

Submitted by Tim Bartlett, General Manager

Global Ends Policy: Member & non-member tangible & intangible needs are met.

Interpretation: This statement defines our purpose as a business. I use this statement publicly and in training with our employees to describe the Co-op's mission. We exist for our owners - therefore my interpretation is that our owners define the community of people whose needs the Co-op must meet as our members and non-members. To help define this community, I use this chart which has been adapted from "The Owner's Toolbox" by Karen Zimbelman and Marilyn Scholl, published by Northcountry Cooperative Development Foundation in 1999.



In addition to these groups, I include the community where the store is located in the "Customers" category. My interpretation is that the co-op exists to meet the "tangible" need for a natural foods grocery store in a friendly environment. This need is felt by all groups within the pyramid. My interpretation is that the co-op exists also to meet the "intangible" need for participation in the Co-op as outlined in each of these boxes. This need intensifies as we move up the pyramid from customers to active participants.

My interpretation is that management has the responsibility and authority to offer owner services and benefits that meet the tangible and intangible needs of each of these groups. These needs must be met in a way that is exciting to the owners, sustainable for the Co-op and flexible enough to accomplish both.

(NEW) Further, my interpretation is that the Co-op will not meet the needs of our members and non-members if we are not in business. The Co-op must be financially sustainable in order to meet the needs of our owners.

Ends data will review a five-year period of time.

Global Ends Measurements (new #4 and #12-16, Deleted Average Basket Measurement)

Community & Customers

1. Sales Growth. My interpretation of a customer base whose needs are met by the Co-op is demonstrated by growth in total sales of the co-op. This end result is measured by annual growth of 8% or greater. **Five-year Goal:** 50% increase in sales from FY08 by FY2013 (\$9.5 million in annual sales)
2. Diversity of owners and shoppers. My interpretation of a community whose needs are met by the Co-op is demonstrated by owners and shoppers mirror the diversity trade area of our location. The trade area by my definition is the Elmwood Village. The end result is measured by a similar match in ethnicity, income, and age of our owners and shoppers to the ethnicity, income and age of the trade area, with baseline data established in FY08.
3. Ownership Growth. When we are meeting our customers' needs, they will become owners. My interpretation of a customer base whose needs are met by the Co-op is demonstrated by an increase in the number of owners. This end result is measured by an annual growth of 10% or greater. **Five-Year Goal:** 100% owner growth by FY2013 (7,000 total active owners)
4. **(NEW for 2009)** Net Promoter Score is Greater than 50%: My interpretation is that when our customers' needs are met, they will recommend us to others. The net promoter score comes from the book "The Ultimate Question" by Fred Reichheld. We ask our customers the question: "How likely is it that you would recommend Lexington Cooperative Market to a friend or colleague? Use the scale below and circle your response. Scale: 10= totally, 5= neutral, 0= not at all." Promoters are customers who rate you 9 or 10. Detractors are customers who rate you a 6 or below. "Promoters are customers who are so enthusiastic about a firm or brand that they not only increase their own purchases, but also refer their colleagues or friends. Detractors are customers who feel so badly treated that they cut back on purchases, switch to the competition and warn others to stay away." (from www.netpromoter.com) "The net promoter score is the % of Promoters minus the % of Detractors. According to The Ultimate Question, the top service providers fall into the 50 to 80 range. The key is to get the score to go up over time," wrote Ari Weinzweig in *The Educated Retailers Guide, Specialty Food Magazine 6/07*. This end result will be demonstrated by a net promoter score of 50% or higher in every year.

Shopping Owners

5. Owner Economic Benefits are Exciting. My interpretation is that when owners are excited about the economic benefits offered to them through Lexington, their needs are met. The information for this measure comes from the owner survey conducted in August, 2007. The end result will demonstrate general satisfaction (50% or higher), and level of importance (70% or higher).
6. Percent of Sales to Owners. My interpretation of shopping owners whose needs are met by the Co-op is demonstrated by the percent of total sales to owners. This end result is measured by a consistent increase in % of sales to owners year to year. **Five year Goal:** 60% of sales will be from owners by 2013.

Social Participants

7. Percent of Owners Who Enjoy the Newsletter. My interpretation is that social participants needs are met when they respond to a survey rating the newsletter as good or excellent. The end result will be demonstrated by baseline % from our 2007 survey. **Five-year Goal:**
8. Pride of Ownership. My interpretation is that social participants needs are met when they respond to a survey saying that "pride of ownership" is an important benefit. The end result will be demonstrated by baseline % from our 2007 survey.

Member-Owners & Active Participants

9. Annual Meeting Attendance. My interpretation is that member-owners and active participants needs are met when they attend the annual meeting. The end result will be measured by an annual increase of 5% or greater, in the number of owners attending the annual meeting.
10. Voting in Lexington Elections. My interpretation is that member-owners and active participants needs are met when they vote for their representatives to serve on the board. The end result will be demonstrated by a 5% increase in the number of ballots cast by owners in the annual election.
11. Participation in Engagement Sessions. My interpretation is that member-owners and active participants needs are met when they participate in Co-op engagement sessions (owner forums, small group meetings, large meetings, speaking with cashiers in the store). The end result will be demonstrated by baseline % from our 2007 survey.

All : Financially Sustainable Co-op (Measurements moved from A4 for 2009)

12. Total Sales. My interpretation of a sustainable Co-op is demonstrated by continuous growth in store sales. This end result is measured by an annual increase in sales from the previous year. **Five Year Goal:** Total Sales of \$9.5 million by 2013.
13. Net Income. My interpretation of a sustainable Co-op is demonstrated by positive net income. This end result will be demonstrated by a net income of >.5% in all years.

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14. Debt to Equity. My interpretation of a sustainable co-op is demonstrated by the debt to equity ratio, demonstrating owner capitalization of the co-op to debt incurred. The end result will be measured by maintaining a 2:1 ratio or less within three years following a major expansion.
15. Debt as a % of Assets. My interpretation of a sustainable co-op of the co-op is demonstrated when debt incurred is reduced because total assets have grown. This end result will be measured by achieving a ratio <50% within five years following a major expansion.
16. Total Owner Equity. My interpretation of a sustainable co-op is demonstrated by the total amount of equity of our owners. This end result is measured by a minimum 5% annual increase.
Five-year Goal: 25% growth in owner equity from FY08 to FY2013.

Data to Support Global Ends Policy

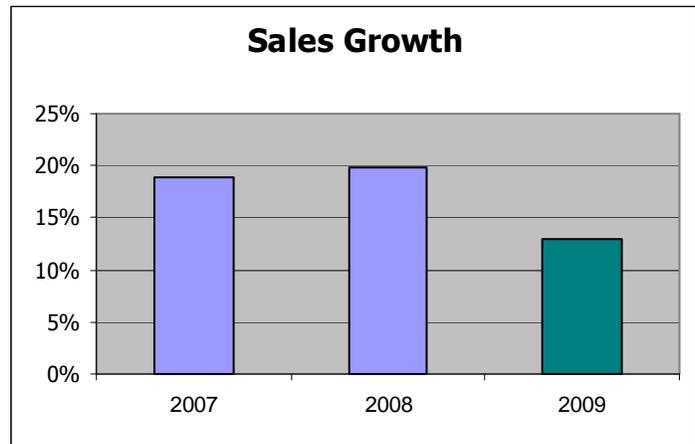
Sales Growth. Our community's tangible needs are met when more of the community's grocery dollars are spent at Lexington.

