

THE CUBA FAMILY ARCHIVES FOR SOUTHERN JEWISH
HISTORY AT THE BREMAN MUSEUM

MSS 70, ASSOCIATED GROCERS CO-OP INC. RECORDS

BOX 3, FILE 7

BOARD OF DIRECTORS MEETING
JANUARY 1978 – DECEMBER 1979

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ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
January 22-25, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the Xanadu Princess Hotel, Freeport, Bahamas, January 22-25, 1978. All members were present.

Jerome S. Merlin, Chairman, called the meeting to order. Samuel Weissman, President, acted as Secretary.

Minutes of the previous meeting, held December 13, 1977/January 11, 1978 were read and approved.

There were no membership applications or resignations to be presented to the Board at this meeting.

The financial report was discussed thoroughly and, upon motion made, seconded and carried, approved as presented.

Management gave a full report on the produce department, with particular emphasis on the condition this department will experience after Kroger's purchases of produce are discontinued at the end of January. A long discussion was held on this department, with each member of the Board expressing his full views. A percentage of the Board, including the Chairman, recommended that the Produce operation be disbanded and this department be closed for a period of six months. Other members felt we should continue the produce operation, regardless of the loss, as a service to the members who do not have another satisfactory source of supply. The President agrees that the Produce Department should not be closed - that it should be maintained as a service for the members who need it - and that it is vitally important in the industry that the warehouse maintain its status as a full-service warehouse.

At this time, upon motion made and seconded, the meeting adjourned to be reconvened on January 24 for further discussion of this and other matters to come before the Board at this time.

On January 24, at 10:00 A.M., the meeting reconvened at the Xanadu Princess Hotel. All members were present. Jerome S. Merlin, Chairman, called the meeting to order.

The produce operation was again discussed at length, with various plans for its potentially successful operation presented by the members of the Board. Motion was then made and seconded that this matter be tabled until the February meeting, at which time these plans can be considered after an analysis is presented showing the uncontrollable costs to be absorbed by other departments if this department is closed.

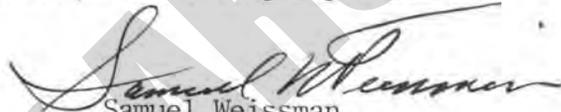
The forthcoming Annual Convention of the Cooperative Food Distributors of America was discussed: eight of the twelve members of the Board will attend.

Incentive travel programs were discussed at length. A discussion of a trip for 1979 was held, and it was suggested we consider a trip to Rome and Florence. Management was directed to look into this package and report its findings at a subsequent meeting after the forthcoming trip to London.

A long discussion was held on each department of the warehouse, and it was the consensus of the Board that most departments are operating efficiently, but that the meat department - and especially the produce department - should be looked into.

Under Good & Welfare, the Board was reminded of the forthcoming General Membership Meeting of January 31, and everyone was urged to be present.

At this time, upon motion made and seconded, the meeting adjourned.


Samuel Weissman,
President

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
February 21, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. February 21, 1978. All members were present except Roger Parker. Chester E. Sanders, Treasurer, also attended for the purpose of rendering the financial report.

Immediately prior to the meeting, Management and the Board of Directors viewed a piece of property being considered by the Board of Directors for purchase by the Company to replace property condemned by and sold to the City of Atlanta in 1975 for its expansion of the Atlanta Airport.

Upon return to the premises, Jerome Merlin, Chairman, called the meeting to order.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|--|--|
| *#290 - Food Fair Super Market
890 Second Street
Macon, Georgia 31201
A. M. and M. M. Cohen | #662 - Weems Valley Thriftown
6100 Hamilton Road
Columbus, Georgia 31904
Mike Sosebee |
| *#893 - Jim Wallace Food Stores
428 Atlanta Highway
Cumming, Georgia 30130
Bolton Oil Co., Inc. | |

* New members

RESIGNATIONS

- | | |
|--|--|
| # 88 - Aubrey Brown's Super Market
701 Fourth Avenue
LaGrange, Georgia 30240
Aubrey Brown | #165 - Cooper's Self-Service
1576 Simpson Road, N.W.
Atlanta, Georgia 30314
Brady Cooper, Jr. |
| #403 - Hayes Store
Langdale,
Alabama 36864
R. H. and W. J. Hayes | #610 - Food Basket
110 S. Buford Highway
Duluth, Georgia 30136
Herbert C. Martin |
| #650 - Piggly Wiggly Super Market #6
2202 Elm Drive
Columbus, Georgia 31907
Julian P. Goolsby | #649 - Piggly Wiggly Super Market #19
711 Fort Benning Road
Columbus, Georgia
Julian P. Goolsby |

The property viewed earlier by the Board was discussed, but it was the consensus of the Board that this parcel was too small and, therefore, not suitable. However,

in viewing this property it was noticed that an adjoining parcel of approximately one and one-half acres was for sale and that if this property could be obtained the total of the two parcels would make a fine acquisition. Upon immediate investigation, it was determined that this property is available at a price of \$67,000. The Board concluded that both parcels should be purchased, if possible. Therefore, motion was made, seconded and unanimously carried that the following resolution be, and it hereby is, adopted:

WHEREAS, it is necessary for the Corporation to acquire unimproved real estate to replace the parcel previously taken by condemnation proceedings.

NOW, THEREFORE, BE IT RESOLVED: That the Corporation acquire from Michael H. Jackson, Gary A. Duke and Clara-Co Incorporated property lying and being in Land Lot 93 of the 13th District of Fulton County, consisting of approximately 1.5 acres and known as 5550 Old National Highway for the sum of \$67,000, upon the condition that said property be free and clear of all liens and encumbrances at closing.

BE IT FURTHER RESOLVED: That the President and Secretary of the Corporation be and they hereby are authorized to execute and deliver on behalf of, and in the name of the Corporation a Purchase Agreement to acquire the subject property, and all such other documents (inclusive of, but not limited to, Amendments to Purchase Agreement and closing statement) as the President of the Corporation, in his sole discretion, deems necessary.

The account of Member #709, Roger W. Parker, was again discussed. Management reported that this member has furnished additional collateral as security for its accounts receivable which it is felt will be acceptable to the auditors as sufficient collateral for this account at this time, and that it will not be necessary to set aside monies for bad debts to cover this account. Motion was therefore made and seconded that the collateral furnished by Mr. Parker be accepted at this time, and that this matter be held in abeyance until the April 1978 meeting, at which time the matter will be reviewed to ascertain whether additional collateral will be needed to secure this account. Upon vote, the motion was carried, with Messrs. Braswell, Galanti and Hinton abstaining.

The financial report for the month of January and for the year to date was approved as presented by the Treasurer.

The produce department was again discussed. The Treasurer presented a proforma operative statement on this department. Based on this report, there would be very little difference in the expense of closing this department and of keeping it open, and the Board concluded it would be in the best interest of the Company and its members to continue the produce operation.

(At this time, Mr. Sanders left the meeting.)

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meetings held January 22-25, 1978 was dispensed with.

February 21, 1978

Motion was made, seconded and carried that the Company contribute \$500 toward the sponsorship of the banquet dinner of the Georgia Retail Food Dealers Association/National Association of Retail Grocers of the United States convention to be held at the Hilton Hotel in Atlanta July 23-26, 1978.

The Board was advised that the Company has a prospective buyer for the store in LaGrange, Georgia which was repossessed from McCoy Grocery Company. Upon motion made, seconded and unanimously carried, the following resolution shall be, and it hereby is, adopted:

WHEREAS, the Corporation has previously foreclosed and taken possession of collateral located at Bull and Broom Streets, LaGrange, Troup County, Georgia; and

WHEREAS, The Corporation desires to sell all of said foreclosed collateral at private sale.

NOW, THEREFORE, BE IT RESOLVED: That Chester E. Sanders, Vice-President of the Corporation be, and he hereby is, authorized to execute and deliver in the name of and on behalf of the Corporation, any and all documentation which shall be necessary to sell at private sale the collateral foreclosed at Bull and Broom Street, LaGrange, Troup County, Georgia, inclusive of, but not limited to, Closing Statements, Bill of Sale, Termination Statements and Purchase Agreements.

After a short discussion under Good & Welfare, upon motion made and seconded, the meeting adjourned.



Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
March 21, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. met at the office of the Company at 1:00 P.M. March 21, 1978. All members were present. Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial reports.

Jerome S. Merlin, Chairman, called the meeting to order.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|---|--|
| #110 - Big Jim's
314 Fifth Street
Columbus, Georgia
James H. Hurston | * #560 - Thriftown No. 1
200 Bull Street
LaGrange, Georgia
M. E. Richardson |
| #892 - Jim Wallace Food Store #YY
5725 Jimmy Carter Boulevard
Norcross, Georgia
Bolton Oil Co., Inc. | #894 - Jim Wallace Food Store #00
1025 N. Highland Avenue
Atlanta, Georgia
Bolton Oil Co., Inc. |
| #895 - Jim Wallace Food Store #WW
1400 Powers Ferry Road
Marietta, Georgia
Bolton Oil Co., Inc. | #896 - Jim Wallace Food Store #XX
6385 Roswell Road
Sandy Springs, Georgia
Bolton Oil Co., Inc. |

RESIGNATIONS

- | | |
|--|--|
| #307 - Fred and Martha's
West Elm Street
Rockmart, Georgia 30153
Fred B. Braswell | #622 - Millians & Thompson
16 E. Washington Street
Newnan, Georgia
Lillian Millians and Luke Thompson |
|--|--|

The financial report for the month ended February and for the year to date was discussed, after which, upon motion made and seconded, they were approved as submitted by the treasurer.

(At this time Mr. Sanders left the meeting.)

The minutes of the previous meeting, held February 21, 1978, were read and approved.

It was reported that in accordance with resolution adopted by the Board at its February 21st meeting negotiations are under way to purchase the property at

* new member

March 21, 1978

5550 Old National Highway, College Park, Ga., with closing scheduled for March 30, 1978. The possible purchase of the parcel of property adjoining this property, as discussed at the February 21st. meeting, was again discussed. It was the consensus of the Board that no action should be taken on this property at this time.

After discussion of several items under Good and Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett

Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
April 25, 1978

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. April 25, 1978. All members were present except Roger Parker. Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial reports.

The following membership applications were reviewed and approved:

APPLICATIONS

- | | |
|--|--|
| * # 23 - Alex's Market
644 Ashby Street, N.W.
Atlanta, Georgia 30318
Alex K. Grown | * #270 - Food King-Thriftown
417 S. Central Avenue
Hapeville, Georgia 30354
Clara Jackson & Terry Goetz |
| #985 - Nite Owl #6
Griffin Street & City Square
McDonough, Georgia 30253
Zack B. Hinton | * #924 - Vann's Cash and Carry
36 Garden Lakes Industrial Blvd.
Rome, Georgia 30161
George Edward Vann, Sr., & Sons |

It was reported that an application had been received from M. Allan Kimsey (Redan Superette, Lithonia, Georgia), but that in view of the fact that his check for his initial payment to capital stock, and subsequent checks to the Cash and Carry Department, had been returned for insufficient funds, it was the opinion of Management that this application not be considered for membership at this time. The Board concurred.

* new members.

RESIGNATIONS

The following membership resignations were reviewed and approved:

- | | |
|--|--|
| #139 - BriarVista Thriftown
2153 Briarcliff Road, N.E.
Atlanta, Georgia 30329
Kenneth E. Campbell | #262 Food King-Thriftown
417 S. Central Avenue
Hapeville, Georgia 30354
Food King Stores of Atlanta, Inc. |
| #574 - M & H Super Market, Inc.
644 Ashby Street, N. W.
Atlanta, Georgia 30318
Stanley M. Ney and Albert Mizell | #957-Kroger Sav-On #957
Mall Boulevard
Savannah, Georgia 31406
The Kroger Company |

It was reported that in accordance with contractual agreement, upon Kroger Sav-On's resignation as a member, the Company shall refund their investments in capital stock and buying deposits. Accordingly, a payment of \$45,350.36 representing these investments has been made. Payment of patronage dividend certificates in a total amount of \$4,209.24 will be made as these certificates mature.

