.00) | (375.00) | (100.00) | 37.50 |
| LT Executive meeting and conference center | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (10.00) | (7.00) |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CI Fire sprinkler system | (150.00) | 0.00 | 0.00 | 0.00 | (100.00) | 0.00 | 0.00 | 0.00 |
| CI Roof repair | (100.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CI Misc improvements | (15.00) | (15.00) | (15.00) | (15.00) | (15.00) | (15.00) | (10.00) | 0.00 |
| CI Utilities hook up | (50.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Negative Cash Flows | | | | | | | | |
| | | | | | | | | |
| Capital Improvements | (485.00) | (310.00) | (200.00) | (300.00) | (250.00) | (375.00) | (135.00) | (10.00) |
| Operating Expenses | (60.00) | (60.00) | (60.00) | (60.00) | (120.00) | (120.00) | (120.00) | (120.00) |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Negative Cash Flow | (545) | (370) | (260) | (360) | (370) | (495) | (255) | (130) |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Positive Cash Flows | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Operating Revenues (Low Estimate) | 11.2 | 69.6 | 144.6 | 144.6 | 189.6 | 189.6 | 214.6 | 230.1 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Net Cash Flow | (534) | (300) | (115) | (215) | (180) | (305) | (40) | 100 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cummulative Cash Flow Requirements | (1,094) | (2,192) | (2,633) | (3,280) | (3,731) | (4,647) | (5,181) | (4,885) |

We anticipate generating about \$30-35k/month revenues per month during the first 12 months of operations (the interim short term period). At the same time we estimate the operating expenses to be around \$20k/month. During the next year the revenues are expected to increase to about \$60-65k/month with operating expenses of about \$40k/month.

The primary estimated cost of capital improvements – CI, to bring the building up to Oakland building codes is the following:

Fire sprinkler system - \$150k

Roof repair - \$100k

Utilities hook up - \$50k

Second floor remodeling - \$100k

Miscellaneous improvements on all floors - \$100k

This \$500k total will be in addition to the acquisition funds needed to purchase the building.

Operating Costs

The estimate by the current property lender, Loan Oak Fund, indicates the probable operating costs will be approximately \$300,000 per year, if operated as a hotel. The existing developer's estimates were modified here, assuming annual operations instead as a cultural center. Estimating revenues and expenses the project can provide positive annual cash flow of more than \$100,000.

Estimated Interim Operating Revenue and Expenses

| | Annual |
|-----------------------------|----------------|
| Revenue | |
| Restaurant Lease | 60,000 |
| Dormitories rental | 30,000 |
| Guest Rooms rental | 120,000 |
| Conference Rental | 50,000 |
| Other | 100,000 |
| Total Revenue | 360,000 |
| Expenses | |
| Taxes | 30,000 |
| Insurance | 20,000 |
| Utilities | 40,000 |
| Resident Mgr | 80,000 |
| Office Exp/Sup | 5,000 |
| Landscaping | 5,000 |
| Maintenance & Janitorial | 25,000 |
| Repairs/ Replacement | 25,000 |
| Legal – permits, etc. | 10,000 |
| Total Expenses | 240,000 |
| Cushion | 120,000 |

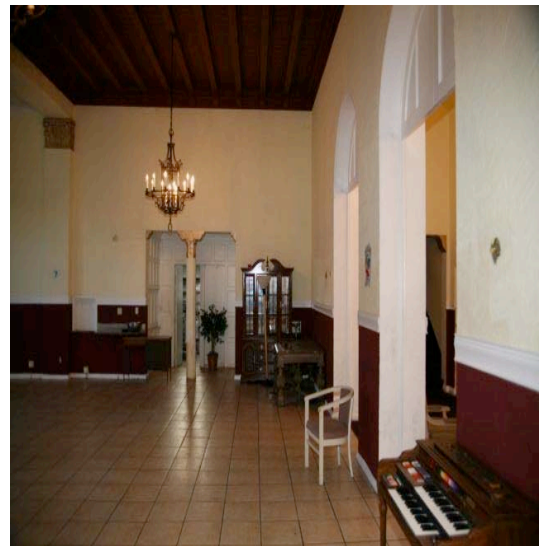
Building details

The First Floor covers an area of about 10,000 sq ft. with an elegant Ballroom, Lounge Area, Chapel and large dining room which is designated as a restaurant. There is 3,400 sq ft of additional mezzanine space which is planned to be used for several office suites. Total estimated monthly income from the First Floor (including the restaurant) is estimated at \$45k.