FY09 Results: Goal: 10% sales growth

Actual: 12.9%

Progress was achieved this year.

FY10 Goal: 5%



Diversity of Owners & Shoppers	Lexington Survey	Elmwood Village
	2009	2000
Caucasian	No data	69.0%
African American		22.0%
Hispanic		7.0%
Asian or Pacific Islander		2.0%
American Indian or Alaskan		1.0%
Prefer not to respond		
Other		3.0%
Total		104.0%

Diversity of owners and shoppers. Our community's tangible and intangible needs are met when the ethnic composition of our owners and shoppers mirror the diversity of our community.

No data for the store yet.

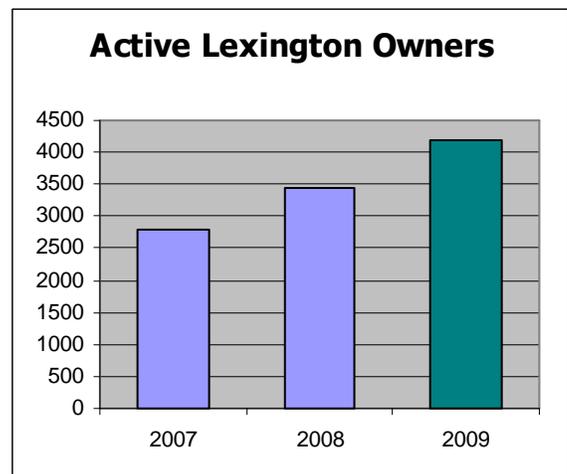
Ownership growth Our community's tangible needs are met when a greater number of people in the community are owners of Lexington. This is demonstrated by 22% growth in active owners in FY09.

FY09 Goal: 4,500 active owners

Actual: 4,196

Progress was achieved this year.

FY10 Goal: 4,5000 active owners



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Data to Support Global Ends Policy *cont.*

Net Promoter Score Our community’s needs are met when our net promoter score is above 50%, as measured by “The Ultimate Question”. The Benchmark for comparison is from our survey in March, 2009. Our net promoter score at that time was 80.4%.

FY10 Goal: 60%

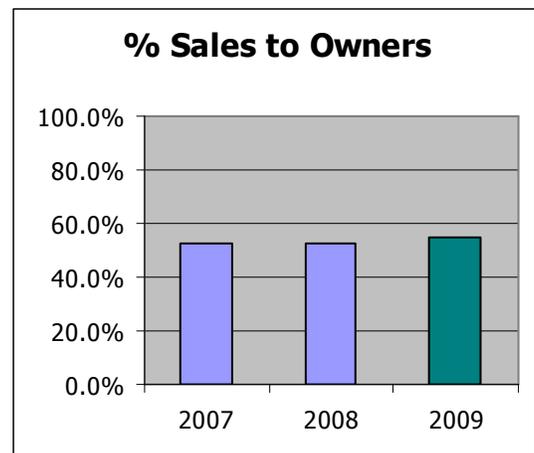
Owner Economic Benefits are Exciting: No data for 2009. We will do a survey in 2010 that asks owners specifically about benefits.

Percent of Sales to Owners Our community’s tangible needs are met when Lexington sells more products to our owners. This is demonstrated by an increase in sales to owners of 2.5% in FY09.

FY09 Goal: 55% of sales to owners
Actual: 55.1%

Progress was achieved this year.

FY10 Goal: 55% of sales to owners



Percent of Owners Who Enjoy the Newsletter

Our social participant owners needs are met 60% or more of them rank our newsletter as good, and 70% or more of them believe the newsletter is an important benefit. In 2007, 90% of owners ranked the newsletter as excellent, and 44% ranked it as important. We need to increase the importance of the newsletter in the minds of our owners. No data for 2009. We plan to do a more detailed survey in 2010.

Owners	Excellent	Good	Fair	Not Aware	Important
	2007	2007	2007	2007	2007
Lextalk Newsletter	44.0%	45.9%	4.9%	5.3%	44%

Pride of Ownership.

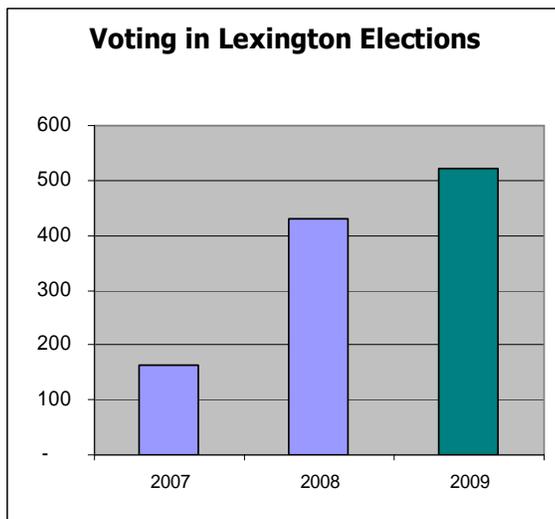
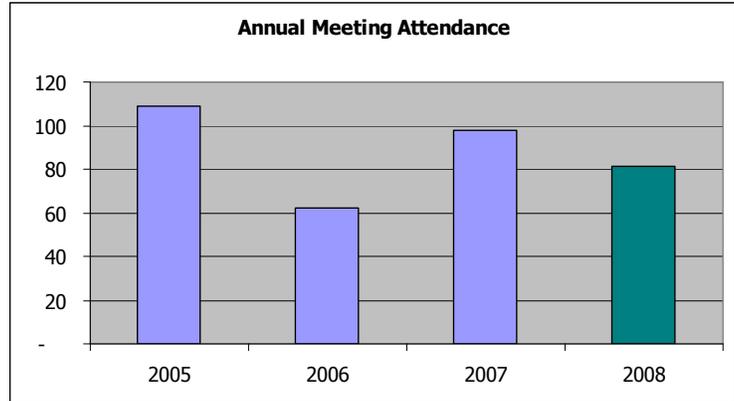
Our social participant owners needs are met when more of them report pride of ownership as an important benefit. 2007 Baseline: 67.3%

Data to Support Global Ends Policy *cont.*

Annual Meeting Attendance. Our member-owners and active participants needs are met when they attend the annual meeting. FY07 to FY08. 98 to 81

Progress was not achieved this year.

Five year goal: 150 attendees by 2013.