April 25, 1978

The financial report for the month of March and for the year to date was discussed and approved as submitted by the Treasurer. (At this time Mr. Sanders left the meeting.)

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held March 21, 1978, was dispensed with.

The President reported that the purchase of the property at 5550 Old National Highway at a price of \$67,000 was closed on March 30, 1978, and that the property is now being cleared. It was also reported that because of the City of College Park's intention to run a sewer between this and the adjoining parcel of property which we had considered also buying, this offer to buy had been withdrawn since the sewer construction would make it impossible to construct a building on these combined lots.

Report was given on the present status of the investigation of the Company's records by the Internal Revenue Service.

It was reported that representatives of the Kroger Company met with the Company on April 20 to discuss the leasing of five banana rooms. The proposal which has been submitted to Kroger was discussed and approved by the Board.

It was reported that leakage in the roof of the warehouse worsens with every rain to the extent that leaks are now appearing in all areas of the roof. A representative of a local roofing company advised that the roof is in serious disrepair and that it is only a matter of a short time when replacement of the entire roof (12 acres) will be necessary. His estimate for an entire new roof would be approximately \$500,000. It was concluded by the Board that the roof be repaired at this time, but that the Company should immediately initiate a search for funds for meeting the expenses of this new roof at the earliest possible time.

Report was made on the status of the plans for the celebration of the Company's Fiftieth Anniversary which is planned for the spring of 1979.

After a short discussion under Good & Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.

Board of Directors Meeting
May 16, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. May 16, 1978. All members were present except Roger Parker and Anderson Dilworth. Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial statements.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|---|---|
| * #590 - Hooper's Superette
Route 7 - Tryon Road
Fayetteville, Georgia 30214
James M. Hooper | * #931 - Wilson Grocery
Main Street
Dawsonville, Georgia 30534
C. Loyal Wilson |
|---|---|

* New members

RESIGNATIONS

- | | |
|--|--|
| #601 - Oakdale Food Mart, Inc.
4360 Atlanta Road, S. E.
Smyrna, Georgia 30080
J. Rex Martin | #751 - Ray's Quick Market
3625 Peachtree Road, N.E.
Atlanta, Georgia 30305
Ray V. Power |
|--|--|

After a short discussion, the financial reports for the month of April and for the year to date were approved as submitted by the Treasurer. (At this time Mr. Sanders left the meeting.)

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held April 25, 1978 was dispensed with.

It was reported that the property recently purchased on Old National Highway, College Park, Georgia, has been cleared, including the removal of the house and all trees; also that easement has been granted Fulton County for a sewer along the boundary of this property, for which the Company will receive payment of \$750.

It was also reported that Kroger has accepted our proposal to lease to Kroger five banana rooms which was presented to the Board at the April meeting. Motion was made, seconded and carried that the Company lease these five rooms to Kroger as outlined in subject proposal for a period of one year, to commence as soon as the rooms can be prepared for service.

After a short discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.


Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
June 28, 1978

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company at 5:00 P.M. June 28, 1978. All members were present except Roger W. Parker.

Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial reports.

The following membership resignations were reviewed and approved:

- | | |
|---|---|
| #385 - East Point Thriftown, Inc.
2390 DeLowe Drive
East Point, Georgia 30344
Ray E. Harris | #658 - Page Street Grocery
409 Page Street
Marietta, Georgia 30344
Frances Brumit |
| #667 - Parkview Plaza Self-Service Foods
1863 Memorial Drive
Atlanta, Georgia 30317
Thos. A. & Patty D. Long | #959 - Western Market, Inc.
112 Broad Street, S. W.
Atlanta, Georgia 30303
W. M. Vincent |

It was reported that an analysis of the purchases of the following members/associate members revealed that they are not adhering to the By-Laws of the Corporation in that they are not meeting their contractual obligations in the area of purchases agreed to in their membership application to the Company. Management recommended that these members be asked to resign, as servicing these stores is not profitable for the Company. Upon motion made, seconded and carried, Management was authorized and directed to ask for the resignation of these members:

- | | |
|---|---|
| # 48 - Addis Super Market
105 W. Main Street
Walhalla, S. C. 29691
Joe Edward Addis | ** #50 - Pearson Bros. Foods, Inc.
409 N. First Street
Seneca, S. C. 29678
C. H. & J. H. Pearson |
| ** # 51 - Eight O'Clock Superette
103 Cleveland Street
Greenville, S. C.
William S. Langley | ** # 52 - Duckworth Foods
90 Allen Street
Greenville, S. C.
F. W. Duckworth |
| #648 - Piggly Wiggly Super Market
3150 Macon Road
Columbus, Georgia 31906
Preacher Goolsby, Inc. | #687 - Piggly Wiggly of Calhoun
P. O. Box 474
Calhoun, Georgia 30701
Billy Tierce & M. Dobbs |
| #688 - Piggly Wiggly of Ellijay
P. O. Box 519
Ellijay, Georgia
Billy Tierce & M. Dobbs | #689 - Piggly Wiggly-Chatsworth
1001 N. Third Avenue
Chatsworth, Georgia 30705
Billy Tierce & M. Dobbs |

** Associate members.

In the interest of time, upon motion made and seconded, the financial report for the month of May and for the year to date was approved as submitted by the Treasurer.

Also in the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held May 16, 1978 was dispensed with.

A projection of the constantly increasing labor costs and other expenses in doing business was presented and discussed, after which motion was made, seconded and unanimously carried that effective July 21, 1978, each membership store shall be charged Two Cents (2¢) per case for case labels. This charge will be built into the cost of the merchandise.

Motion was also made, seconded and unanimously carried that effective June 29, 1978 any new projects handled by the Corporation's Retail Store Development Department for any member shall be billed in accordance with the policy stated in the attached memo, which is made a part of these minutes.

Motion was made, seconded, and unanimously carried that the following resolution shall be, and it hereby is, adopted:

RESOLVED: That ARTICLE VI, Section 5, of the Corporation's By-Laws, which reads, "Every member is to pay a weekly service charge of Five (\$5.00) Dollars per week per membership store," be amended so that, as amended, Section 5 shall read as follows:

"Every member is to pay a weekly service charge of Ten Dollars (\$10.00) per week per membership store."

The above change in service charge shall become effective July 21, 1978.

It was reported that the Small Business Administration has advised that it found no violations of either its Act or Regulations in its examination of Affiliated Investment Fund, Ltd.'s operations for the twelve-month period ended February 28, 1978.

The President reported that due to the fact that the Company is not supplying certain high-volume stores as was anticipated in 1977, our loan agreement with Walter E. Heller & Company of Georgia has been amended, reducing our overall line of credit with Heller from \$11,500,000 to \$9,500,000.

The recent increase in postage was discussed, after which motion was made, seconded and carried that effective as soon as the present supply of postage-paid envelopes is exhausted, the Company will not bear expenses for any mailings from members to the Company.

Annual honorariums were distributed to the members of the Board of Directors, after which, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

June 14, 1978

Recommendations for Store Development
Department to Achieve a Break Even Profit Position for
Fiscal Year 78/79.

1 - Drafting Charge for Store Plans For or Remodeled Facilities:

\$15.00 per hour or
Maximum of \$300.00

2 - Mark-Up - Establish a Consistant Markup:

Mark-Up Factor on All Equipment or Services Billed
Through this Department.

3 - Installation of Equipment, Charge, IE, Shelving, Check-Outs
Aisle Directories, Decor, and Etc.

A Charge Commensurate W/ the Amount of Time Involved
@ \$15.00 per Hour and Mileage, if Necessary to be
Added for Installation of this Type of Equipment.

4 - Appraisals - For Stores and/or Equipment:

\$15.00 per hour or maximum of \$150.00 plus if
Applicable - a mileage charge of 12¢ per mile.

5 - Expenses:

Any expenses of A/G Engineers directly related to a
particular member should be included in the final
billing to member.

6 - Billing:

Any Equipment billed through A/G should be charged to
the members statement incurred, rather than being held in a
"Job in Progress" title.

ASSOCIATED GROCERS CO-OP., INC.

Special Meeting of
The Board of Directors

June 28, 1978

Immediately following the General Membership Meeting on June 28, 1978, a special meeting of the newly-elected Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company for the purpose of electing officers for the ensuing year. All members were present.

Jerome S. Merlin, Chairman, called the meeting to order, and extended appropriate welcome to John C. Theisen, who is commencing his first term as a director.

The meeting then proceeded to the election of officers to serve during the ensuing year, July 1, 1978 through June 30, 1979, and until their successors are elected, in accordance with the By-Laws.

Upon motion made, seconded and unanimously carried, Walter B. Payne, Jr. was elected Chairman of the Board of Directors, at which time he was placed in charge of the meeting. He presented Jerome S. Merlin, retiring Chairman, with a plaque and extended appropriate comments of appreciation for distinguished service as Chairman of the Board.

At this time, the election of officers continued. Upon motion made, seconded and unanimously carried, the following persons were elected, or re-elected*, to serve in the designated offices of the Corporation for the ensuing year, July 1, 1978 through June 30, 1979, and until their successors are elected in accordance with the By-Laws:

First Vice Chairman of the Board of Directors - James D. Rogers
Second Vice Chairman of the Board of Directors - Zack B. Hinton

- * President - Samuel Weissman
- * Treasurer - Chester E. Sanders
- * Secretary - Clyde G. Burkett

The following were re-appointed by the President to serve in the designated offices for the ensuing year, July 1, 1978 through June 30, 1979, and until their successors are elected, in accordance with the By-laws:

Vice President - Sales, Advertising and Merchandising - Thos. L. White
Vice President - Meat Operations - Robert E. Monroe
Vice President - Purchasing - Joe King
Vice President - Warehouse Operations - James M. Catel
Vice President - - Chester E. Sanders

It was resolved by the Board of Directors to continue with the First National Bank as depository, and that the following are hereby authorized to sign checks, notes, etc. upon the Corporation's bank account, two signatures required:

Samuel Weissman - President
Chester E. Sanders - Vice President & Treasurer

It was also resolved by the Board of Directors to continue with the present financing agreement with Walter E. Heller & Company of Georgia.

At this time, upon motion made and seconded, the meeting adjourned.

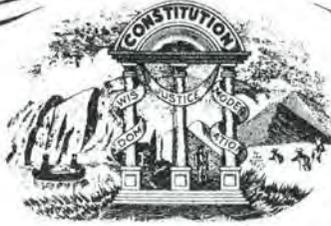


Clyde G. Burkett,
Secretary

CUBA FAMILY ARCHIVES

EXECUTIVE DEPARTMENT

THE STATE OF GEORGIA



Proclamation

ASSOCIATED GROCERS COOPERATIVE

BY THE GOVERNOR:

WHEREAS: Associated Grocers Cooperative was formed in January 1929 by a small group of Atlanta grocery store owners who desired to achieve better buying power; and

WHEREAS: During the past 50 years, Associated Grocers has increased its services and buying power, and now serves more than 360 retail grocers in Georgia, Alabama and South Carolina; and

WHEREAS: The 50th year celebration of Associated Grocers Cooperative will be observed during the entire year of 1979, and will include a food show at the Civic Center, two major banquets, and educational projects and articles relating to the history of retailing in Georgia; and

WHEREAS: The State of Georgia is proud of its independent grocery retailers, and grateful for their many contributions to our State; now

THEREFORE: I, George Busbee, Governor of the State of Georgia, do hereby commend and congratulate ASSOCIATED GROCERS COOPERATIVE on the occasion of its 50th year of service.



In Witness Whereof, I have hereunto set my hand and caused the Seal of the Executive Department to be affixed. This 3rd day of July, 1978

George Busbee
GOVERNOR
BY THE GOVERNOR
Norman L. Underwood

ASSOCIATED GROCERS CO-OP, INC.
Board of Directors Meeting

July 25, 1978

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company at 1:00 P.M. July 25, 1978. All members were present. Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial reports. (Louis Vrono, Honorary Director, was not present).

Walter B. Payne, Chairman, called the meeting to order.

