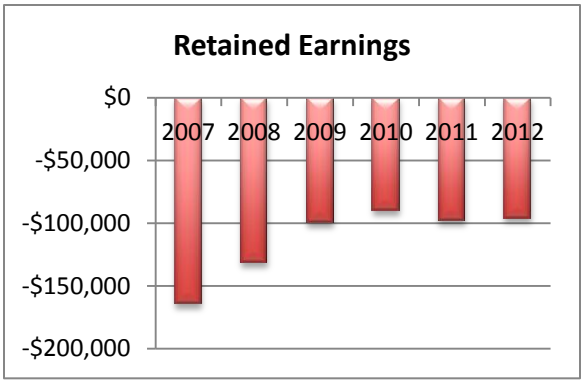

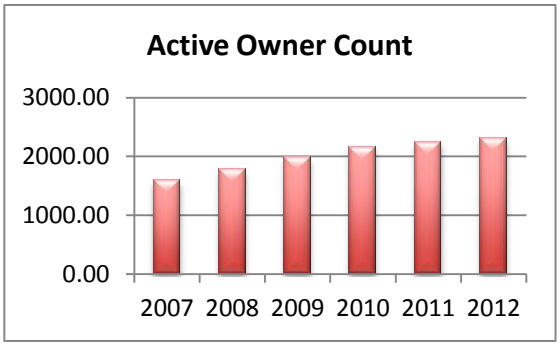

STORE REPORT 2012

TRAVIS HANCE

We are excited to share the results of yet another profitable year for our cooperative. After facing a very challenging year featuring new competition, a zoning decision that didn't go the way we would have liked, and some key management positions turning over, we entered last fiscal year with a simple, but ambitious plan to refocus and reimagine our business, to meet your needs better, and to help us lay the groundwork for the future of the cooperative.

Simply put, we had spent over a decade with a mentality that we should not invest in our current store, because we will be leaving it shortly. At the end of fiscal 2011, we had several interesting options to discuss regarding relocation or potential future locations for our co-op, but we knew we must dedicate some resources to improving our current store, to focus on the future with a careful, thoughtful review and reimagining of our current facility.

We are thrilled to report that our planned focus on produce, fresh meat and dairy, and simple, healthful grab-and-go lunch options has been successful for us: we finished this year just over 8% above last year in total revenue (creating an all-time record sales year), we added a net 104 new owners (new sign-ups minus resignations), and really injected a fresh, fun sense of vitality to our venerable facility at 618 Kensington Rd.

While your management has worked hard to better meet your current needs with what we have to offer, your Board has been diligently working to consider and plan our future together, whether in our current store, a relocated, newer facility, or a second location. We want to share with you some of the outcomes of our last Board retreat, and we invite you to comment and help us understand your concerns:

<u>Shared Vision for the Co-op's Expansion</u>

We are expanding because it's what the membership wants!

- Surveys
- Comment cards
- Feedback and conversations
- Needs of customers, owners and our community
- It's been a long-time goal and an evolving process

We can't afford not to! Not expanding would risk:

- Inefficiencies and higher costs of operating in current space
- Age of equipment and facilities and high cost to repair or replace
- Competition
- Exclusivity: Not accessible to wheelchairs or bus riders. Not visible to broader community. No parking lot.
- Crowded store

We want to serve people better!

- A community owned, neighborhood grocery store
- A better shopping experience
  - Better product selection
    - More bulk foods
    - Expanded meat, deli
    - More vegan, vegetarian and specialty products
  - More space in the aisles
  - More physical comfort – lighting, sounds, bathroom
  - Better parking
  - More accessible
  - A community gathering place, seating area
- Safe, efficient place for our staff to work
  - Professional development and more career opportunities
- Stronger Community
  - Economic development (more jobs, spending money locally, etc.)
  - Business opportunities for small farmers and local food producers
  - More visibility for co-op
  - More member owners

The 2010 expansion was relocation within the neighborhood and it was acknowledged there are very limited possibilities for another opportunity like that. To help assist the board and manager in assessing future opportunities, the group developed and prioritized the following set of criteria to use.

Votes	**Criteria**	**How we will know?**
8	More space to work and shop	Good physical space: loading dock, even floors, storage, etc
7	This location is a great place for us to work from to accomplish our ends	More access to local food
		Does not stray from our mission and purpose
		Café, meeting room, classroom, teaching kitchen, outdoor gathering space, wider aisles
6	We can finance it	Our owners will help finance it
5	Members will support it	Current members will be served
4	Strengthens the co-op	
3	Sustainable development	Repurpose or "green" building
		Smart growth, LEED E2020
3	Visibility and Prominence	
2	Multimodal accessibility	Parking
		Regional access
		Public Transportation