Voting in Lexington Elections. Our member-owners and active participant needs are met when they vote in elections. FY07 to 08. 431 to 520

Progress was achieved this year.

Five year goal: 10% of owners by 2013.

Participation in Engagement Sessions.

Our community's intangible needs are met when more owners participate in the discussion of how the Co-op can change to meet their needs.

2008 Baseline: 417 owners or 11.9% of active owners

2009: 599 owners or 14.3% of Active Owners.

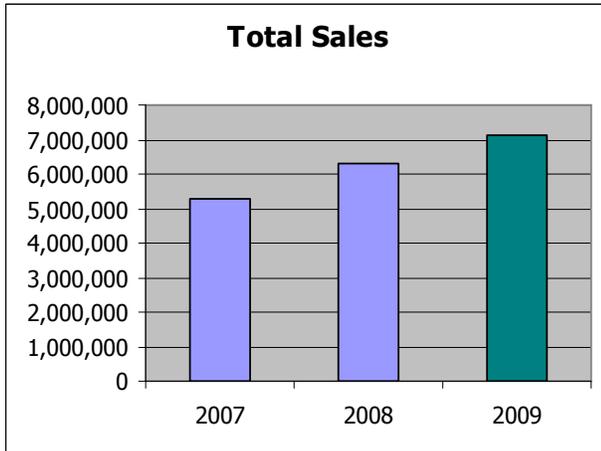
Progress was achieved this year.

Five Year Goal: 15% of owners, with at least 5% participating through meetings.

Participation in Engagement Sessions	2008	2009
Small Group Meetings	34	-
All Owner Meetings	133	114
Filled out Survey	250	485
Total	417	599
% of Active Owners	11.9%	14.3%

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Data to Support Global Ends Policy *cont.*



Total Sales. A sustainable Co-op exists when sales are continuously growing. This is demonstrated by sales growth of 12.4% in FY09.

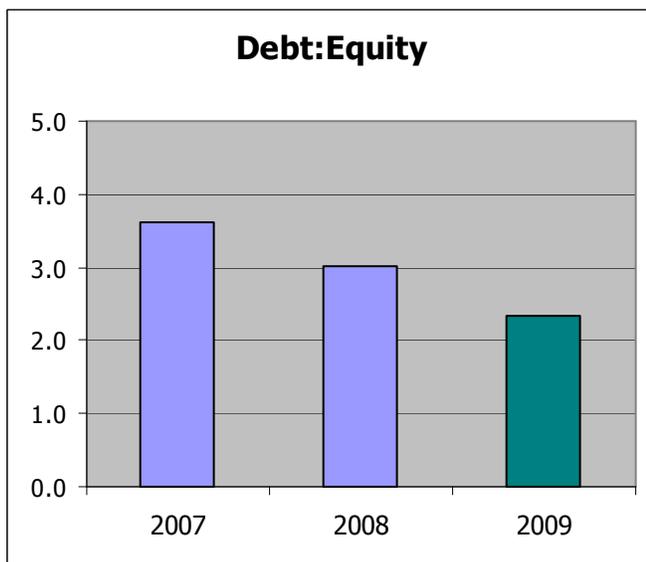
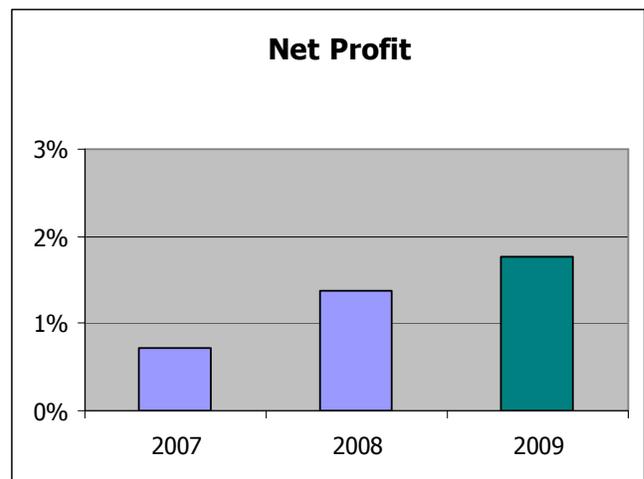
Progress was achieved this year.

FY10 Goal: \$7.4 million in sales/ 2% growth

Net Profit. A sustainable Co-op exists when operations produce a net income. This is demonstrated by a net profit of 1.8% in FY09.

Progress was achieved this year.

Goal FY10: Net profit of 2%.



Debt to Equity. A sustainable co-op exists when our debtload shrinks in proportion to equity. We have made significant progress since opening in the beginning of the 2006 Fiscal Year. We are short of our goal of 2:1 ratio, but ahead of where we anticipated we would be prior to opening.

Progress was achieved this year.

Goal FY10: 1.9:1

Data to Support Global Ends Policy *cont.*

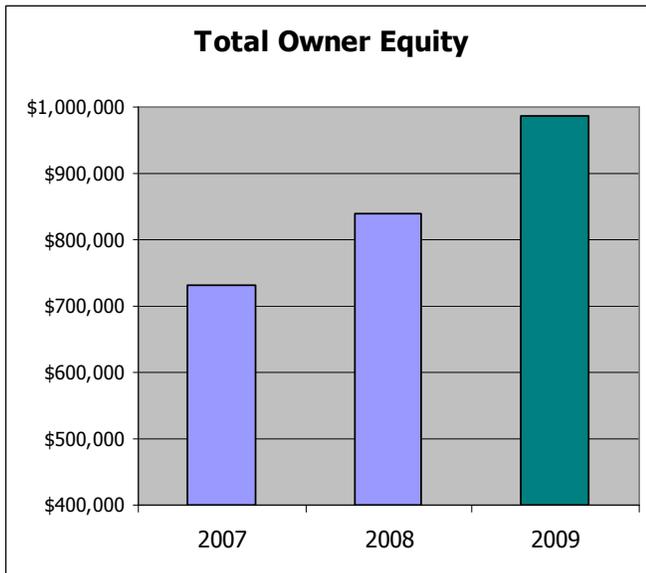
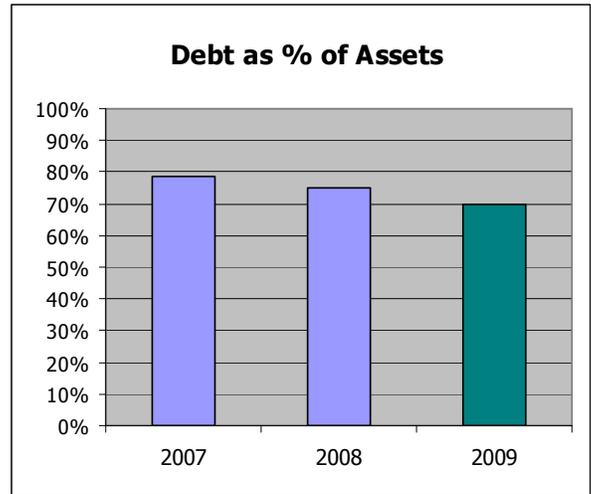
Debt as a % of Assets. A sustainable co-op exists when debt incurred is less than 50% of assets within five years following a major expansion.

