Siyeza/City Dialog

What's at stake:

- An opportunity to solidify the operations of Siyeza, Inc.
- Potential for 150 – 180 living wage jobs with health benefits
- Validation of Stairstep Economic Development model
    - African American investment
    - Profit sharing and ownership for employees
    - Non-profit self-sufficiency

Specific Transaction:

- Investment by a food service company in excess of $4,000,000
- Business opportunity to fill plant to capacity for 1st time
- Remodeling of plant to allow for value added meat production

Pre-requisites:

- Acquisition of outside business of 2.5 – 3.0 million pounds/yr.
- Assumption of lease for building
- Restructure of debt

Current status:

- Contract signing with ConAgra for production is imminent
- Beck Horton has agreed in principle to transfer lease
- Debt restructure agreements 95% complete

    - GMI owed $3,052,000. Forgive $2,852,000, receive vendor note $200,000 0% due in 5 yrs.
    - Glory Foods owed $2,150,000. Forgive $1,500,000, receive vendor note $650,000 0% due in 5 yrs.
    - Stairstep, Inc. owed $1,198,000. Forgive $1,098,000, receive vendor note for $100,000 0% due in 5 yrs.
    - Stairstep Fd. Owns $1,200,000 preferred stock. Surrender stock, receive vendor note $400,000 due 5 yrs.

Required City Actions

- Forgive $164,000, 3% EZ loan due 12/31/2006
- Approve substitution of Siyeza for Elmer Enterprises on building lease