The following membership application was reviewed and approved:

*#572 - Lee's Jiffy Mart
2390 DeLowe Drive
East Point, Georgia 30344
Byung Ki Lee

The request for membership of Albert N. Solomon & Co., Inc. was discussed. Due to the financial condition of this corporation (presently operating under Chapter XI of the Bankruptcy Act), and because of unusual special considerations requested by Mr. Solomon, motion was made, seconded and unanimously carried that Mr. Solomon's request for membership be denied.

The following membership resignations were reviewed and approved:

23 - Alex's Market
644 Ashby Street, N.W.
Atlanta, Georgia 30318
Alex K. Brown

#324 - Carl A. Garner
29 Jones Street
Norcross, Georgia 30071
Carl A. Garner

#684 - Podber's Super Market
2199 College Avenue, N.E.
Atlanta, Georgia 30317
Max and Abe Podber

It was reported that Member #652 - Moreland Food Mart, Moreland, Georgia, 30259, owned by B. Myatt and W. C. Bohannon, is not adhering to the By-Laws of the Corporation in that they are not meeting their contractual obligations in the area of purchases agreed to in their membership application to the Company, and Management recommended that this member be terminated by the Company. Upon motion made, seconded and unanimously carried, Management was authorized and directed to terminate this membership in accordance with the By-Laws.

In the interest of time, upon motion made and seconded, the financial report for the fiscal period ended June 24, 1978 was approved as submitted by the Treasurer.

(At this time Mr. Sanders left the meeting.)

* New member

Also in the interest of time, upon motion made and seconded, the reading of the minutes of the June delayed regular meeting and the special election meeting of the Board, both of which were held on June 28, 1978, was dispensed with.

It was reported that the Company has received Examination Report of the Internal Revenue Service outlining adjustments it feels are necessary in our tax liability for the years 1975, 1976 and 1977, in accordance with its recent audit of the Company's records.

The president reported that bread sales have doubled in the past two months under the bread program recently negotiated with Colonial Baking Company, and urged strong support of this program.

It was concluded that the August meeting be postponed to August 29 to allow ample time for the auditors to complete their fiscal audit of the Company's records, at which time a representative of Touche-Ross & Co. will present it to the Board.

Under Good and Welfare the members of the Board stressed the importance of keeping the pricing program up to date, and of increasing the sales volume of the Company, even to the extent of adding qualified personnel to make the necessary contacts.

At this time, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
Board of Directors Meeting

August 29, 1978

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. August 29, 1978. All members were present except W. Ellis Crook. Chester E. Sanders, Treasurer of the Company, and Irwin A. Siegel of Touche Ross & Co. also attended the meeting.

Mr. Siegel rendered in detail the complete financial reports for the fiscal year ended June 24, 1978, consisting of consolidated sales of all departments, income and expense. This report reflected a profit before distribution of patronage and taxes of \$757,000, a 6.2% decrease from 1977's \$807,000. After-tax profit was \$181,000, a 20.5% increase from 1977's \$151,000. Mr. Siegel commended management and the Board of Directors for a good year in view of the current inflation and erratic economic conditions. He cautioned, however, that a concerted effort should be made to increase sales during the coming year to offset the inevitable increases in operating expenses.

(At this time Mr. Siegel left the meeting.)

The following membership applications were reviewed and approved:

- | | |
|--|---|
| * # 62 - Bill's Thriftown
Rt. 4 - Ila Road
Commerce, Georgia 30529
Wm. V. Martin | #223 - Davidson's Thriftown #10
1319 Third Avenue
Phenix City, Alabama 36867
Wm. B. Davidson |
| *#630 - Marty's Meat Market
Robinson & Roswell Road
Marietta, Georgia 30060
Jess B. Johnson | |

* new member

Motion was made, seconded and carried that the motion adopted by the Board of Directors at the June 28, 1978 meeting instituting charges by the Company to members for services rendered by the Retail Store Development Department be rescinded, and that the Company revert to its former policy of performing these services for the members without charge.

(At this time Mr. Sanders left the meeting.)

August 29, 1978

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meeting held July 25, 1978 be dispensed with.

The President reported that the Trust Company of Columbus ("the bank") has filed suit against the Company, the Credit Union and Louis Borgh (A/G member) for damages in connection with a store in Columbus, Georgia repossessed by the Company from Luther Bunge (McCoy Grocery Co.) and subsequently sold to Louis Borgh on which they (the bank) claim they have senior security interest in the furniture, fixtures and equipment located in the store.

(At this time Mr. Sanders re-entered the meeting)

Under Good & Welfare a lengthy discussion was held pertaining to the feasibility of the Company issuing corporate stock in lieu of debentures. No action was taken, and this matter was tabled for discussion at a later time.

At this time, upon motion made and seconded, the meeting adjourned.



Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
ANNUAL STOCKHOLDER-MEMBERSHIP MEETING

September 10, 1978

The Annual Stockholder-Membership Meeting of Associated Grocers Co-Op, Inc. was held at the Dunfey Royal Coach Hotel, Atlanta, Georgia, at 5:00 P.M. September 10, 1978. Walter B. Payne, Chairman of the Board of Directors, called the meeting to order and extended a cordial welcome to those present, after which dinner was served.

The meeting was reconvened at 7:00 P.M. by Samuel Weissman, President, who addressed the group briefly and added his personal comments of welcome.

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meeting held June 28, 1978 be dispensed with.

Thomas L. White, Vice President-Sales, Advertising and Merchandising, gave an audio-visual review of the Spring 1978 members' trip to London, and a preview of the forthcoming trip to Rome in the Spring of 1979. Mark Markarian, Jr. of Landmark Travel & Marketing Co., gave the itinerary and more pertinent information on the trip.

Mr. White also presented audio-visual preliminary plans for the celebration of the Company's Fiftieth Anniversary to be held in March of 1979.

The President gave a complete report on operations for the fiscal year 1977-78, including department profits, a report on consolidated operations, slides on the refunds to members, and on profit and loss for the last five years.

At this time, upon motion made and seconded, the meeting adjourned, after which year-end patronage payments were distributed to the members present.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.
Board of Directors Meeting

September 19, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company at 1:00 P.M. September 19, 1978. All members were present except Isaac N. Galanti.

Chester E. Sanders, Treasurer, and Elliott Cohen, Jackson L. Culbreth and H. Stephen Merlin, company attorneys, also attended the meeting.

Walter B. Payne, Chairman, called the meeting to order.

The meeting was immediately called into Good and Welfare for consideration of the following:

The President reported that there has been dissention among some members of the Board and that he has been informed that there are Board Members who are considering going with other suppliers. He stated that matters of a very confidential nature were to be discussed at this meeting and if there were Board Members who will not remain a member of this Company and this Board, they should not be present during these discussions. Fred Braswell stated he felt this reference was directed at him, but that at this time he did not know whether he will remain a member. After discussion, it was the consensus of the members of the Board that in view of this, and in consideration of the length of time Mr. Braswell has been a member of the Company and of the Board of Directors, that he remain in the meeting.

At this time the attorneys entered the meeting.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|---|--|
| * # 77 - Booth's Thriftown
4008 River Road
Columbus, Georgia 31904
Oliver K. and Edna M. Booth | * #697 - Pritchett's Super Market
131 Forsyth Street
Barnesville, Georgia 30204
Milton L. Pritchett |
|---|--|

* new members

RESIGNATIONS

- | | |
|--|--|
| # 20 - L. L. Adams
4008 River Road
Columbus, Georgia 31904
Lonnie L. Adams | #153 - Vic's Grocery
1041 Capitol Avenue, S.W.
Atlanta, Georgia 30315
Victor S. Leaf |
| #381 - G & G Grocery
2192 Roswell Road
Marietta, Georgia 30062
Bobby H. Grant | #668 - Penny Profit Food Store
2475 Appalachee Drive, N.E.
Atlanta, Georgia 30319
Bobby Trammel |

Elliott Cohen reported that a brief has been filed with the Internal Revenue Service and that an Appellate Conference has been requested in connection with the audit of the Company's records by the Internal Revenue Service. He outlined to the Board the rebuttal of the Company contained in this brief to the points raised against the Company by the IRS.

The President reported on the recent financial seminar held by Goldman, Sachs & Co. on the subject of co-op financing, which he, Chester Sanders, Stephen Merlin, and Irwin Siegel of Touche Ross & Co., attended. Mr. Merlin explained the various options open to the Company in connection with the recent conversations held by the Board regarding the feasibility of the Company issuing Class A Voting and Class B stocks. After a lengthy discussion, motion was made, seconded and unanimously carried that the attorneys research these options to determine how each would affect both the Company and the members and return with their findings at a subsequent meeting.

At this time the attorneys left the meeting.

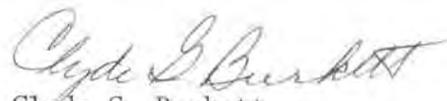
Upon motion made and seconded, the financial reports for the month of August and year-to-date were accepted as presented by the Treasurer.

At this time Mr. Sanders left the meeting.

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meeting held August 29, 1978 be dispensed with.

The President reported that the spiraling increases in the cost of nitrogen within a short time will certainly dictate that the Company install refrigerated units on its delivery equipment for perishable foods. He presented an analysis of the cost of nitrogen for the past several years Vs. the cost to install and maintain these units on this equipment which indicated that the savings earned in approximately two years would pay for the purchase and installation of the units. Motion was made, seconded and unanimously carried that Management be authorized to make this expenditure if final analyses show this to be feasible.

After discussion of several matters under Good and Welfare, upon motion made and seconded, the meeting adjourned.


Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.
Board of Directors Meeting

October 17, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company at 1:00 P.M. October 17, 1978. All members were present.

Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial statement.

Walter B. Payne, Jr., Chairman, called the meeting to order.

Letter of resignation from Associated Grocers Co-Op, Inc. and from the Board of Directors received from Fred B. Braswell was read and accepted.

Mr. Braswell's resignation also resulted in his resignation as a director of Affiliated Investment Fund, Ltd. ("AIF"). Inasmuch as Associated Grocers is the sole stockholder of AIF, and pursuant to the By-Laws of AIF, the meeting proceeded to the election of a director to fill the vacancy created by Mr. Braswell's resignation. The name of James D. Rogers was placed in nomination, after which nominations were closed. Therefore, by acclamation, James D. Rogers was elected as Director of Affiliated Investment Fund, Ltd.

The membership application of -

* #83 - Bob's Little Sack Food Store
35 Gwinnett Street
Buford, Georgia 30518
P. Robert Burgess, Owner

was reviewed and approved.

The membership application of -

* # C & W Thrift Market, Inc.
D/B/A Tyrone Supermarket
Highway 74
Tyrone, Georgia 30290
John M. Feenaghty and
Collier B. Starnes, Owners

was reviewed and was approved, subject to completion of satisfactory credit information on these two individuals.

The associate membership application of -

#581 - Mason's Super Market
War Woman Road
Clayton, Georgia 30525
Harvey Dale Mason, Owner,

was approved, subject to completion of satisfactory credit information.

* New member

The following membership resignations were reviewed and approved:

- | | |
|---|---|
| # 86 - Braswell Food Market
121 Cherry Street
Rockmart, Georgia 30153
Fred Braswell, owner | #387 - Harris Jr. #2
3168 Washington Road
East Point, Georgia 30344
Ray E. Harris, owner |
| #720 - Little Sack Food Store
35 Gwinnett Street
Buford, Georgia 30518
Clyde Davis, owner | #926 - Williamsburg Thriftown
3492 Washington Road
East Point, Georgia 30344
Tom Franklin, owner |

The financial report for the month of September and for the year to date was reviewed and approved.

The minutes of the previous meeting, held September 19, 1978, were read and approved.