Goal FY09: 65%

Actual FY09: 70%

Progress was achieved this year.

Goal FY10: 66%



Total Owner Equity. A sustainable co-op exists when equity from total owners grows. This is demonstrated by a 17.5% increase in total equity in FY09.

Progress was achieved this year.

Five-year Goal: 25% growth in owner equity from FY08 to FY2013 (total of \$1,050,031)

Strategic Initiatives, FY 10: Create model for Participation. Continue to increase transparency into our Ends accomplishment.

A1. Socially responsible products & services are affordable

Interpretation: My interpretation of socially responsible products include all products sold at the Co-op that were produced in accordance with organic standards, fair trade standards, are minimally processed, or were locally produced. My interpretation is that the Co-op's products are affordable when they are priced competitively with our primary competitor. My interpretation is that the Co-op's products are affordable when our customer base includes people of all income levels.

Measurements:

1. Income diversity among owners and shoppers. My interpretation of socially responsible products and services are affordable is demonstrated by the income diversity of our owners relative to our trade area. The trade area by my definition is the area within which we draw 70% of our business. The end result is measured by a similar match in income levels of our owners and shoppers to the income levels of the trade area, with baseline data established in FY07. **Five-year Goal:** 20% of owners at under \$20,000 by 2013
2. Price competitiveness on top sellers. My interpretation of socially responsible products and services are affordable is demonstrated by achieving prices that are within 10% of that of our primary competitor on the 50 products that our owners need the most – our top selling products. Our primary competitor will be identified by our customer survey (currently Wegmans). Our top selling products will be determined by \$ volume sold. This end result will be demonstrated by an annual check of our prices against our primary competitor.
3. Sales volume in socially responsible products as % of total. My interpretation of socially responsible products and services are affordable at Lexington is demonstrated by the sales volume of all socially responsible products as compared to total store sales volume. This end result will be demonstrated with baseline data of total dollars spent on products in our Basics program in FY 2009.
4. Sales volume in our basics program. My interpretation of socially responsible products and services are affordable is demonstrated by the sales volume of the products in our Basics program. This end result will be demonstrated with baseline data of total dollars spent on products in our Basics program in FY 2009.
5. % of Owners Using Basics Program. My interpretation of socially responsible products and services are affordable is demonstrated by the % of owners purchasing products in our Basics program. This will help us measure whether the products in the program are in fact items people need. This end result will be demonstrated with baseline data of total dollars spent on products in our Basics program in FY 2009.

Data to Support A1

Income diversity among owners and shoppers.

Socially responsible products are affordable at the Co-op when the income diversity of our owners and shoppers mirrors that of our trade area.

Five Year Goal: 20% of owners & shoppers under \$20,000 by 2013

Income Diversity	Lexington Survey	Elmwood Village
	2007	2000
Under \$20,000	11%	40%
\$20,000-\$50,000	27%	32%
\$50,000-\$75,000	21%	12%
\$75,000+	41%	16%
	100%	100%

Price competitiveness on top sellers. Socially responsible products are affordable at the Co-op when our top sellers are priced within 10% of our top competitor.

No data yet.

Sales volume in socially responsible products as % of total. Socially responsible products are affordable at the Co-op when the sales of socially responsible products are increasing.

No data yet.

Basics Program Sales	Jan-Jun 2009
Lbs Sold	20,664
Sales to Owners	\$44,368
Owner Savings	\$7,830

Sales volume in our basics program. Socially responsible products are affordable at the Co-op when the sales of products in our Basics program are increasing. Our baseline for comparison is Jan-June 2009, when owners purchased 20,000 lbs of bulk and saved \$7,830.

FY10 Goal: Sales in Basics grow faster than overall store sales.

% of Owners Using Basics Program. Socially responsible products are affordable at the Co-op when an increasing percentage of owners are purchasing products in our Basics program.

We currently have no way of tracking this data.

<i>Strategic Initiatives FY 09:</i>	<i>Status:</i>
Implement and market Basics program for owners.	Completed.
Conduct random survey for income data.	Undone.
Develop pricing strategy to ensure price competitiveness on top sellers.	Completed.
Determine regular method of checking for price competitiveness.	Undone.

Strategic Initiatives FY 10: Create system for checking price competitiveness. Conduct income based survey of owners. Purchase software and better track owner use of benefit programs. Flag all organic & fair trade items in POS to track sales.

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A2. The community is educated about nutrition, consumer issues, and cooperative principles

Interpretation: My interpretation of “educated” means the community of owners look to Lexington as a resource for education, participates in the educational opportunities we sponsor, considers Lexington to be the trusted expert. My interpretation of “nutrition” means the educational resources provide owners the opportunity to improve their personal health and well being. My interpretation of “consumer issues” means the educational resources provide owners the opportunity make choices amongst similar products based on their values. My interpretation of “cooperative principles” means the educational resources provide owners a clear view of how co-operatives are different from other businesses.

Measurements: *Revised for 2009*

1. Lextalk Distribution. My interpretation is that Lextalk serves as the most significant educational tool for Lexington, providing articles, recipes, testimonials, product information and community information. This end result will be demonstrated by an increase of 10% or greater in direct mail distribution.
2. Email Update Distribution. My interpretation is that our email updates, which include Store News, Action Alerts and Industry News educate our customers about the Co-op, the industry in which it operates, and give them the tools they need to make their voices heard on issues that are important to them. This end result will be demonstrated by an increase of 10% or greater in email distribution.
3. Participation Co-op Hosted & Sponsored Events, Meetings and Workshops. My interpretation is that when owners participate in Co-op events, attend Lexington engagement sessions and meetings, or attend Co-op classes, they are educated about consumer issues and co-operative principles. This end result will be demonstrated by an increase in participation that meets or exceeds current sales growth.
4. Owner Satisfaction with Co-op Events, Meetings and Workshops. My interpretation is that when owners are satisfied with the educational choices made available to them through Lexington, and they find those choices to be important, they are educated. This end result will be demonstrated by an average net promoter score that exceeds 50%.
5. Donations to Non-Profits that Perform Food and Co-op Education. My interpretation is that when Lexington sponsors groups that do food and co-op education, the community is educated. This end result will be demonstrated by an increase in donations that meets or exceeds current sales growth.