The Mazur Restaurant

The Polish Cultural Center of the Pacific is in preliminary discussions and negotiations with a current San Francisco restaurant owner, who is ready to relocate to the East Bay. They are willing to remodel the existing kitchen to their specifications upon signing the lease. Should they opt out, another restaurateur will be approached.



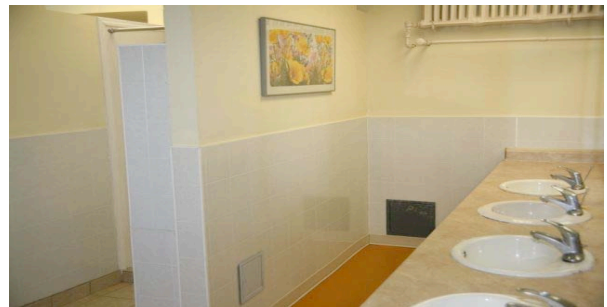
First Floor Hall and Lounge



There are five fireplaces on the first floor, adding to the elegance and ambience of this elegant building. Existing furniture will be negotiated in the sale.

Guest rooms and/or Dormitories.

The second floor consists of 35 rooms with and without private bathrooms. The public bathrooms are located on the same floor and can easily accommodate all 2nd floor residents.



There are several colleges and universities in the area with high demand for good student housing. The building's second and third floor rooms could easily provide housing for two students per room. The projected \$500 per month rent per student is very reasonable in comparison to other local student housing. We used conservative estimates in these calculations and based them on 80% usage. The approximate rent income for our student and guest accommodations is \$25k per month on the first and second floor. Hotel guest rooms could easily generate \$70-\$80 per night. Conferences booking meeting space at the Center would then have guest rooms available in the building itself without having to book rooms externally. Additional student dormitories on the third floor will generate approximately \$15k/month.

Long term Strategy

On-going renovations and future upgrades of the upper floors will continue after the lower floors are completed. The longer term objective is to create additional business office and data center capabilities on the Second Floor and adding room for Polish School program activities. Additional suggestions include a travel office, an employment placement office, educational and social services counseling office, attorneys' chambers, a Consular office, a religious and cultural exchange office and other leased spaces for business offices could be within the range of sourced and leased revenue funds. At the moment the whole area of the Third Floor is divided into small hotel rooms which will be renovated. Additional sources of funding to accomplish this would include ongoing capital donation campaigns.

The total area for business offices will be about 9,800 SF. Conservative usage is estimated at 80% and \$2/per sq ft. This will generate \$150k per year in revenues and \$12.5k/month. The conversion cost of the Third Floor is estimated at \$750k and the remaining 4th and 5th floor conversions estimated at \$500k per floor to be paid from additional fundraising activities and from ongoing profitable operations. The Research Library's area has not been designated as yet since the inventory needs to be segregated by subject. The Museum and Exhibit Gallery will be located on the First Floor to accommodate visitors without disturbing the other tenants.

BOTH IN THE SHORT AND LONG TERM IT IS IN PCCP'S PLANS TO HAVE WEST COAST POLISH ORGANIZATIONS' OFFICE SPACE AT THE CENTER AT A MINIMAL OR NOMINAL COST.

Summary

In summary we are seeking support from all those who would contribute to our present community needs and future aspirations. There is much work to be done and blessings to be shared. We are fully committed to this effort.

Numerous people have already volunteered with helping hands and provided initial financial and personal resources to make this happen. Please participate and especially support our immediate financial goals to acquire this property. The attached flyer has summarized information. Please share it with others who might be interested and feel free to contact us.

Sincerely,

Caria Tomczykowska, CEO

Waclaw Szudelski , CFO

Milada Pajaczkowski, Secretary

Edward Martinek

Gustav Metkowski