The President reported that Michael Leahy of Goldman Sachs Realty Corp. was here to view the warehouse on September 28. At that time we agreed to give Goldman Sachs a 45-day non-exclusive contract to obtain a Ten Million Dollar (\$10,000,000) loan on Associated Grocers' facility at the interest rate of Nine-Three Quarter Per Cent (9-3/4%) for not more than twenty-five years. Mr. Leahy stated they would first contact our present lender, Equitable Life Assurance Society, and that if the loan could not be obtained from Equitable they would then shop other lenders for the loan. Also, Edward H. Hutchison of the First National Bank, met with Management on September 25. Mr. Hutchison stated that the First National would be willing to lend up to Five Million Dollars (\$5,000,000) at One Per Cent (1%) above prime, when we have been released from our contract with Walter E. Heller Co.

After discussion, motion was made, seconded and carried that the President be, and he hereby is, authorized and directed to seek and negotiate commitments to obtain long-term financing on the facility.

It was reported that the matter of recapitalization of the Company is being researched by the Company's attorneys and that a committee consisting of the Officers of the Company, and Isaac N. Galanti and Jerome Merlin, Directors, has been appointed to work with the attorneys in this study.

The President reported that Associated Food Stores, Macon, Georgia, is in critical financial condition, and that Greg Garrison of that cooperative contacted him on October 12 regarding the possible sale of Associated Food Stores to Associated Grocers. After discussion, it was the consensus of the members of the Board that the acquisition of this co-op might be a profitable venture for the Company, and it was concluded that Management, along with a committee from the Board, go to Macon to view the facility and obtain full information in this matter.

Pursuant to discussion held at the September meeting, the President reported that the decision has been made to install refrigerated units on the Company's delivery equipment for perishable foods, and proposal on the installation of these units was presented to the Board. Notice has been given Union Carbide, the Company's supplier of nitrogen, that the contract is cancelled at the close of the twelve-month notice required by the contract.

MINUTES.....

- 3 -

October 17, 1978

After a short discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett

Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
Special Board of Directors Meeting

October 31, 1978

A special meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 2:00 P.M. October 31, 1978 for the purpose of discussing the possible acquisition of Associated Food Stores, Macon, Georgia. All members were present.

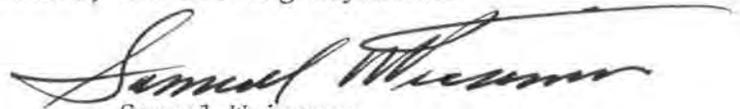
Chester E. Sanders, Treasurer of the Company; Elliott Cohen of Cohen, Pollock, Culbreth, Merlin; and Irwin A. Siegel and Edward P. Fitzgerald of Touche Ross & Co. also attended the meeting.

Walter B. Payne, Jr., Chairman, called the meeting to order.

After reviewing the information presented by the Committee who went to Macon to view the property, examining their financial report, and considering the adverse effect merging with this co-op with its present financial condition would have on the Company's own financial position, it was the consensus of the Company's Attorneys and Accountants that it would not be profitable for the Company to assume this co-op and its existing obligations.

Motion was therefore made, seconded and unanimously carried that the Company shall not at this time merge with, or in any way acquire, this cooperative.

At this time, upon motion made and seconded, the meeting adjourned.



Samuel Weissman,
President

ASSOCIATED GROCERS CO-OP, INC.
Board of Directors Meeting

November 28, 1978

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 3:00 P.M. November 28, 1978. All members were present.

Chester E. Sanders, Treasurer, and Elliott Cohen, Company Attorney, also attended the meeting.

Walter B. Payne, Chairman, called the meeting to order.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|---|---|
| * #573 - J. D. Hall Grocery
3801 Anneewakee
Douglasville, Georgia 30135
James D. Hall, owner | #760 - King's Food Store
559 Boulevard, N.E.
Atlanta, Georgia 30308
Morris J. Notrica, owner |
| * #810 - Shuman's Market
2837 Peachtree Road, N.E.
Atlanta, Georgia 30305
Chil Yong Son, owner | |

RESIGNATIONS

- | | |
|---|---|
| ** # 10 - Adamsville Superette
3 Fairburn Road, S. W.
Atlanta, Georgia 30031
Daniel Allen, owner | # 72 - King Food Store
559 Boulevard, N.E.
Atlanta, Georgia 30308
Max Benator and Isaac
Galanti, owners |
| #819 - D. P. Shuman Market
2837 Peachtree Road, N.E.
Atlanta, Georgia 30305
D. P. Shuman, owner | |

* New member

** It was reported that this member owes the Company a net amount of \$54,780.53, consisting mainly of a long term build-up on accounts receivable. All efforts to reduce this indebtedness have failed, and this account has been turned over to the attorneys, with instructions that they seek to arrange a suitable payment arrangement with Mr. Allen or enter suit for the entire amount.

Applications for associate membership of the following were reviewed and approved:

15 - Associated Food Stores
460 Albert Street
Macon, Georgia 31206

#576 - Lane Food Store
Highway 441 South
Clarkesville, Georgia 30523
Charles T. Batson, owner

The membership of #569 - Jones & Pace, Inc.
291 Bankhead Highway, S.E.
Mableton, Georgia 30059
J. F. Jones, owner

has been placed in temporary suspension, due to a build-up on accounts receivable in a net amount of \$8,289.68 which management has been unable to collect. This account has been turned over to the attorneys for suit, which has been initiated.

The President reported that one of the Co-op's members has requested permission to terminate his present membership and immediately rejoin as an associate member. This request was denied. It was the conclusion of the members of the Board that this practice would not be in the best interest of the Company and that associate memberships shall continue to be handled strictly in accordance with the By-Laws of the Company.

(At this point Mr. Cohen entered the meeting.)

Mr. Cohen reported on the research his firm has done in connection with the possibility of the Company converting from the payment of patronage to the issuance of Class A Voting and Class B. stocks, outlining the effect the various options would have both on the Company and on the members of the Co-op. This matter was discussed at length, after which it was concluded that more research is needed, and Mr. Cohen was instructed to meet with the Conversion Committee for further study.

The matter of long-term financing for the Company was again discussed. The President reported that Wayne Chapman, of John Hancock Mutual Life Insurance Co., has visited and inspected the property and was impressed. He stated he felt they could work out a loan of \$9,000,000 to \$10,000,000 for not more than 25 years at an interest rate of approximately 9-7/8% to 10%. He requested pertinent information on both the Company and its management, and a current appraisal of the property. Benjamin Hirsch, Architect, is in the process of preparing this appraisal. It is hoped we will receive application for the loan sometime during the month of December.

(At this time Mr. Cohen left the meeting.)

The financial report for the month of October and for the year to date was accepted as presented by the Treasurer.

In the interest of time, upon motion made and seconded, the reading of the minutes of the meeting held October 17 and the special meeting held October 31, 1978 was dispensed with.

The inventory of the Cash and Carry Department was discussed.

The Advertising Department was discussed, and it was concluded that Management shall exercise tighter controls in this department at this time.

After a short discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.



Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
Board of Directors Meeting

December 14, 1978

The regular monthly meeting and annual Christmas Party of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the Standard Club, Atlanta, Georgia, at 6:30 P.M. December 14, 1978. All members were present.

Chester E. Sanders, Treasurer, also attended the meeting.

Walter B. Payne, Chairman, called the meeting to order.

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting, held November 28, 1978, was dispensed with.

The financial report for the month of November and for the year to date was approved as presented by the Treasurer.

The following membership resignations were reviewed and approved:

- | | |
|---|--|
| #270 - Food King-Thriftown
417 S. Central Avenue
Hapeville, Georgia 30354
Terry Goetz, owner | #656 - One Stop Food Store #1
1885 Jonesboro Road, S.E.
Atlanta, Georgia 30315
J.W. Tanner & L.L. Daily, owners |
| #879 - William Tanner Grocery
828 McDonough Boulevard, S.E.
Atlanta, Georgia 30315
William Tanner, owner | #924 - Vann's Cash & Carry
36 Shorter Industrial Boulevard
Rome, Georgia 30161
Eddie and Mike Vann |
| #931 - Wilson Grocery
Main Street
Dawsonville, Georgia 30534
Charlie L. Wilson | |

The resignation of the associate member shown below was approved:

- #15 - Associated Food Stores
460 Albert Street
Macon, Georgia 31206

The President reported that a mortgage loan from John Hancock in the amount of Nine Million Dollars (\$9,000,000) at 9-7/8%, plus one-half point commitment fee (\$45,000) has been approved and that commitment papers will be forwarded within the next few days. Motion was made, seconded and unanimously carried that the President be, and he hereby is, authorized and directed to accept this loan on behalf of the Company, and to pay off the existing loan with Equitable Life Assurance Society.

The President reported that Member No. 406, Harold Hersch, has requested a loan from Associated Grocers Co-Op, Inc. in the amount of \$50,000 for three years for the purpose of purchasing a store from A & P Food Stores, into which Mr. Hersch is investing \$100,000 of his own money. Motion was made, seconded and unanimously carried that Management be authorized and directed to extend this loan of \$50,000 to Mr. Hersch for a period of three years.

The President reported that due to the fact that the Company has not done business with A.M.O., Inc. for approximately ten years and do not foresee further business with this company, that request has been made for the return of the Company's equity of \$5,214.20 in A.M.O., Inc.

At this time, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett

Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
Board of Directors Meeting

January 10, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company on January 10, 1979. All members were present.

Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial statements.

Walter B. Payne, Chairman, called the meeting to order.

The following membership application and resignations were reviewed and approved:

APPLICATION:

700 - O. K. Food Store #2
5593 Buford Highway
Doraville, Georgia 30040
Roger W. and Marjorie Parker, owners

RESIGNATIONS:

#151 - Coleman's Grocery Store
Fayetteville, Georgia 30214
John M. Feenaghty, owner

#283 - Southern Food Store
119 Randolph Street, N.E.
Atlanta, Georgia 30312
Morris J. Notrica, owner

#713 - Parson's of Cumming
Cumming, Georgia 30130
C. M. Parsons, owner

The financial statements for the month of December and for the year to date were accepted as presented by the Treasurer. (At this time Mr. Sanders left the meeting.)

In the interest of time the reading of the minutes of the previous meeting held December 14, 1978 was dispensed with.

The President reported that the mortgage loan in the amount of \$9,000,000.00 from John Hancock Mutual Life Insurance Company has been approved and that Equitable Life Assurance Society has agreed to accept payoff of the existing mortgage loan. In connection with this loan from John Hancock, upon motion made, seconded and unanimously carried, the following resolutions were adopted:

"RESOLVED, that the respective forms of, and each of the terms and provisions contained in, the Note and the Deed to Secure Debt and Security Agreement which shall evidence the loan in the original principal sum of Nine Million Dollars (\$9,000,000.00) from John Hancock Mutual Life

Insurance Company ("John Hancock"), to Associated Grocers Co-Op, Inc. (the "Company") pursuant to that certain First Mortgage Loan Commitment from John Hancock to the Company, dated December 26, 1978, are hereby in each and every respect approved; and each and every transaction effected or to be effected pursuant to and in substantial accordance with the terms of such documents, including but not limited to those specific transactions which are described, authorized, and approved in the succeeding resolutions, are hereby in each and every respect authorized and approved; and

"FURTHER RESOLVED, that the Company enter into the Note and the Deed to Secure Debt and Security Agreement, and that the President (or any Vice President) and the Treasurer of the Company are hereby severally authorized to execute and deliver in the name and on behalf of the Company, and under its corporate seal to be attested by its Secretary or an Assistant Secretary, the Note and the Deed to Secure Debt and Security Agreement in substantially the respective forms approved hereby, with such changes therein and additions thereto as the officer executing and delivering the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof; and

"FURTHER RESOLVED, that the President or any Vice President of the Company, and any person or persons designated and authorized so to act by any such officer of the Company are hereby severally authorized to do and perform, or cause to be done and performed, in the name and on behalf of the Company or otherwise, such other acts, and to execute and deliver, or cause to be executed and delivered, such other notices, requests, releases, deeds, financing statements, demands, directions, consents, approvals, orders, waivers, acceptances, appointments, applications, certificates, agreements, undertakings, indemnifications, supplements, amendments, further assurances or other instruments or communications, under the corporate seal or otherwise, in the name and on behalf of the Company or otherwise as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions, to fulfill any requirement of John Hancock in connection with the aforesaid loan or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions; and

"FURTHER RESOLVED, that any action which has heretofore been taken by the officers or the agents of the Company in connection with the foregoing resolutions or the matters approved thereby is hereby ratified, approved and confirmed."