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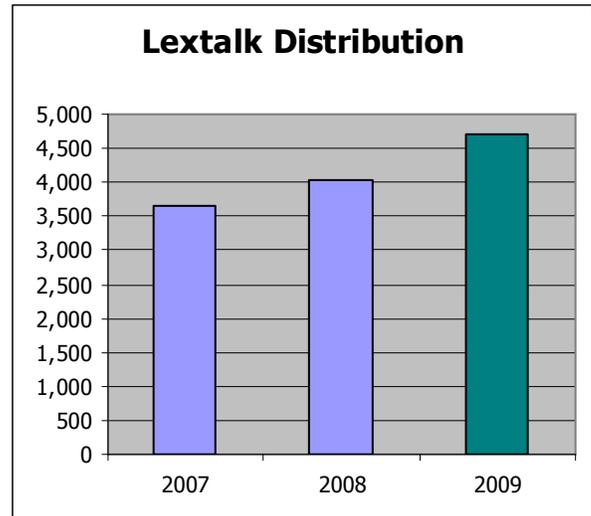
Data to Support A2

Lextalk Distribution. The community is educated when more people receive our Lextalk newsletter.

5 Year Goal: 7,000

FY09 Actual: 4,707

Progress was attained this year.



Email Update Distribution. The community is educated when more people receive our email updates. The baseline for comparison will be that in 2009, we had 3,486 emails in our mailing list.

5 Year Goal: 7,000

Participation Co-op & Co-op Sponsored Events, Meetings and Workshops. The community is educated when more people attend our meetings, events & workshops. The baseline for comparison will be that in 2009, we tracked 907 people attending Co-op hosted or sponsored events.

5 Year Goal: 10,000

Events, Meetings & Workshops	2009
Co-op Hosted	
Annual Meeting	81
Summer Meeting	35
Canning Classes	20
Farmers Market Tabling	a lot
World on Your Plate Seminar	22
Eat Local Challenge	399
Total Co-op Hosted	557
Co-op Sponsored	
Field & Fork Farmers Market	a lot
Food Inc Screening	250
Fresh! Screening	100
Total Co-op Sponsored	350
Total	907



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Data to Support A2 *cont.*

Owner Satisfaction with Co-op Events, Meetings and Workshops. The community is educated when attendees promote our meetings, events & workshops.

Goal: 50% Average Net Promoter Score

No data.

Donations to Non-Profits that Perform Food and Co-op Education. The community is educated when Lexington increases donations to Non-Profits that perform food & Co-op Education. Baseline for comparison are 2009 donations to Co-op & Food Educators of \$1,083.

Goal: Donations growth equal to or greater than sales growth.

A3. Thriving local and cooperative economies

Interpretation Local Economies: My interpretation of "local economies" are any local business or person that Lexington pays for goods or services. The geographic area interpreted as "local" is defined as within 200 miles and "regional" as within 500 miles of Lexington.

1. % of sales returned to the local economy. My interpretation is that a thriving local economy is demonstrated by a high % of the dollars that a customer spends at Lexington remaining local. This end result will be demonstrated with baseline data of the amount of business Lexington does with local and regional businesses in FY 2008. **5 Year Goal:** 50% of sales returned to the local economy each year.
2. Purchases from local/regional growers and manufacturers. My interpretation is that a thriving local economy is demonstrated by increases in Lexington's purchases of local and regional growers and manufacturers. This end result will be demonstrated with baseline data of the amount of business Lexington does with local and regional producers in FY 2008.
3. Purchases from local vendors. My interpretation is that a thriving local economy is demonstrated by increases in the amount of business Lexington does with suppliers or service providers that are privately owned, whose revenue stays within our local market. This end result will be demonstrated with baseline data of the amount of business Lexington does with local and regional producers in FY 2008.
4. Total staff wages. My interpretation is that a thriving local economy is demonstrated by an increasing amount of dollars paid to staff. This end result will be demonstrated with baseline data of total dollars paid in staff wages paid in FY 2008.
5. Discounts returned/ dividends paid. My interpretation is that a thriving local economy is demonstrated by dividends or discounts paid to local people. This end result will be demonstrated with baseline data of total dollars paid in discounts or dividends in FY 2008.
6. Competitive Staff Wages. My interpretation is that a thriving local economy is demonstrated when staff are paid competitive wages. This end result will be demonstrated by comparing the average wage at each level at the Co-op to the average wage for the same position at grocers in Western New York.
7. (NEW) % of Product Line that is Local: We help raise the profile of local products when local products are a higher % of the total products offered. This end result will be demonstrated against baseline data collected in September, 2009.

Interpretation Co-operative Economies: My interpretation of "cooperative economies" is a network of consumer, supplier, financial, charitable and wholesale food cooperatives in this country that are linked to Lexington. The network of consumer co-ops is defined as the stores that belong to the National Cooperative Grocers Association (NCGA). The network of supplier co-ops refers to products sold at Lexington manufactured by a cooperative. The network of financial cooperatives

includes Credit Unions and cooperative loan funds connected to Lexington, and owner loans to Lexington. To make the co-operative economy thrive means to support it financially, to participate in activities, to purchase goods, or to receive services.

Measurements Thriving Co-operative Economies:

8. Equity in Other Co-ops. My interpretation is that when Lexington invests equity in consumer coops or co-op suppliers we are supporting the cooperative economies. This end result will be demonstrated by maintaining current equity in consumer co-ops and co-op suppliers.
9. Lexington Equity in NCGA. My interpretation is that the National Cooperative Grocer's Association does the greatest amount of work in supporting co-ops. This is done through peer support meetings (for general managers and other staff), joint purchasing, educational programs, joint marketing programs and the exchange of ideas and other information. When Lexington invests equity in the NCGA, it is ensuring that the cooperative infrastructure is supported.
10. Products from Co-op Manufacturers. My interpretation is that when Lexington buys from manufacturers of products that are organized as a cooperative, the cooperative infrastructure is supported. This end result will be demonstrated with baseline data in FY08, of purchases of products from cooperative manufacturers.
11. Donations to Co-op Funds. My interpretation is that cooperative funds that work to further education about cooperatives or help underdeveloped countries form cooperatives support the cooperative infrastructure. When Lexington donates to these funds, we are also supporting that infrastructure. This end result will be demonstrated with an annual increase of 5% of donations made to the Howard Bower's Fund and the Cooperative Development Foundation.
12. Owner Loan Equity. My interpretation is that when Lexington owners invest money in their co-op in the form of a loan, cooperative economies are supported. This end result will be demonstrated by data that shows a positive balance of member loans in Lexington.
13. Patronage of co-operative banks and credit unions. My interpretation is that when Lexington borrows from or deposits with banks that are organized as a cooperative or lend to Co-operative institutions, cooperative economies are supported. This End result will be demonstrated by data that shows what % of our loans are from co-operative lenders and what % of deposits are with co-operative institutions.
14. Lexington support for local Co-operatives. My interpretation is that when Lexington provides support to local Co-operatives in other sectors, both the local and co-operative economies are supported. This is done primarily through resource sharing and joint marketing efforts. This End result will be demonstrated by listing our support activities each year.
15. % of Cost of Goods Sold from Co-ops or Local: My interpretation is that when Lexington purchases a larger share of its products from co-operative or local manufacturers, both the local and co-operative economies are supported. **FY 2013 Goal:** 25% of Cost of Goods.

