

**OFFICE OF THE CITY MANAGER**

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October 8, 2004

To Whom It May Concern:

On the basis of my discussions with State Representative Wyvetter H. Younge and Mr. Norman G. Kurland, Managing Director of Equity Expansion International, Inc., the City of East St. Louis, Illinois has agreed to cooperate with all parties of interest to try to save the jobs of 103 workers now employed by the local Schnuck's Supermarket facility through a worker buyout structured according to Justice-Based Management principles on the following conditions:

1. That the present operation be restructured voluntarily through the cooperation of all interested parties, including the State of Illinois, Saint Clair County, Schnucks Markets, Inc., the United Food and Commercial Workers Union, and all affected managers and workers, with a commitment by all parties to work out whatever concessions, system changes, and other support is necessary to operate in a feasible manner and generate sufficient future profits to implement a successful leveraged buyout by workers.
2. That sufficient grant monies, capital credit from a nationally respected financial source, seller credit, or any combination thereof, to implement a leveraged worker buyout and continue to operate feasibly the reorganized supermarket.

If the above conditions are met, the City of East St. Louis will assume title of all real estate associated with the current operation of the subject supermarket, and lease the property to the reorganized worker-owned supermarket at \$1.00 per year.

Sincerely,

Robert P. Storman
City Manager

Copy: State Representative Wyvetter H. Younge
Norman G. Kurland