The request of Ray Pike, Member, that he be allowed to withdraw his investments with the Company and start the repayment of these investments immediately, and that his Son, Doyce Pike, be elected to the Board of Directors, was presented to the Board. The Board concluded that withdrawal of a Member's investments while still a member is prohibited by the By-Laws of the Corporation. In view of the fact that there are presently two vacancies on the Board of Directors, motion was made that Doyce Pike be appointed to the Board of Directors; however, this motion died for lack of a second.

The names of Asher Benator and Garland F. Pinholster as candidates for director were placed in nomination, after which, upon motion made and seconded, nomina-

tions were closed. Therefore, these two nominees were appointed to the Board of Directors to serve as follows:

- Asher Benator - to serve the unexpired term of Fred Braswell, extending through June 30, 1981, and until his successor is elected in accordance with the By-Laws of the Corporation;
- Garland F. Pinholster - to serve the unexpired term of Isaac N. Galanti, extending through June 30, 1979, and until his successor is elected in accordance with the By-Laws of the Corporation.

It was reported to the Board that resigned Member #684, Max and Abe Podber, has requested immediate refund of their investments in the Company due to serious needs for these monies. After discussion, the Board concluded that this matter be left to the discretion of the President.

Jerome Merlin, Chairman of the Stock Conversion Committee, reported that this Committee had met earlier on this date, but that further study is needed in this matter. This committee will report further to the Board as its investigation progresses.

After discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.

SEMI-ANNUAL STOCKHOLDER-MEMBERSHIP MEETING

January 14, 1979

The Semi-Annual Stockholder-Membership Meeting and celebration of the Fiftieth Anniversary of Associated Grocers Co-Op, Inc. was held at the Dunfey Hotel, Atlanta, Georgia, at 6:00 P.M. January 14, 1979. Walter B. Payne, Jr., Chairman of the Board of Directors, called the meeting to order, after which dinner was served.

The President extended a cordial welcome to all, introduced distinguished guests and gave a brief history of the Company since its founding in 1929.

At this point, the meeting was called into a short business session.

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held September 10, 1978, was dispensed with.

The meeting then proceeded to the election of a Nominating Committee for the purpose of proposing names of persons for election to the Board of Directors at the Semi-Annual General Membership Meeting to be held in June, 1979. Under the By-Laws of the Corporation, this Committee shall consist of seven members, four of which are to be appointed by the Chairman of the Board of Directors, with three to be elected by the membership present at this meeting.

The Chairman announced the following as his appointees to this committee:

Jerome Merlin Jas. D. Rogers J. D. Gray Ellis Crook

The following were elected by the membership:

Ronnie Massey Henry Thrailkill Fred Ligon.

Hence, the above-named seven persons constitute the Nominating Committee for 1979.

At this time, motion was made and seconded that the business session be closed.

Jack Maziar, founder and General Manager for 41 years, was introduced as honored guest and was presented a silver tray in recognition of his long tenure of devoted and progressive leadership.

Thomas K. Zaucha, newly-elected President of the Cooperative Food Distributors of America, was introduced, after which he spoke briefly to the group.

As guest speaker for the occasion, Art Linkletter addressed the group.

In conclusion, the President read the attached Proclamation issued by the Governor of Georgia paying tribute to the observance of the Company's Fiftieth Anniversary.

MINUTES.....

- 2 -

January 14, 1979

At this time, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett

Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
Board of Directors Meeting

February 21, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M., February 21, 1979. All members were present.

Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial statements.

Walter B. Payne, Chairman, called the meeting to order.

Newly-elected Directors Asher Benator and Garland F. Pinholster were introduced and welcomed to the Board of Directors.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|--|---|
| * #134 - Cater's Thriftway
431 S. By-Pass
Phenix City, Alabama 36867
Leonard M. Cater | * #140 - R. J. Childs Thriftway
Highway 11
Gray, Georgia 31032
Richard J. Childs |
| * #812 - Smith's Grocery
2786 East College Avenue
Decatur, Georgia 30030
Apel Dido | |
| * new members | |

RESIGNATIONS

- | | |
|--|---|
| #634 - Methvin's Thriftway
Magnolia Street
Jeffersonville, Georgia 31044
W. J. Methvin, Sr. | #782 - Stop & Shop
Newnan Road
Carrollton, Georgia 30117
Reed Shelnut, Jr. |
| #841 - Smith's Grocery
2786 E. College Avenue
Decatur, Georgia 30030
C. M and Hattie Smith | |

The financial report for the month of January and for the year to date was accepted as presented by the Treasurer.

Management presented an analysis of the capabilities of the Company's existing computer and of the approaching need for expanded computer service. It was explained that within a short time the present computer will not be able to handle the daily workload, and purchase or lease of IBM Model 4331 was recommended to the Board. Discussion ensued, after which the members of the Board concurred in this recommendation. Therefore, in view of the fact that there will be a considerable delay

February 21, 1979

in delivery of this computer, motion was made, seconded and unanimously carried that Management be authorized and directed to place the order for this computer immediately.

(At this time Mr. Sanders left the meeting.)

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held January 10, 1979 was dispensed with.

The President reported that the mortgage loan in the amount of Nine Million Dollars from John Hancock Mutual Life Insurance Company was closed on February 7, 1979. At that time the existing first mortgage loan with Equitable Life Assurance Society was paid off; also, the Company's short-term line of credit with Walter E. Heller & Company of Georgia was reduced to Two Million Dollars, and efforts will be made to terminate this line of credit prior to expiration of the contract date of July 5, 1980. Remaining funds in the approximate amount of Two Million Dollars from the proceeds of the loan with John Hancock are invested with the First National Bank of Atlanta.

After a short discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.



Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.
Board of Directors Meeting

March 20, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. March 20, 1979. All members were present.

Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial statements.

Walter B. Payne, Jr., Chairman, called the meeting to order.

The following membership resignations were reviewed and approved:

- | | |
|--|---|
| # 18 - Archer's Food Store
1003 W. Taylor
Griffin, Georgia 30223
Robert E. Landrum | #344 - Glendean Beverage & Snack
Glendean Shopping Center
Auburn, Alabama 36830
Cecil S. Yarbrough |
| #630 Marty's Meat Market
Robinson & Roswell Road
Marietta, Georgia 30060
Jess B. Johnson | #696 - Pharr's Thriftown, Inc.
341 By-Lass
Barnesville, Georgia 30240
Ralph P. Pharr |
| #763 - Robinson Food Store
4233 Thurman Road
Forest Park, Georgia 30050
Chester B. Robinson | #900 - Top Shop Food Store
Route 7
Canton, Georgia 30114
C. J. & T. L. Stansel |

The financial reports for the month of February and for the year to date were presented by the Treasurer. Also presented was a six-month report reflecting net profits for the six months ended December 1978 of \$90,000 above that of the same period the previous year. After a short discussion, upon motion made and seconded, the financial reports were accepted as presented by the Treasurer.

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held February 21, 1979 was dispensed with.

The President reported that the Company has received Letter of Commitment from the First National Bank of Atlanta for \$3 Million line of credit at an interest rate of Prime plus one-half per cent ($\frac{1}{2}\%$), to become and remain effective for one year from acceptance by the Company, or for one year following July 31, 1979, whichever occurs sooner. Acceptance of this commitment is subject to the Company being able to effect release from its existing line of credit with Walter E. Heller & Co. of Georgia which is to extend to July 4, 1980

It was reported that Member #696, Pharr's Thriftown, has entered Chapter XI of the Bankruptcy Act and that hearing is scheduled for March 21. This account is in

arrears and the Company's attorneys will attend this hearing to determine what disposition will be made of this indebtedness.

The account of Member #391, Harris Thriftown, which has been operating under Chapter XI of the Bankruptcy Act for approximately two years, was discussed. Under the modified arrangement of this debtor, it was decided by the Court that Associated Grocers would receive 100% payoff, payable \$23,000 in cash within thirty days of confirmation and the remaining balance to be paid in monthly installments over a period of 36 months. Also, Affiliated Investment Fund, Ltd., (Company subsidiary) will receive \$18,000 in cash, with the remaining balance to be paid as required by the note. In view of this modified arrangement, the Court asked that the Company consider selling this member on open account. After discussion, motion was made, seconded and unanimously carried that this member shall remit by Cashier's Check prior to shipment for grocery purchases, and that payment of all other products and services be paid weekly by Cashier's Check immediately upon issuance of statement for these charges.

The proposed purchase by J. D. Gray (Member #919) of Roger Parker's Cartersville Store (#711) was discussed. Mr. Gray is to pay cash for the fixtures in this store in an amount of ~~\$25,000~~ ^{\$15,000}. He requested loan from Associated Grocers Co-Op, Inc. in the amount of \$82,000 to purchase inventory, which loan shall be endorsed by Cartersville Supermarket, Inc. and guaranteed personally by Mr. Gray. After discussion, motion was made, seconded and unanimously carried that loan to Mr. Gray in the amount of \$82,000 be made by Associated Grocers, subject to endorsement by Cartersville Supermarket, Inc. and the personal guarantee of Mr. Gray.

After a short discussion under Good & Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.
Board of Directors Meeting

April 17, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company at 1:00 P.M. April 17, 1979. Walter Payne and Robert Smith were absent.

Chester E. Sanders, Treasurer, also attended for the purpose of rendering the financial statements.

Donnie Rogers acted as Chairman and called the meeting to order.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|--|---|
| *# 25 - Avondale Food Store
118 Avondale Road
Avondale Estates, Georgia 30002
Hee Sung Song | *#192 - Big Buy
80 Nelson Street
Cartersville, Georgia 30120
J. D. Gray, Travis Goss,
Jos. DeWitt |
| *#370 - Koon's Korner Enterprises, Inc.
2877 Johnson Ferry Road
Marietta, Georgia 30062
Paul L. Erwin, Michael D. Webb,
Everette R. Breningmeyer | |

* New member

RESIGNATIONS

- | | |
|---|---|
| # 29 - Avondale Food Store
118 Avondale Road
Avondale Estates, Georgia 30002
Eugene P. Johnson | #711 - Cartersville Thriftown
80 Nelson Street
Cartersville, Georgia 30120
Roger W. Parker |
| #761 - Thrift-Mart #1
Route 2, Buchanan Road
Bremen, Georgia 30110
D. Ray Pike | #762 - Thrift-Mart #2
2818 Fairburn Road
Douglasville, Georgia 30134
D. Ray Pike |
| #764 - Thrift-Mart #3
Route 1, Sandhill
Carrollton, Georgia 30117
D. Ray Pike | #952 - West Gateway Plaza Foods
3180 Bankhead Highway
Lithia Springs, Georgia
D. Ray Pike |

After a short discussion, upon motion made and seconded, the financial report for the month of March and for the year to date was accepted as presented by the Treasurer.

(At this time Mr. Sanders left the meeting.)

Upon motion made and seconded, the minutes of the previous meeting held March 20, 1979 were approved, with one correction (Paragraph 2, Page 2).

It was reported that the Federal Trade Commission has asked for and has been furnished full information in connection with the Food Fair held April 25 in celebration of the Company's Fiftieth Anniversary.

It was also reported that the Company's dairy agreement with Kroger Food Stores has been amended, increasing from 28¢ to 30¢ the fee on each case of dairy product handled by the Company for Kroger, retroactive to January 1, 1979 and extending to June 1, 1980.