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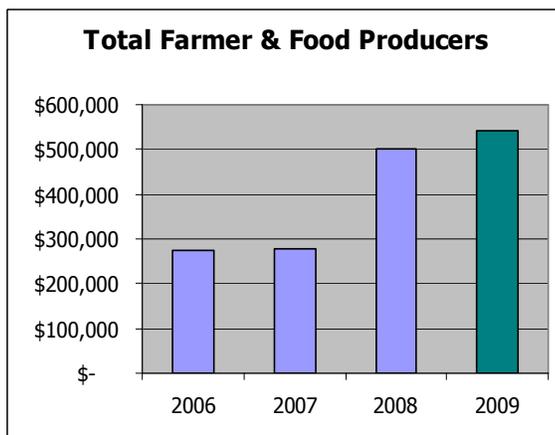
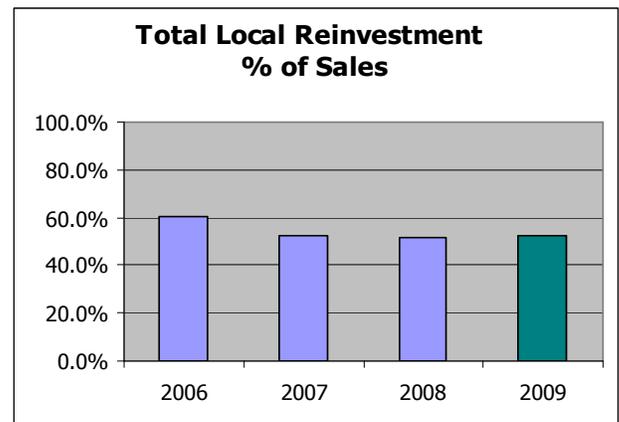
Data to Support A3

% of sales returned to the local economy. The local economy will thrive when a high % of the dollars that a customer spends at Lexington remaining local.

5 Year Goal: 50% of sales returned to the local economy each year.

FY 09: \$3.7 million, or 52.3% of sales remained local.

Goal was attained this year.



Purchases from local/regional growers and manufacturers. The local economy will thrive when Lexington purchases more from local and regional growers and manufacturers.

FY 08: \$500,825

FY 09 Goal: \$600,000

FY 09 Actual: \$542,802

Progress was achieved, but goal was not attained year.

FY 10 Goal: \$600,000

Purchases from local suppliers & service providers. The local economy will thrive when Lexington does more business with local suppliers or service providers.

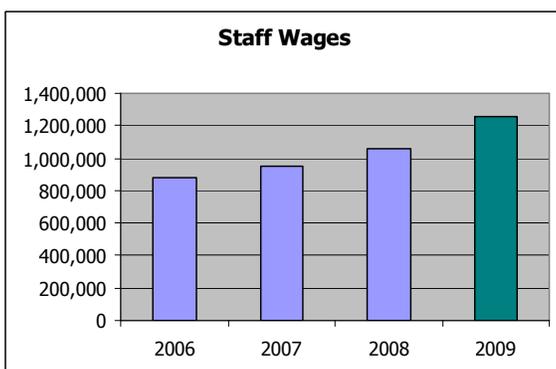
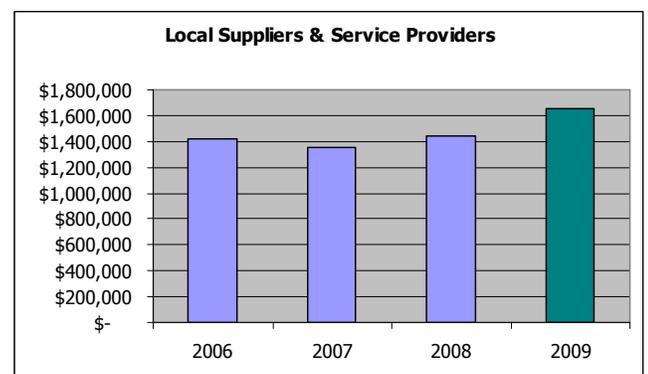
FY 08: \$1.53 million

FY 09 Goal: \$1.7 million

FY 09 Actual: \$1.65 million

Progress was achieved, but goal was not attained year.

FY 10 Goal: \$1.7 million



Total staff wages. The local economy will thrive when Lexington pays more in wages to staff.

FY 08: \$1.06 million to staff

FY 09 Goal: \$1.15 million

FY 09 Actual: \$1.26

Progress was achieved this year.

Data to Support A3 cont.

Discounts returned/ dividends paid. The local economy will thrive when Lexington pays more in dividends or discounts to local people.

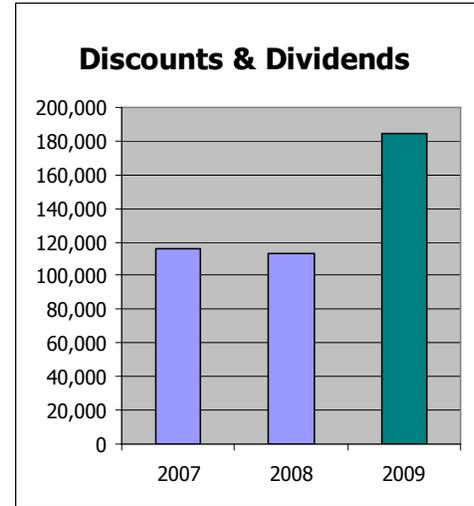
FY 08: \$113,651 in discounts

Progress was achieved this year.

2009 Goal: \$100,000 in discounts & dividends

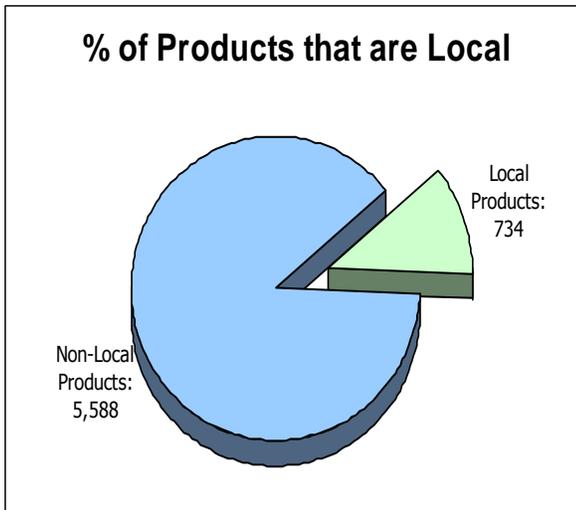
2009 Actual: \$184,779 in discounts, savings and dividends.

Goal: 1.5% of Sales returned to owners.



Competitive Staff Wages. The local economy will thrive when our staff are paid competitive wages.

No Data Yet.