The President reported that notice has been received from Walter E. Heller & Co. of Georgia ("Heller") that as of the end of June, 1979 the Company may prepay, without penalty, all of its existing obligations owed to Heller; also that this release from Heller now makes it possible for the Company to accept the \$3,000,000.00 line of credit at an interest rate of Prime plus one-half percent ($\frac{1}{2}\%$) from the First National Bank of Atlanta, and requested adoption of the appropriate resolutions. Motion was therefore made, seconded and unanimously carried that the following resolutions be, and they hereby are, adopted:

RESOLVED, that the Company establish a \$3,000,000.00 line of credit with the First National Bank of Atlanta, ("The Bank"), under such terms and conditions as the President of the Company shall, in his sole discretion, deem in the best interest of the Company and that the President of the Company be, and he hereby is, authorized to execute and deliver in the name and on behalf of the Company, and under its corporate seal to be attested by its Secretary, if required, such documentation as shall be required by the Bank to establish the line of credit; and

FURTHER RESOLVED, that the President or any Vice President of the Company, and any person or persons designated and authorized so to act by any such officer of the Company are hereby severally authorized to do and perform, or cause to be done and performed, in the name and on behalf of the Company or otherwise, such other acts, and to execute and deliver, or cause to be executed and delivered, such other notices, requests, releases, financing statements, demands, directions, consents, approvals, orders, waivers, acceptances, appointments, applications, certificates, agreements, undertakings, indemnifications, supplements, amendments, further assurances or other instruments or communications, under the corporate seal or otherwise, in the name and on behalf of the Company or otherwise as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions, to fulfill any requirements of the Bank in connection with the aforesaid line of credit or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions; and

FURTHER RESOLVED, that any action which has heretofore been taken by the officers or the agents of the Company in connection

with the foregoing resolutions or the matters approved thereby is hereby ratified, approved and confirmed.

The unavoidable absences of Louis Vrono, Honorary Director, and Walter Payne due to illness (heart attacks), and of Robert Smith, due to the storm damage to and reopening of his store, were discussed. Motion was made, seconded and unanimously carried that Robert Smith be paid honorarium for the meeting he missed on April 17, and that Louis Vrono and Walter B. Payne be paid honorarium for any consecutively missed meetings due to their present illnesses.

At this time, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC
Board of Directors Meeting

May 15, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company on May 15, 1979. All members were present. Chester E. Sanders, Treasurer, also attended for the purpose of presenting the financial statements.

Walter B. Payne, Chairman, called the meeting to order.

The voluntary foreclosure of Member #560 - Thriftown #1, LaGrange, Georgia, owned by James Pearce - was discussed. Mr. Pearce agreed to the foreclosure under the condition that he be completely released from all obligations in the store. Inventory was taken at the close of business on May 11, 1979 and the store was sold to Michael D. Sosebee on the same date.

Mr. Sosebee's membership application for this store, as follows, was then reviewed and accepted:

#632 - Mike's Thriftown
200 Bull Street
LaGrange, Georgia 30240
Michael D. Sosebee, owner

The membership application of James Mayfield, owner of Peoples Choice, 842 McDaniel Street, S.W., Atlanta, Georgia, was discussed. This application was denied, due to Mr. Mayfield's unsatisfactory payment record with the Company's Cash and Carry Department.

The membership application of Charlie P. Noh, owner of Shuman's Market, 2837 Peachtree Road, N.E., Atlanta, Georgia, was discussed. Action on this application was tabled for further consideration due to the size of the store and its anticipated small volume.

The following membership resignations were approved:

#424 - E. J. Holbrook Food Store
Canton Highway
Cumming, Georgia 30130
Edwin J. Holbrook

#560 - Thriftown #1
200 Bull Street
LaGrange, Georgia 30240
James Pearce

#741 - Jack Queen Store #2
North Broad
Monroe, Georgia 30655
Jack Queen

#810 - Shuman's Market
2837 Peachtree Road, N.E.
Atlanta, Georgia 30305
Chi Yung Son

After a short discussion, the financial reports for the month of April and for the year to date were accepted as presented by the Treasurer.

The proposal of Georgia Grocers Association for the handling of manufacturers' coupons for Associated Grocers was presented to the Board and discussed. Motion was made, seconded and carried that this proposal be accepted for a trial period of ninety days, with final decision to be made after an evaluation of the success of the program at that time.

(At this time Mr. Sanders left the meeting.)

The minutes of the previous meeting held April 17, 1979 were read and approved.

It was reported that Pharr's Thrifttown of Barnesville, Georgia, foreclosed by the Company on March 1, 1979, has been sold to two non-members of Associated Grocers. An amount of \$60,663 was received for the inventory, furnitures and fixtures in this store. It is expected that an amount of approximately \$20,000 can be obtained from the mortgage the Company holds on Mr. Pharr's home.

The continued increasing cost of delivery and other operating costs was discussed, after which motion was made, seconded and carried that the minimum weekly purchase of groceries be increased from \$1,000 to \$2,000, with payment cash on delivery for the first six months, with discretionary exceptions.

At this time, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.

Board of Directors Meeting
June 27, 1979

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the offices of the Company at 5:00 P.M. June 27, 1979. Robert Smith was absent.

Chester Sanders, Treasurer, also attended for the purpose of rendering the financial report.

The following membership applications and resignations were reviewed and approved:

APPLICATIONS

- | | |
|--|--|
| # 18 - Archer's Food Store
1003 W. Taylor
Griffin, Georgia 30223
Robert E. Landrum, owner | #989 - Zack's Nite Owl #7
3425 Highway 16 East
Griffin, Georgia 30223
Zack B. Hinton, owner |
|--|--|

RESIGNATIONS

- | | |
|---|--|
| #305 - Joe's Market
499 Irwin Street, N.E.
Atlanta, Georgia 30312
Jerry Cooper, owner | #400 - B. Haver
446 Martin Street, S.E.
Atlanta, Georgia 30312
B. Haver, owner |
| #453 - John's Super Market
412 S. Broad Street
Monroe, Georgia 30655
John T. Thompson, owner | #583 - McCoy's Super Market
1525 Third Avenue
Opelika, Alabama 36801
Luther S. Bunge, owner |

The President reported the following extraordinary expenses incurred in the payoff of the mortgage loan with Equitable Life Assurance Society of the United States to enable the Company to negotiate the new mortgage loan with John Hancock Mutual Life Insurance Co.

Balance of deferred loan cost	Approx.	\$ 77,000
Pre-payment penalty (5% of outstanding balance)		<u>125,000</u>
Total.....	Approx.	\$202,000

At present the Company's auditors feel the Company will be required to take write-off of the total of these expenses this year.

The financial report for the month of May and for the year to date was approved as submitted by the Treasurer.

(At this time Mr. Sanders left the meeting.)

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held May 15, 1979 was dispensed with.

The President reported that as an added measure in maintaining adequate fuel supplies during the energy crisis, the Company has installed two additional fuel tanks - one of 20,000 gallon capacity for diesel, and one of 10,000 gallon capacity for unleaded gasoline. The addition of these tanks will enable the Company to keep on hand an additional five weeks supply of fuel. The tanks are controlled by computer keys, which will record each transaction in full by vehicle code. Total cost for these two tanks, installation and all related equipment, is \$25,453.

The inequity of distributing patronage on Shurfine and Shurfresh products and Viking paper bags to all members (including those who do not participate in these programs) was discussed. Motion was made, seconded and carried that effective July 1, 1979 patronage on Shurfine and Shurfresh products and Viking paper bags and sacks shall be paid only to members buying these products, with payment of this patronage to be paid on a pro rata basis at the end of each fiscal period.

It was reported that delivery of the IBM 4331 computer the Company has on order is expected approximately March of 1980.

After a short discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.



Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.

Special Meeting of
The Board of Directors

June 27, 1979

Immediately following the General Membership Meeting on June 27, 1979, a special meeting of the newly-elected Board of Directors of Associated Grocers Co-Op., Inc. was held at the office of the Company for the purpose of electing officers for the ensuing year. Robert Smith, James M. Hudson and Garland Pinholster were absent.

Walter B. Payne, Jr., Chairman, called the meeting to order, and moved the meeting directly into the election.

Upon motion made, seconded and unanimously carried, the following were re-elected to serve in the designated offices of the Corporation during the ensuing year July 1, 1979 through June 30, 1980 and until their successors are elected, and pursuant to the By-Laws:

Chairman of the Board	Walter B. Payne, Jr.
First Vice Chairman	Jas. D. Rogers
Second Vice Chairman	Zack B. Hinton
President	Samuel Weissman
Secretary	Clyde G. Burkett
Treasurer	Chester E. Sanders

The following were re-appointed by the President to serve in the designated offices for the ensuing year July 1, 1979 through June 30, 1980 and until their successors are elected, and pursuant to the By-Laws:

Vice President	- Chester E. Sanders
Vice President	- Purchasing - Joe King
Vice President	- Meat Operations - Robert E. Monroe
Vice President	- Warehouse Operations - James M. Catel
Vice President	- Sales, Advertising, Merchandising - Thos. L. White

It was resolved by the Board of Directors to commence on June 29, 1979 and continue through the ensuing year, with the newly-negotiated line of credit with the First National Bank of Atlanta; also to continue with the First National Bank as depository, and that the following are hereby authorized to sign checks, notes, etc. upon the Company's bank account, two signatures required:

Samuel Weissman - President
Chester E. Sanders - Treasurer

At this time, upon motion made and seconded, the meeting adjourned.


Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP., INC.

SEMI-ANNUAL STOCKHOLDER-MEMBERSHIP MEETING

June 27, 1979

The Semi-Annual Stockholder-Membership Meeting of Associated Grocers Co-Op., Inc. was held at the office of the Company at 8:30 P.M. June 27, 1979. Walter B. Payne, Jr., Chairman of the Board of Directors, called the meeting to order.

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meeting held January 14, 1979 be dispensed with.

Jerome Merlin, Chairman of the Nominating Committee, presented the Committee's slate of nominees, consisting of Anderson Dilworth, Zack B. Hinton, James M. Hudson, and Garland F. Pinholster, for election to the Board of Directors, and placed their names in nomination. At this time the Chairman asked for nominations from the floor. There being none, and upon motion made, seconded and carried, these four were elected to serve on the Board of Directors for a term of three years commencing July 1, 1979, and until their successors are elected, and pursuant to the By-Laws. (134 proxies had previously been returned to the Company for voting.)

The various department heads spoke briefly on market trends and conditions, shortages, availability of merchandise, etc.

The President gave a brief report on operations, stating that even though final figures are not yet in, it appears that the Company has experienced another good year.

It was announced that at its monthly meeting just prior to this meeting, the Board of Directors adopted a resolution that effective July 1, 1979 patronage on all Shurfine and Shurfresh products and Viking bags will be paid only to members buying these products.

Tom White, Vice President-Sales, Advertising and Merchandising, presented a film on Hawaii, after which Mark Markarian, President of Landmark Travel and Marketing Co., Inc., spoke briefly in behalf of the forthcoming trip to Hawaii, and enumerated the highlights of the itinerary.

After a short discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.


Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
July 31, 1979

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. July 31, 1979. All members were present.

Chester E. Sanders, Treasurer, also attended for the purpose of rendering the financial statements.

The following membership application and resignations were reviewed and approved:

APPLICATION

*#599 - M & A Super Market * New member
1553 Gordon Street, SW
Atlanta, Georgia 30310
Dae Ho Moon, owner

RESIGNATIONS

# 80 - Bradshaw's, Inc. Fifth Avenue Manchester, Georgia 31816 Grady Bradshaw, owner	#236 - Dunn's Super Market Marietta Street Canton, Georgia 30114 James R. Dunn, owner
#892 - Jim Wallace Food Store #YY 5725 Jimmy Carter Boulevard Norcross, Georgia Bolton Oil Co., Inc., owners	#895 - Jim Wallace Food Store #WW 1400 Powers Ferry Road Marietta, Georgia Bolton Oil Co., Inc., owners
#896 - Jim Wallace Food Store #XX 6385 Roswell Road Sandy Springs, Georgia Bolton Oil Co., Inc., owners	#913 - University St. Buehler Mkt. #9 1553 Gordon Street, S.W. Atlanta, Georgia 30310 Buehler Super Markets, owners

The financial reports for the month of June and for the fiscal period ended June 30, 1979 were approved as submitted by the Treasurer.

(At this time Mr. Sanders left the meeting.)

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meetings (regular monthly and special election) held June 27, 1979 be dispensed with.

The matter of the Company owning and operating retail stores to generate volume for the Co-op was discussed. In view of the fact that the corporate chains are closing several large stores in this trading area for which the Company cannot

find purchasers, it was the consensus of the Board Members that this matter should be explored. The Chairman appointed the following as a committee to research this matter and report its findings at a subsequent meeting.

Samuel Weissman	Zack Hinton
Walter Payne	Jerome Merlin
Donnie Rogers	Anderson Dilworth

The matter of the Company signing leases for members was again discussed. The Company's attorneys have advised that this practice would not violate any of the existing contracts or financing agreements, nor the By-Laws of the Corporation. The six officers and directors named above were also appointed by the Chairman as a committee to review and pass on any applications submitted.

It was reported that Kroger Food Stores has advised the Company that they have leased facilities for frozen food and that they will cease their arrangement with Associated Grocers for the supply of these products at the end of the week of October 5, 1979.

Letter was read from the Small Business Administration advising that it found no violations of either its Act or Regulations in its examination of Affiliated Investment Fund, Ltd.'s operations for the twelve-month period ended February 28, 1979.

It was reported that the Company's attorneys are continuing their research into the feasibility of the Company converting to a stock company.

A proposal from Sav-A-Stop, Inc. on health and beauty aids and general merchandise was presented. It is being considered by the Board of Directors and will be discussed again at the August 1979 meeting.

After a brief discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
August 21, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. August 21, 1979. All members were present except Anderson Dilworth.

Chester E. Sanders, Treasurer, and Irwin A. Siegel, of Touche Ross & Co., also attended the meeting.

Mr. Siegel rendered in detail the complete financial reports for the fiscal year ended June 30, 1979, consisting of consolidated sales of all departments, income and expense. This report reflected sales of \$109,631,000 (53 weeks), up \$4,869,000 (4.6%) from last year's \$104,762,000 (52 weeks) and a profit before distribution of patronage and taxes of \$567,166, a decrease of \$189,987 from \$757,153 last year. All of the decrease was attributable to the one-time write-off of \$198,326 of costs incurred in the refinancing of the Company's long-term debt. Mr. Siegel commended Management and the Board of Directors on the replacing of the Company's mortgage on the building with a new Nine Million Dollar (\$9,000,000) loan for twenty-five years with a very favorable interest rate of 9-7/8% - and in replacing the Company's revolving credit agreement with a new bank line at one-half per cent ($\frac{1}{2}\%$) above prime, compared to the old rate of three per cent (3%) over prime. He also commended Chester E. Sanders, Treasurer, and Barnet O. Coltman, Controller, on their fine job of keeping the Company's records, stating that the books were in the best condition he had ever seen them. This report was accepted unanimously by the Board. (At this time Mr. Siegel left the meeting.)

The membership application listed below was reviewed and approved:

* #375 - Harris Thriftown, Inc. 2077 Roosevelt Highway College Park, Georgia 30337 Jeffrey E. Harris, President	* New member
--	--------------

A. L. Solomon's request for membership was presented and discussed at length. In view of Mr. Solomon's past experience as a member, and since it has been only one year since he entered Chapter XI of the Bankruptcy Act, it was the consensus of the members of the Board that accepting Mr. Solomon as a member at this time would not be in the best interest of the Company. Motion was therefore made, seconded and unanimously carried that Mr. Solomon's request for membership be denied.

The following membership resignations were reviewed and approved:

#391 - Harris Thriftown 2077 Roosevelt Highway College Park, Georgia 30337 Clifford L. Harris, owner	#697 - Pritchett's Super Market 131 Forsyth Street Barnesville, Georgia 30204 M. L. Pritchett, owner
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August 21, 1979

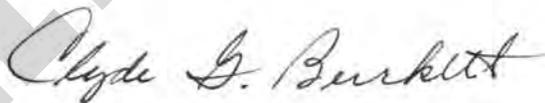
Proposal from Stanwood Fibres, Inc. (James S. Benton, President) for the purchase and collection of used corrugated and other waste papers from the Company's members was presented to the Board. It was the consensus of the Board that this proposal has merit and Management was authorized to explore this matter.

(At this time Mr. Sanders left the meeting.)

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meeting held July 31, 1979 be dispensed with.

The President reported that due to the above-mentioned write-off of \$198,326 of costs incurred in the refinancing of the Company's long-term debt profits were reduced by a like amount, and recommended that patronage for this year be paid all in cash. After discussion, motion was made, seconded and unanimously carried that all patronage for the fiscal period ended June 30, 1979 be paid in cash.

After a short discussion under Good & Welfare, upon motion made and seconded, the meeting adjourned.



Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.
ANNUAL STOCKHOLDER-MEMBERSHIP MEETING

September 9, 1979

The Annual Stockholder-Membership Meeting of Associated Grocers Co-Op, Inc. was held at the Colony Square Hotel, Atlanta, Georgia, at 6:00 P.M. September 9, 1979. Walter B. Payne, Jr., Chairman of the Board of Directors, called the meeting to order and extended a cordial welcome to those present, after which dinner was served.

The meeting was reconvened at 8:00 P.M. by Samuel Weissman, President, who addressed the group briefly, and added his personal comments of welcome.

In the interest of time, motion was made and seconded that the reading of the minutes of the previous meeting held June 27, 1979 be dispensed with.

Tom White, Sales and Advertising Manager, presented an audio-visual on the theme, "The Effects of the 70's and the Potential of the 80's."

As guest speaker for the evening, Dr. Wm. J. Teague, famous humanitarian and lecturer, addressed the group on the challenges facing the grocery industry and the very real need for unity.

The President gave a complete report on operations for the fiscal period ended June 30, 1979, including department profits, a report on consolidated operations, refunds to members and on profit and loss for the last five years.

At this time, upon motion made and seconded, the meeting adjourned, after which year-end patronage payments were distributed to the members present.

Clyde G. Burkett
Clyde G. Burkett

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
September 25, 1979

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the office of the Company at 1:00 P.M. September 25, 1979. All members were present.

Chester E. Sanders, Treasurer, and Jackson L. Culbreth, of Cohen, Pollock, Culbreth, Merlin, p.c., Attorneys, also attended the meeting.

Mr. Culbreth reported that the Company is filing an Offering on the Company's securities with the Securities and Exchange Commission of the State of Georgia, and explained this offering to the Board. After discussion, upon motion made and seconded, the following resolution was duly passed and adopted:

WHEREAS, this Corporation is organized under the laws of the State of Georgia, and proposes (to engage as a securities dealer in the State of Georgia) (to have its securities offered and sold in the State of Georgia),

WHEREAS, it is therefore necessary to file with said application the consent of this Corporation that actions arising out of or founded upon the sale of any securities in violation of the Georgia Securities Act may be commenced against it in any court of competent jurisdiction and proper venue within the State of Georgia by the service of process and pleadings upon the Commissioner of Securities of the State of Georgia, and that such consent be irrevocable:

BE IT THEREFORE RESOLVED, that the President and Secretary of this Corporation are hereby authorized and directed for and on behalf of said Corporation to execute and file with the Securities Commissioner of the State of Georgia, in the form prescribed by said Commissioner, the irrevocable consent of this Corporation that actions arising out of or founded upon the sale of any securities in violation of the Georgia Securities Act may be commenced against it in any court of competent jurisdiction and proper venue within the State of Georgia, by the service of such process or pleadings in any such action on the Securities Commissioner of the State of Georgia, and that such service of such process or pleadings on such Commissioner shall be taken and held to be as valid and binding as if due service had been made upon said Corporation itself.

Mr. Culbreth also reported on the current status of the claim of the Internal Revenue Service against the Company and the various existing suits and litigations in which the Company is involved. (At this time Mr. Culbreth left the meeting.)

The following membership applications were reviewed and approved:

*#125 - Cloudt's
1937 Peachtree Road, N.E.
Atlanta, Georgia 30309
F. W. Cloudt, Pres.

*#277 - F & D Super Market
384 Techwood Drive, N.W.
Atlanta, Georgia 30313
Domingo L. Diaz & Ignacio Ferras, owners

*New member

Applications - (Continued)

- *#790 - Shop & Save, Inc.
752 Highland Avenue, N.E.
Atlanta, Georgia 30312
Tom Franklin and T. Anderson
- *#901 - Wilson's Quick Shop
280 S. Main Street
Alpharetta, Georgia 30201
Harry G. Hawkins, owner

*New member

The following application for associate membership was reviewed and approved:

- #799 - Taylor's Food City
Blue Ridge, Georgia 30513
Jack Jones & Johnny Montgomery, owners.

The following membership resignations were reviewed and approved:

- # 22 - Alex Aronoff
211 Ashby Street, S.W.
Atlanta, Georgia 30314
Alex Aronoff
- #692 - O.K. Food Store
2721 Stewart Avenue, S.W.
Atlanta, Georgia 30315
Roger W. Parker, owner
- #700 - O.K. Food Store #2
5593 Buford Highway
Doraville, Georgia 30360
Roger W. Parker, owner
- #709 - Parker's Grocery
1562 Gordon Street, S.W.
Atlanta, Georgia 30310
Roger W. Parker, owner
- #817 - Fred H. Springer Food Store
2004 Howell Mill Road
Atlanta, Georgia 30318
Fred H. Springer, owner
- #861 - B & G Super Market
384 Techwood Drive, N.W.
Atlanta, Georgia 30313
Bernard Cooper & Gerald Profis,
owners
- #981 - Wilson's Quick Shop, Inc.
280 S. Main Street
Alpharetta, Georgia 30201
Jon K. Wilson, owner

Proposal on Health & Beauty Aids and General Merchandise from Sav-A-Stop, Inc. was again presented to the Board and discussed, after which motion was made, seconded and carried that the Company continue with its existing arrangement with E. H. May & Co., Inc. (Mr. Dilworth abstained).

The financial reports for the months of July and August were discussed and approved as submitted by the Treasurer.

Management presented and recommended a revised cost-plus schedule on groceries in certain volume categories designed to help the Company's members better meet competition at the retail level, and as an incentive to the members to concentrate and increase their purchases from the warehouse. After discussion, and suggested revisions by the members of the Board, motion was made, seconded and unanimously carried that the Company institute this revised cost-plus schedule as soon as computer programs are available.

(At this time Mr. Sanders left the meeting.)

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held August 21, 1979 was dispensed with.

Jerome S. Merlin, Chairman of the Stock Conversion Committee, reported that the Committee met and discussed this matter on September 19, 1979. The Committee is looking further into this matter and will report its findings to the Board at the October meeting.

After a brief discussion under Good & Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

DIRECTORS RESOLUTION PROVIDING IRREVOCABLE
CORPORATE CONSENT TO SERVICE OF PROCESS

On Motion, the following resolution was duly passed and adopted:

WHEREAS, this corporation is organized under the laws of the State of Georgia, and proposes (to engage as a securities dealer in the State of Georgia) (to have its securities offered and sold in the State of Georgia),

WHEREAS, it is therefore necessary to file with said application the consent of this corporation that actions arising out of or founded upon the sale of any securities in violation of the Georgia Securities Act may be commenced against it in any court of competent jurisdiction and proper venue within the State of Georgia by the service of process and pleadings upon the Commissioner of Securities of the State of Georgia, and that such consent be irrevocable:

BE IT THEREFORE RESOLVED, that the President and Secretary of this corporation are hereby authorized and directed for and on behalf of said corporation to execute and file with the Securities Commissioner of the State of Georgia, in the form prescribed by said Commissioner, the irrevocable consent of this corporation that actions arising out of or founded upon the sale of any securities in violation of the Georgia Securities Act may be commenced against it in any court of competent jurisdiction and proper venue within the State of Georgia, by the service of such process or pleadings in any such action on the Securities Commissioner of the State of Georgia, and that such service of such process or pleadings on such Commissioner shall be taken and held to be as valid and binding as if due service had been made upon said corporation itself.