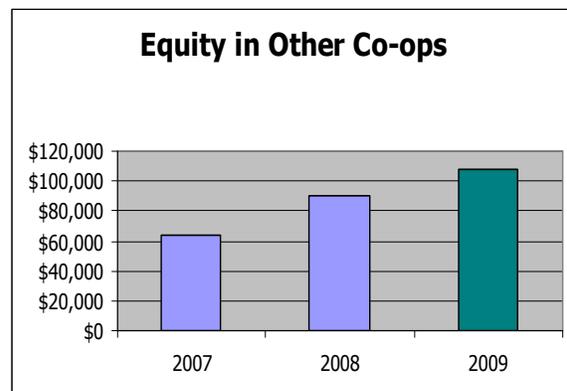


(NEW) % of Product Line that is Local: The local economy will thrive when local products are a higher % of the total products offered. The baseline for comparison is that on 10/1/09, 11.1% of items from all departments are locally produced.
5 Year Goal: 15% of Product Line is from Local Manufacturers

Equity in Other Co-ops. When Lexington invests equity in consumer coops or co-op suppliers, cooperative economies will thrive.

FY 08: \$108,014 invested in NCB, NCGA, NCDF, and Frontier Co-ops. Increase of \$18,010

Progress was achieved this year.



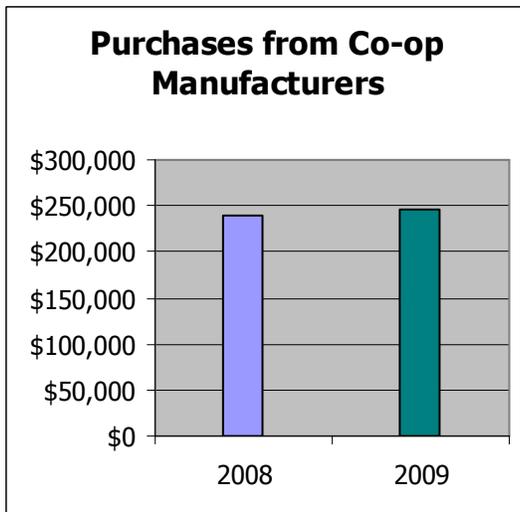
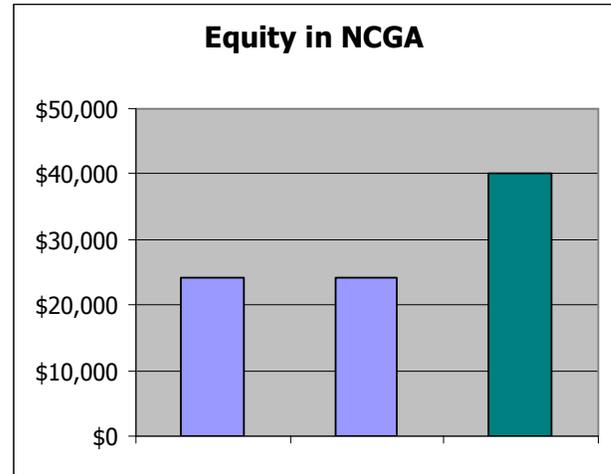
Data to Support A3 cont

Lexington Equity in NCGA. When Lexington invests equity in the National Co-operative Grocers Assn, co-operative economies will thrive.

FY08 Balance: \$24,262
2009 Goal: Increase NCGA equity by 10%.
2009 Actual: \$40,159. 65% increase over 2008.

Goal was attained this year.

FY 2010 Goal: NCGA equity increase equals sales growth



Products from Co-op Manufacturers. When Lexington buys from manufacturers of products that are organized as a cooperative, cooperative economies will thrive.

FY08 Baseline: \$240,000

FY09 Goal: \$250,000

FY09 Actual: \$246,338

Progress was achieved this year.

5 Year Goal: \$300,000

Donations to Co-op Funds. Co-operative economies will thrive when Lexington shows an annual increase of 5% in donations made to the Howard Bower's Fund and the Cooperative Development Foundation. FY08: \$205

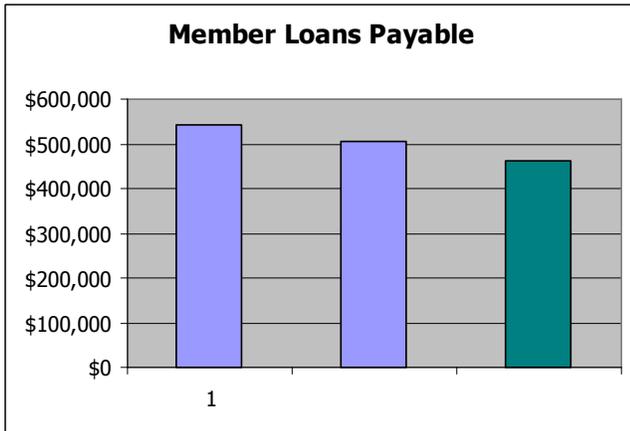
2009 Goal: \$500

2009 Actual: \$210

Goal was not achieved this year.

2010 Goal: \$500

Data to Support A3 cont



Owner Loan Equity. When Lexington owners invest money in their co-op in the form of a loan, cooperative economies are supported. This is demonstrated by a positive balance of member loans.

FY08 Balance of \$504,080

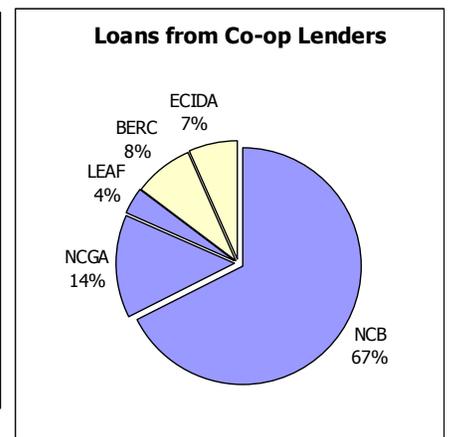
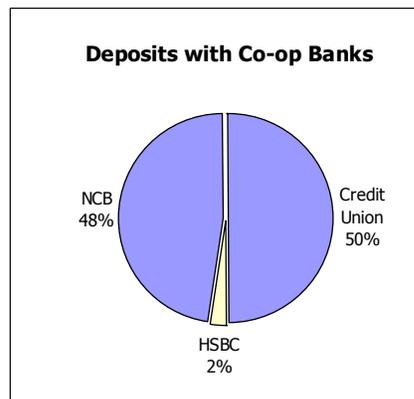
FY09 Balance of \$462,580

Goal was attained this year.

Patronage of co-operative banks and credit unions.

When more than 50% of our loans are from Co-op lenders, and more than 50% of our deposits are with Co-op banks, cooperative economies will thrive. This is demonstrated by 85% of external debt was from Co-op lenders and 98% of deposits were with Co-op banks in FY 09.

Goal was attained his year.



Lexington support for local Co-operatives. When Lexington provides support to local Co-operatives in both the local and co-operative economies will thrive. FY08 Activities: articles in 4 out of 6 newsletters about other co-ops, 7 mentions in email updates, paid \$80 to co-op consultant to help Urban Roots set up compensation package for new GM, offered Co-op training services to Urban Roots for new GM, Finance Mgr Jenny Bruce sits on Credit Union advisory board. FY09 Activities: Articles in x out of 6 newsletters; 7 mentions in email updates; 20-30 hours GM mentoring with Syracuse Co-op; 8 hours with GMs from Syracuse, Rochester, Cleveland and Erie, PA; Tim sat on GM search committee for Urban Roots; Jenny is still on supervisory committee at Buffalo Co-op Federal Credit Union, Free advertising for Urban Roots GM search.



Annual Ends Report September 2008

Submitted by Tim Bartlett, General Manager

% of Cost of Goods Sold from Co-ops or Local:

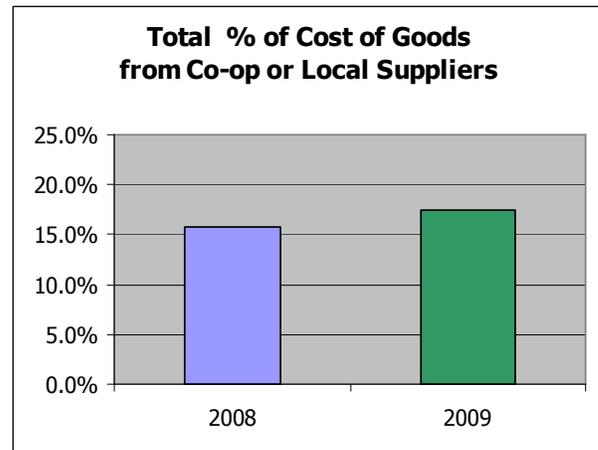
When Lexington purchases a larger share of its products from co-operative or local manufacturers, local and co-operative economies will thrive. The baseline for comparison is that in FY08 15.8% of our total Cost of Goods went to local or co-operative manufacturers.

FY09 Goal: 20%

FY 09 Actual: 17.5%

Progress was attained this year.

FY10 Goal: 20%



A4. A sustainable environment

Interpretation: My interpretation of “a sustainable environment” is that the Co-op is financially sustainable and that the Co-op’s environmental impact is minimized. The Co-op’s environmental impact includes our direct resource consumption, the amount of garbage we produce, and the environmental impact of the foods we sell.

Measurements:

1. Total direct energy used. My interpretation of a sustainable environment is demonstrated by decreases in the Co-op’s energy consumption relative to sales volume. This end result will be demonstrated by a decrease in gas and electric energy consumed relative to our sales volume, to previous years, and per square foot of building space.
2. Garbage generated. My interpretation of a sustainable environment is demonstrated by decreases in the amount of garbage we produce relative to sales volume. This end result will be demonstrated by a decrease in garbage generated relative to our sales volume.
3. % of Green Energy Used. My interpretation of a sustainable environment is demonstrated by increases in the Co-op’s green energy consumption relative to total energy consumption. This end result will be demonstrated by an increases in the Co-op’s green energy consumption relative to total energy consumption.
4. Sales of food in produce and bulk. My interpretation of a sustainable environment is demonstrated by increases in Lexington sales in bulk and produce. When Lexington customers buy more of their foods in bulk and produce, they reduce the packaging necessary to bring their foods to market, reducing their environmental impact. This end result will be demonstrated with baseline data of total % of sales at Lexington in produce and bulk. **5 Year Goal:** 30% of sales by 2013.
5. Sales of Organic foods. My interpretation of a sustainable environment is demonstrated by increases in Lexington sales organic foods. When Lexington customers buy more organic foods, they reduce the amount of chemicals in our water supply. This end result will be demonstrated with baseline data of total % of sales at Lexington in organics.

Data to Support A4

Total direct energy used. A sustainable environment can exist when the Co-op decreases its energy consumption. This year the Co-op decreased its electric usage by 1.2% while increasing its gas usage by 16%. When viewed relative to sales volume, gas usage decreased by 3.2% while electric usage decreased by 12.5%. Progress was achieved this year.

Energy Usage	2006	2007	2008	2009	Change
Gas (in CCFs)	8,061	8,085	9,560	11,062	16%
Gas/ Total Sales	0.0018	0.0015	0.0015	0.0016	2.5%
Electric	479,371	480,496	466,800	461,000	-1%
Electric/ Total Sales	0.1069	0.0911	0.0739	0.0646	-12.5%

FY 09 goal: 0% growth in gas & electric consumption.

FY09 Actual: 2.5% growth in gas consumption/sales
-12.5% growth in Electric/ Sales

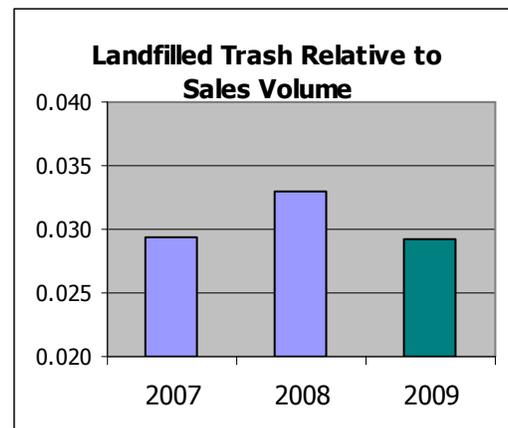
% of Green Energy Used. A sustainable environment can exist when the Co-op increases its green energy consumption relative to total energy consumption.

FY09 Results: In June 09, we switched from 0% green electricity to 100% green electricity.

Garbage generated. A sustainable environment can exist when the Co-op decreases the amount of garbage we landfill relative to sales volume. Landfilled trash remained constant this year while sales grew at 13%, reducing our garbage/sales ratio by 8%.

Progress was achieved this year.

FY10 goal: 5% reduction in garbage/sales ratio



Annual Ends Report September 2008

Submitted by Tim Bartlett, General Manager

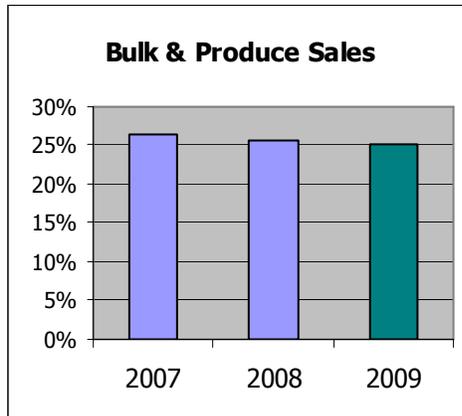
Sales of food in produce and bulk. A sustainable environment can exist when Co-op customers buy a larger % of bulk & produce.

FY 08: 25.7%

FY09: 25.1%

Progress was not attained this year.

5 Year Goal: 30% of sales by 2013.



Sales of Organic foods. A sustainable environment can exist when Co-op customers buy more organic foods. This end result will be demonstrated with baseline data of total % of sales at Lexington in organics.

No data yet.