I, Clyde Burkett, Secretary of Associated Grocers Co-Op., Inc., hereby certify that the foregoing is a true and exact copy of a resolution of the board of directors of the Associated Grocers Co-Op., Inc. which resolution was duly passed and adopted at a legal meeting of said board of directors held on the 25th day of September, 19 79.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said corporation, this _____ day of _____, 19____.

(CORPORATE SEAL)

Clyde E. Burkett
Secretary

October 16, 1979

The financial report for the month of September and for the year to date was discussed and approved as submitted by the Treasurer.

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held September 25, 1979 was dispensed with.

The President reported that fees paid to the Company's accounting firm (Touche Ross & Co.) for the past year amounted to approximately \$41,000. A recent analysis of fees paid to accounting firms by other food cooperatives - some with volume four times as great - indicates that one-half this amount, or less, would be more realistic, particularly in view of the fact that Touche Ross & Co. have stated that the Company's books are in excellent condition. The President recommended and requested permission to investigate proposals of other accounting firms in an effort to secure adequate and competent accounting services for the Company at a more equitable cost. After discussion, the President was authorized by the Board to negotiate at his discretion in this matter and report to the Board at a subsequent meeting.

The President reported on his recent visit to Kansas City where he visited the scanning systems of Associated Wholesale Grocers, Inc. He also learned of the operation of a chain of limited assortment box food stores stocking only 400 items, all private label and generics, and employing only 3 persons per store. To meet this competition, Associated Wholesale Grocers, Inc. has opened a chain of warehouse type super markets which also stock perishables. The President suggested that Associated Grocers might be well advised to consider the opening of such warehouse type stores, and-certainly-to consider looking into scanning at the earliest possible time.

As an instrument to compare members' purchases prior to and subsequent to the institution of the revised cost-plus schedule on groceries dated October 8, 1979, and at the previous suggestion of several members of the Board, a list of the purchases of the Company's

top 35 members was distributed and reviewed by the Board, after which all copies of this list were collected and returned to the Company's confidential file.

The Chairman of the Board reported that it has been learned that Director W. Anderson Dilworth has recently had his store tagged by a competitor of the Company, and has stated he will be splitting his orders with this company, and has advised Beggs Food City to do the same; also that he has been engaged in the spread of information, rumors, etc. which are detrimental to the Company. The Chairman stated that he and other members of the Board have discussed this with Mr. Dilworth, explaining the harm being done to the Company, and pleaded with him as a director of the Company to cease these activities, concentrate his purchases with the Company and help it to grow. It was explained to Mr. Dilworth that if he has a problem with the Company, that the Company is very desirous of correcting the problem. He was requested to answer the above charges and state his reasons for his actions. Before speaking, Mr. Dilworth requested that the President and Secretary of the Company leave the meeting. This request was granted. At this time, Walter B. Payne, Chairman, assumed the duties of Secretary of the meeting.

Mr. Dilworth asked to be recognized. Mr. Dilworth stated that he had come prepared to speak before the board.

Mr. Dilworth explained that he only intended to buy the things that AG shorted him on his orders. He had with him his bill of last weeks order on which he had better than a full page of outs. He stated that he had to have another supplier in order to have the merchandise his customers wanted. Mr. Dilworth stated that in spite of the recent change in the mark-up that AG was not competitive and would not be able to secure any high volume stores and therefore, could not grow.

October 16, 1979

Mr. Dilworth also said he purchased most of his groceries from Associated Grocers Co-Op and all the meat that was priced within 2¢ a pound of what he could buy from other sources. He went on to say that rounds were 10¢ a pound higher this week at Associated Grocers and that he had purchased 105 beef rounds from another supplier at this lower price. He further stated that AG was consistently high on Oscar Meyer products. He said the mark out problem at Associated Grocers was terrible.

He then read a list of the mark outs on his last invoice.

He stated that Mr. Beggs bought \$7,700.00 in groceries from Webb Crawford. He was asked about their mark outs. He said he did not know about them.

He stated that he was not the only board member who purchased from other suppliers. He had with him a package of peppermint candy and a package of boiled ham which he stated he purchased from Zack Hinton's Store, and were not items carried by AG. Mr. Dilworth stated that he would resign only to the people who elected him. Mr. Dilworth stated that he was still friends with all of us but business was business and this matter was business.

He stated that he did not intend to resign at this time but was going to in about two months. He wanted to resign before the general membership - the people who elected him. He also said that Mr. Rogers, Mr. Merlin, Mr. Payne and Mr. Hinton had called him about tagging his store with Webb Crawford tags. He said they sounded like a little tin record.

Mr. Dilworth stated that Mr. Weissman was the problem with Mr. Casey and Mr. Braswell resigning. He said that Mr. Weissman told him that Lou Fox called to let him know that a Mr. Dilworth was in Kansas City to look at warehouses. By the way he stated this he indicated Mr. Weissman was not telling the truth.

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He closed by saying he planned to visit the 35 stores on a list that had been discussed earlier in the meeting to explain his reason for resigning. After this he left the meeting. After Mr. Dilworth left the meeting the Chairman asked each member to comment on what Mr. Dilworth had said. Most of the comments were unfavorable to Mr. Dilworth.

At this time Mr. Weissman returned to the meeting.

Mr. Weissman then resumed the duties of Secretary for the balance of the meeting. The members of the Board reported Mr. Dilworth's complaints regarding the warehouse, which were mainly against the meat department and grocery shortages, whereupon they stated to Mr. Dilworth that these were normal for an operation of this size and type and not reason for his attitudes and his expressed present and intended activities which are causing great harm to the Company. They also stated that it was their unanimous opinion that if he persisted in this vein that he should resign from the Board of Directors. Mr. Dilworth stated that he would advise within a month whether he would resign from the Board and/or the warehouse - and he reiterated that if he did resign it would be at a general membership meeting - and not to the Board of Directors. He again stated he plans to visit all the other 34 members whose purchases were shown on the list just reviewed to advise them that the Company is giving out confidential information on their accounts. At the conclusion of his statements, Mr. Dilworth left the meeting.

Upon motion made, seconded and carried (Mr. Dilworth was absent) the following resolution shall be, and it hereby is, adopted:

RESOLVED: That Section 11 be added to ARTICLE X of the Corporation's By-Laws to read as follows:

"Section 11 - Resignation and Removal.

Any director of the Corporation may resign at any time by giving written notice to the Corporation, to the Board of

October 16, 1979

Directors, or to the Chairman of the Board, or to the President of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time be not specified therein, upon its acceptance by the Board of Directors.

The stockholders, at any meeting called for the purpose, by a vote of a majority of stock issued and outstanding, may remove from office any director elected or appointed by the stockholders or Board of Directors.

The Board of Directors, by vote of not less than 2/3 of the entire Board, may remove from office, with or without cause, any director elected by the stockholders or appointed by the Board of Directors.

Upon motion duly made and seconded, the meeting adjourned.


Clyde G. Burkett,
Secretary

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
November 26, 1979

The delayed monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the offices of the Company at 3:00 P.M. November 26, 1979. All members were present except Anderson Dilworth.

Chester E. Sanders, Treasurer, and Elliot Cohen and Jackson L. Culbreth, of Cohen, Pollock, Culbreth, Merlin (Company attorneys) also attended the meeting.

The following membership application and resignations were reviewed and approved:

APPLICATION:

*# 70 - The Butcher's Block, Inc. * New member
Cleveland Street
Blairsville, Georgia 30512
Charles H. Rogers, owner

RESIGNATIONS:

#173 - The Cupboard Store #2 #479 - Kent's Big Buy
3279 Stewart Avenue 257 N. Main Street
Hapeville, Georgia Jonesboro, Georgia 30236
C & R Associates, Inc., owners L. W. Kent Estate, owner

The minutes of the previous meeting held October 16, 1979 were read and approved.

Letter of resignation from the Board of Directors from Anderson Dilworth was read and unanimously approved. This letter is attached to and made a part of these minutes.

Messrs. Cohen and Culbreth reported on the Legal Counsel Conference of the Cooperative Food Distributors of America ("CFDA") which they attended on November 8-9, 1979 with Samuel Weissman, President of the Company, who is also a member of the Board of Directors of the CFDA. They chaired the program on November 8, at which the following subjects were covered:

1. Requirements for the deduction of patronage dividends
2. Securities Exchange Commission - Initiatives and Interpretations
3. Legal ramifications of a pure co-op versus stock ownership
4. Executive criminal liability and warehouse sanitation
5. Modifications in the Bankruptcy Laws

While at this Board meeting, the Chairman of the Board and several of its members requested that Messrs. Cohen and Culbreth apprise the members of the Board of a director's individual duties, obligations and responsibilities to the Company. They briefed the Board on this matter, grouping these duties in three major categories - loyalty, diligence and obedience - and discussed these in detail. They also briefed the Board on the risks and consequences inherent with the miscarriage

of such responsibilities. (At this time Messrs. Cohen & Culbreth left the meeting.)

The financial report for the month of October and for the year to date was reviewed and approved as submitted by the Treasurer. (At this time Mr. Sanders left the meeting.)

It was reported to the Board that effective November 21, 1979 the service charge assessed on members' delinquent accounts with the Company was increased from one-fourth of one per cent ($\frac{1}{4}$ of 1%) to three-eighths of one per cent ($\frac{3}{8}$ of 1%), and that those members who are delinquent in their accounts have been notified of this change.

It was reported to the Board that pursuant to contacting the Company's accounting firm (Touche Ross & Co.) in regard to a reduction in their audit fees to the Company, that Touche Ross have now advised that their fees for the fiscal year ending June 30, 1980 for the Company and its subsidiaries will not exceed \$20,000. This fee also includes the preparation of the income tax return for the period ending June 30, 1980, and the audit of the Credit Union for the year ending December 31, 1980.

After a brief discussion under Good and Welfare, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett
Clyde G. Burkett,
Secretary

DILL'S FOOD CITY



C. D. and ANDERSON DILWORTH — ROYSTON, GEORGIA 30662 — PHONE 245-6400

November 26, 1979

Mr. Walter Payne
AG Co-Op, Inc.
2225 Shurfine Drive
College Park, Georgia 30337

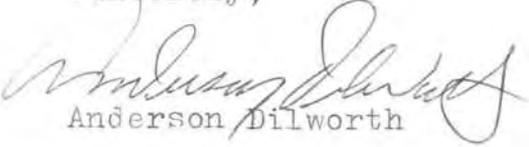
Dear Walter and Board:

As you know, I have been concerned about the lack of progress of our Co-Op for the past two or three years, and I see no hope of any change in the near future. This I find does not make for a good relationship between the board and myself.

So, effective today, November 26, 1979 I must resign my position on the board. I do this with no feeling of bitterness, only good hopes for the future.

Joel and I have enjoyed the good times we have had. Come to see us.

Sincerely,


Anderson Dilworth

ASSOCIATED GROCERS CO-OP, INC.

Board of Directors Meeting
December 11, 1979

The regular monthly meeting of the Board of Directors of Associated Grocers Co-Op, Inc. was held at the Standard Club, Standard Drive, Atlanta, Georgia, at 7:00 P.M. December 11, 1979. All members were present.

Walter B. Payne, Jr., Chairman, called the meeting to order.

In the interest of time, upon motion made and seconded, the reading of the minutes of the previous meeting held November 26, 1979 was dispensed with.

Proposal dated December 11, 1979 from Wise Foods, Division of Borden Foods, on their full line of products to be distributed directly to the stores, with central billing through Associated Grocers, was presented to the Board and discussed. Upon motion made, seconded and unanimously carried, the Board approved this proposal on behalf of the full membership of Associated Grocers Co-Op, Inc. to become effective approximately mid-January, 1980.

It was reported that the financial report for the period ended November 24, 1979, and for the year to date was not yet complete, but that it will be forwarded to each member of the Board for review immediately upon its completion.

Under Good and Welfare, Director Zack B. Hinton, reported that he continues to concentrate all purchases possible from the warehouse and challenged all other directors to do likewise to help the Company grow and prosper.

At this time, upon motion made and seconded, the meeting adjourned.

Clyde G. Burkett

Clyde G. Burkett,
Secretary